★ The Freeman ★

A MONTHLY CRITICAL JOURNAL OF SOCIAL AND ECONOMIC AFFAIRS

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Farewell, Freeman, Hail Henry George News!

SIX years ago, when publication of THE FREEMAN was begun, one point was emphasized. The paper a product of the Henry George School of Social Science, was only an instrument in the campaign for economic literacy. When that instrument had ceased to be the most effective means of accomplishment, it was promised, it would be replaced by a more serviceable tool. The time to lay one instrument aside and take up another has come.

THE FREEMAN well fulfilled its mission in normal time. The editor, with the aid of his associates, to whom we express our thanks, has sought valiantly to adapt its editorial content to greatly changed conditions; but falling circulation and greatly increased cost indicated that it was not this type of paper although much improved, that was needed but a wholly new type of paper.

From 1937 through 1941 THE FREEMAN had some thousands of subscribers with minor variations in the total until 1942 when subscriptions fell 31%, when many of its subscribers were called to the service of their country, and when the subscription price was doubled in an effort to meet costs. The cost per subscriber from 1938 through 1941 is estimated at $1.17, $1.76, $1.57, $1.57. In 1942 the cost was $2.59 and during the first six months of 1943 the cost was at the rate of $4.26 annually.

When THE FREEMAN was founded six years ago it was intended to be an independent agency of the ethical democratic movement. It was intended to aid the Henry George School of Social Science, but to be a unit apart from the School, carrying its own burdens and its own responsibilities. Almost from the beginning, however, the paper was considered the School's organ. It was not intended to be; but the fact that people considered it so and still do emphasizes the need for a house organ for the School.

A house organ is greatly needed to present faithfully the news and views of the School's supporters. It must be printed with the utmost economy, and edited and managed by a wholly volunteer staff. It must seek the widest participation in its production, and must achieve the widest distribution to be truly the organ of the School.

Our new instrument will be known as the *Henry George News*. The title of THE FREEMAN, which has been registered as a trademark in the United States Patent Office, has been transferred along with good-will and other assets to the School, and all rights in that title continue to be expressly reserved. Its successor will have a tabloid newspaper format. The subscribers to THE FREEMAN it is hoped, will permit their subscriptions to be filled by the newspaper, but the offer is explicitly made here to refund any balance due any subscriber who does not wish to have his subscription filled by the *Henry George News*.

The *Henry George News* will be devoted to objective news reports about the School headquarters, the Extensions, the Correspondence division and Georgist activities in general. A section reserved for "letters to the Editor" will provide a forum for the exchange of ideas. All in all, we feel certain that the *Henry George News* will meet a cordial welcome and a heartfelt need among the faithful subscribers to THE FREEMAN.

LANCASTER M. GREENE, *Chairman*
The Freeman Corporation.

VALEDICTORY:

You have been told that with this issue THE FREEMAN suspends publication. There remains nothing for the editor to say save this:

To the contributors, who contributed without pay; to his loyal assistants, whose remuneration was similarly in things other than coin of the realm; to the purveyors of bouquets, who allowed him to think that whether his stuff was good or bad, *somebody* liked it; to the heavers of brickbats, who performed the useful function of keeping the editorial ego within bounds—to all these, and to the readers in general, the editor voices his thanks and appreciation.

May the cause thrive and prosper. If an individual is invalided out of active service now and then—that is a matter of small consequence. If he's worth his salt, he'll be back. If he isn't, there's no loss.

Bless you, one and all, and good luck to *The Henry George News!*

C. O. Steele

Economic Systems and Forms of Government

The following scholarly discourse on government is from the pen of WILLIAM H. RINKENBACH. *Who's Who in America lists Mr. Rinkenbach as principal chemist at the Picatinny Arsenal—he has been at the Arsenal for many years—and instructor in the Henry George school of Social Science since 1940. Despite the attainment of outstanding position in his highly specialized profession, Mr. Rinkenbach's chief pride appears to be in his connection with the Henry George School.*

Mr. Rinkenbach's home is in Dover, N. J.

* ALTHOUGH THE FINDINGS and proposal of Henry George might appear to deprive the common man of his greatest hope and solace—the opportunity to become rich and powerful,—in reality they spread before him the prospect of an even more substantial and less hazardous reward: the surety of opportunity to produce and accumulate real wealth and security in its possession.

In order to recognize the reality of this Promised Land and to chart aright the road which will lead us directly to it, it is necessary to consider the various other roads which have been claimed to lead to the same land. These are the various forms of government which are or have been in existence and which, in reality, are but the pragmatic sanctions or reflections of economic systems.

Forms of government may be divided into two general classes:

I. *Statist.*—The basic theory of which holds that the individual exists primarily for the benefit of the state.

II. *Libertarian.*—The basic theory of which is that the state exists by the choice of and primarily for the benefit of the individual.

Each of these classes contains a number of types of governmental forms as shown by Figure I.

STATISM

Communism

Communism, the extreme form of Statism, is based on a purely ethical concept which is expressed best by the Communist creed: "From each according to his ability; to each according to his need." The principle of Communism therefore is ethical, but the purpose is economic. The ethical principle can be refuted on ethical grounds only, and by the proposal of an even more ethical principle. The purpose of Communism must be judged from the viewpoint of political economy. In order to accomplish the purpose of Communism, the state holds ownership and controls the use of all land and capital, and confiscates economic wages and disburses these on a non-economic basis. In order to control the use of land and capital, the state must control labor; which means that the state must deny personal and economic, if not political liberty to the individual. In practice this means that the individual exists solely for the state, is required to give as much labor or service as is demanded, and receives only what the state considers his need to be.

A number of attempts have been made to apply Communism on a practical basis. The smaller experiments—usually fraternal organizations—have been successful for limited periods only. The only large-scale experiment—Russia—has been made during the past twenty-five years, and this period has witnessed a retreat from the basic principles of Communism to a form of government more closely resembling Socialism.

Socialism

In contrast with that of Communism, the basic concept of Socialism is economic. This is the claim that, unless prevented by the state, capital tends to absorb as interest all the product of labor except that required for the bare subsistence of labor. The meaning of the term capital as used by the Socialists is somewhat obscure, as Marx did not define the term in his basic work "Das Kapital." It may be taken to mean, generally, large aggregations of money which are used to control economic capital and natural resources. If this is the Socialistic meaning of capital, part of the claim undoubtedly is true; but if the term applies only to economic capital, there is no proof of the claim.

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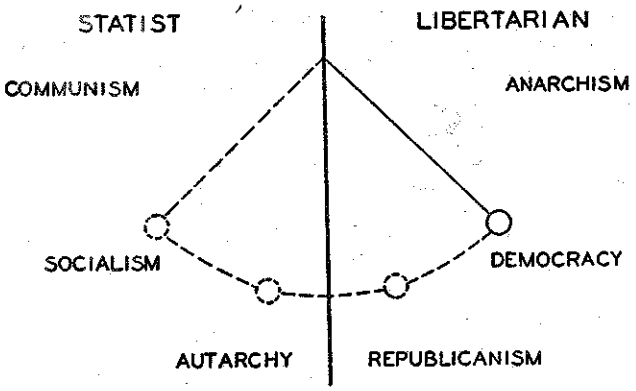


Like the Communists, the Socialists believe that the natural laws of political economy are ineffective and that economic systems can be made efficient and just only by the control and planning of a group having the power to decree.

The Socialist proposal to insure the adequate distribution of wealth is that the state own all land, public utilities, large work-shops, and materials and means of production, and that the state enforce strict regulation of all trade and industry.

This proposal recognizes no point beyond which the state should not go, and in practice there could be no such point. Because of the complicated integration of industry there can be none. In order to control and regulate large industries, it is necessary to absorb and control smaller and smaller industries. The ultimate purpose of Socialism, therefore, is that of Communism—the ownership and control by the state of all industry.

Socialism differs from Communism in that it proposes a different distribution of wealth, which is to be on the basis of equity, but Socialists are not in common agreement in this respect.

The position of the individual under Socialism is similar to that of a cell in a living body, in that the rights, liberty, and actions of the individual are subordinate to the welfare of the state. Under a Socialistic form of government the state dictates the mode of life of the individual even in details.

Experiments in Socialistic government have been made on small scales. While temporarily successful, as pointed out by Woodward, these have ended because of disagreements rather than economic failure. Such disagreements and withdrawals were practicable because of the smallness of the experiments. In a national, large-scale experiment the liberty to disagree and withdraw would not exist; and revolution by force would be required to change the existing order.

At present Russia may be considered a large-scale experiment in Socialistic government; and the stability of this form and its success as judged by the material lot of the common man must await the decision of the future. The Nazi and Fascisti governments of Germany and Italy, although labeled Socialist and Corporative State respectively, actually belong to the Autarchic type of government.

Autarchy

Autarchy is government by a small, coherent group of individuals not responsible to others for their actions. This form of government is best exemplified today by the existing regimes in Germany and Italy. Actually an autarchy may consist of a group maintained in power by (1) force of arms, or (2) control of finance, land, and capital. In the former case the common man is painfully aware and plainly told that he must be in all things subservient to the state. In the latter case he is cleverly deceived into believing that he still is free and, as such, has a share in determining his own government and personal actions. From him, one by one, are so stealthily filched his guarantees of freedom that he is scarcely aware of the significance of the loss until it renders easy his next despoilment.

The history of Germany from 1910 to 1940 is particularly illuminating in connection with the autarchic form of government. In 1910 the imperial government was almost purely autarchic. The end of the first World War brought the hasty erection of a government of republican structure; but underneath this the factions representing Communism, Socialism, financial autarchy, and republicanism fought for control. In 1933 Autarch won by the united efforts of the Nazi forces and the financial autarchists. The latter expected to control the former, and have both the people and the state function primarily for the benefit of a compact, integrated industrial and military autarchy. However, Hitler with unexpected cleverness defeated this movement. Using force also, he disrupted and dispersed the financial-military autarchists and has made industry work for the state as represented by himself and his inner group of Nazis.

The objectives of autarchy, in efficient hands, are:

1. The lodgement of all power in the persons of an organized, compact, and self-perpetuating group.
2. The disbursement to the people of only so much wealth as is necessary to prevent open rebellion.

The names and disguises of autarchy are numerous, and this frequently gives rise to the spectacle of the pot calling the kettle black.

Autarchy in its more subtle forms may be considered the most dangerous of the statist forms of government; for it can conceal even its existence from the multitude until it is so firmly entrenched that it can be overthrown only by force.

LIBERTARIANISM

Anarchism

Just as Communism represents the extreme form of statist government, so Anarchism represents the extreme theory of individualism. The Anarchist desires each individual to have complete liberty and justice, but contends that no man is fit to govern another. We have learned that economic justice must underlie true personal and political liberty. Without some form of government equality of economic opportunity (justice)

would not be practicable unless all land was of equal productivity.

Anarchy has existed but temporarily, for man has a sense of orderliness that shrinks from the chaos implied in Anarchy, and hastens to set up some form of order. Should a practical experiment in Anarchism be attempted even on a primitive agrarian basis, it is probable that the retreat from Anarchism would be more spontaneous and rapid than that from Communism in Russia.

Democracy

Democracy is defined as the form of government under which the people rule themselves either directly or through representatives elected periodically and responsible to their constituents. A pure Democracy would be one in which all citizens would share as equally as practicable in the privileges, duties, and responsibilities of government. A few of the small city-states of Greece approached pure Democracy in government, each citizen having the right and being expected to take part in the functions of government. It is to be noted that almost all of the citizens of these states owned non-citizen slaves and so had ample leisure for civic duties. These Democracies failed to survive largely because of lack of agreement on vigorous policies when they were threatened by autarchic and war-like neighbors. A pure Democracy is practical only on such a small scale that all citizens can meet for legislative action.

Today the term Democracy is more loosely applied to government which guarantees equal political and legal rights to all citizens, who periodically exercise the right to elect representatives and leaders responsible to the electors.

In theory Democracy is the best form of government from the viewpoint of the common man, as he and his fellows guarantee each other safety in person and property and the liberty to seek happiness in his own way so long as this is not inimical to the persons or privileges of others.

However, no Democracy has guaranteed to its members equality of economic opportunity as well as political and legal equality. This has resulted in the survival of special economic privileges which invariably fortify themselves through special legislation. As this trend increases, Democracy becomes more and more attenuated and merges imperceptibly into Republicanism.

Republicanism

There is no generally accepted definition of this term, which over a long period has been applied to very different forms of government. The Roman Republic, The French Republic under its Emperor Napoleon, and the United States may be mentioned as examples. In general, the term refers to a form of government under which elected representatives and leaders determine the policies and details of government without direct expression of their wishes by the governed. Republicanism does not necessarily imply equal political and legal rights for all the governed, the disenfranchisement of some being expressly sanctioned in some cases. Nor does it imply personal liberty for all, as witness peonage in Mexico, slavery before the Civil War, and the successful present infringement of the right of free speech in a number of our states.

Obviously the delegation and concentration of political power within a republic renders the development and maintenance of an autarchy secret or otherwise, easier than under a more truly democratic government. If the selection of candidates for office is controlled by a group, those elected cannot act as representatives of the voters; and the government will be republican in form and an autarchy in reality.

In one of his later speeches Lincoln said that the Civil War was fought to establish economic equality even as the Revolutionary War had been fought for political equality; but none of the republics of history has distinguished itself by establishing equality of economic opportunity; and experience has shown that the tendency is for republics to become autarchies, with loss in liberty to the ordinary citizen.

RECAPITULATION

We now have seen that both statist and libertarian governments tend to change in form. These changes may be compared with the movements of a pendulum. Democracy tends toward Republicanism, under which the liberties of the individual are diminished. Silently, within the republic there develops an autarchy which in time may, by force, become openly established. When Autarchy becomes too onerous, revolution displaces it and a Socialistic form of government succeeds to power. In order to prevent the establishment of new class-masters, the people acquiesce in the continued loss of liberty for the benefit of the state. Due to the necessities of management Socialism tends toward Communism, but the glaring economic injustice of this forces a retreat from Communism. The development of bureaucratic groups within the state tends to transform the Socialistic state into a political Autarchy which becomes an economic Autarchy as well. Revolution alone permits the transition to Republicanism, with Democracy as the goal. After a time the motion of the pendulum again is reversed and the cycle tends to repeat itself.

It is to be noted that the changes in form of libertarian governments take place legally and peacably, while the changes in statist governments, and the change from statist to libertarian government, are prone to be accomplished by violence. This is due to the fact that man instinctively seeks liberty, and when he has been deprived of it, force and fear are required to prevent him from reclaiming it.

There remains to be answered the question as to the reason for this instability of all forms of government.

Under statist forms of government man is deprived of liberty—personal, political, and economic. While man may endure loss of liberty, he will never be content without it. Consequently, as the paternalism of the state palls and then irks, he becomes more and more aware of his lack of liberty and begins to reach for it. Particularly irksome is his lack of economic liberty. Man may be willing to exchange personal and political liberty

for security; but in parting with economic liberty he feels that he has given something for nothing, since other individuals will benefit by his loss. In Communist Russia economic liberty was the last and most difficult form of liberty to be eradicated—brutal liquidation of the kulaks being required.

Under libertarian government men at times have possessed personal and political liberty, but they have never enjoyed equality of economic opportunity because of lack of access to land and the tribute which must be paid to the landowner. Even under libertarian government men unconsciously strive for true and complete liberty, although they know not how they are deprived of it. Resisting these efforts are those of the minority benefited by special privileges. This minority protects its own interests regardless of effects on the community or nation, and seeks to extend its exactions by even depriving others of personal and political liberty if this is necessary to success.

Therefore we see a continual struggle, within the framework of government, of groups. This struggle may be for any one form of liberty at a given time; but in the last analysis, it centers around economic liberty. The results, from a community viewpoint, inevitably must be those of conflict instead of cooperation—waste, inefficiency, destruction, and poverty. Government becomes bureaucratic and expensive; and even posterity is called upon to help pay for the mistakes and pilferings of the present.

And so the tide of battle between the classes sways back and forth, with changes in governmental forms denoting the changing fortunes of the fight for freedom.

Wars

Just as men within a nation contend for special privileges, so nations contend with each other for possession or control of natural resources which can be used to national advantage or to the disadvantage of other nations.

These efforts to acquire or retain control of land are not willed by the people of a nation as a whole, but by special-privilege groups who will benefit materially and directly by national conquest of new lands. These special-privilege groups are willing to lead their nation into war regardless of the cost to other individuals of treasure, blood, and life. In the enemy nation will be found similar special-privilege groups willing that the nation as a whole fight to defend their privileges. Of course the real purpose or reason for the war is never apparent, as some patriotic, humanitarian, or idealistic cause and purpose is given out and widely advertised to gain the emotional support of the masses.

So each war can be visualized as the effort of a nation to gain additional privileges for its special-privilege groups and the resistance to such an effort, the multitude sacrificing, fighting, and dying blindly for a much nobler reason.

A few illustrations are desirable to show how widely nations have been guilty of wars for conquest.

In 1895 American citizens owned about $50,000,000 worth of Cuban property—chiefly sugar and tobacco plantations and iron mines. An insurrection against the Spanish government resulted in damage to these. By 1897 there had been started a high-pressure campaign to have the United States intervene and free Cuba. McKinley resisted the efforts to lead us into war. Spain made desperate efforts to avoid war; and sent a message agreeing to everything that the United States had demanded or suggested. But McKinley was unable to withstand the pressure of the chauvinists, concealed receipt of the message, and a day later sent a war-message to Congress. When the war was won, the United States did not annex Cuba—economic control was assured—but demanded and obtained Puerto Rico and the Philippine Islands.

The Boer War of 1899-1902 is another classic example of how wars for conquest center around natural resources. Although the Cape region of Africa had been settled and held for about 150 years by the Dutch, the British annexed this territory. Unwilling to endure British sovereignty, many Boers trekked north; and in 1852 and 1854 their Transvaal and Orange Free State republics were reluctantly recognized by the British. Purely agrarian states, about 1869 rich gold and diamond deposits were discovered within their borders. Agitation for British annexation began, and in 1881 an effort to annex by force was defeated with the British disaster at Majuba Hill. However, more subtle methods were undertaken—chiefly under the leadership of the "empire-builder" Cecil Rhodes. In 1899 Great Britain declared war for the basic reason that the Boer republics would not permit foreigners to control their governments as well as their economic systems. The British finally won the war and annexed the republics, thus assuring British control of these rich sources of great wealth. Of course the great personal fortunes which arose from diamond and gold mining were British and the companies exploiting the deposits were British. Later the Boers, by electoral methods regained political freedom to some extent, but economic freedom remains a tantalizing and unattained mirage.

The position of Japan in the present conflict is almost undisguisedly that of the predator seeking the annexation or control of natural resources for purpose of tribute. Having absorbed Formosa and Korea by force, the next move was against Siberia in the Russo-Japanese war. However, the fruits of victory were withheld by the joint pressure of Great Britain and the United States; and again in 1919 the same powers sent in expeditionary forces which prevented Japan from taking possession of eastern Siberia. After a period of preparation the Japanese then waged an undeclared war against China and took possession of Manchuria. After another lull another undeclared war on China was waged, and to date this has been won; for while they have not crushed the Chinese military forces, the Japanese hold possession of the eastern part and coastline of the country. This assures them of possession of the richest parts and economic control of the whole country. The involvement of Great Britain in a life-and-death struggle with Germany was too great an

(*Continued on page* 16)

The Threat to Georgism

In which HERBERT B. JONES, *Chicago advertising executive (assistant general manager of a large armament plant for the duration) takes issue with an earlier* FREEMAN *article. Mr. Jones writes:*

"As the philosophy of freedom cannot, like collectivism, be sold by slogans, by the wrathful eloquence of a soap-boxer, the winning personality of a politician, the covetous clamor of a class, the wit of a Shaw or the cinematic pamphleteering of a Mission to Moscow, *but must, like the multiplication table, be acquired by patient and, perhaps, painful exercise of the intellect, I regard the School (which, of course, includes* THE FREEMAN) *as the only practical Georgist organization. I esteem the Single Tax as the pragmatic mode of the philosophy of freedom, but on the principle of first things first I am less concerned with the tax than with the philosophy."*

* MR. RAYMOND HAMMOND'S recently proposed Socialist-Georgist rapport (THE FREEMAN, June, 1943) may be likened to an equally plausible liaison between astrologers and meteorologists. The former, as well as the latter, devote their effort to "working toward" the foreknowledge of events. If the objection is raised that, while meteorology is an effective science, astrology is an ineffective conglomeration of pre-scientific notions, similar objections may be raised to bracketing Georgism with Socialism.

If identity of purpose were sufficient cause for community of action, human society should be the pattern of harmony, for all men, each according to his desires and his talents, are working toward a better world. If the avowed ideal of a better world is the sign by which allies of Georgism may be recognized, Georgists must include among their allies, not only Socialists, but also, for example, Republicans, Democrats and Rosicrucian Brothers, whose leaders are vociferously in favor of a better world. Sincerity cannot be claimed as a peculiar grace distinguishing the Socialist as an authentic ally of the Georgist, for we cannot convict Republicans, Democrats and Rosicrucian Brothers of insincerity. And, if the sincerity of Republicans, Democrats and Rosicrucian Brothers is attributed to the fact that they are deluded, surely sincerity in respect to unworkable Socialism must also derive from delusion—delusion which remains delusion despite the fact that Socialists, advocating socialization of capital, throw in land for good measure, and despite the fact that Henry George (in his chapter, *nota bene*, on Insufficiency of Remedies Currently Advocated) acknowledged the grandeur and nobility of the socialistic ideal.

Regarding allies of Georgism, the truth is that today only two articulate social philosophies exist—the philosophy of socialism, which exalts the artificial society of coercion and which is gaining ground swiftly by appeal to primarily materialistic emotions, and the philosophy of freedom, which defends the natural society of "association in equality" and which is gaining ground slowly by appeal to reason and fundamental justice. The "forces of reaction" have abdicated as vehicles of social philosophy and cannot hinder the world-wide swarming of populations into the cage of collectivism—nor interfere with the teaching of the philosophy of freedom.

When war ends and the rising tide of socialism engulfs all mankind, Georgists may be silenced for a generation, a century, perhaps, for we cannot expect the all-powerful State, sustained by authoritarian philosophy and the monstrous energy of non-philosophy or popular ignorance, to tolerate a philosophy which reveals the State as the inveterate enemy of Man. But, although Georgism may be driven underground in the better world of socialism, premature surrender is, not only unnecessary, but disastrous to the cause of freedom.

If in fear of becoming identified with the "forces of reaction," Georgists become identified with socialism, Georgism will waste and die. Georgism can live only by growing and can grow only by appealing to men's intellect. If Georgism is branded as a variety of share-the-wealth socialism, the Georgist's opportunity to appeal to men's intellect will cease. The merchant, the manufacturer, the farmer, the professional man, the banker, the skilled craftsman—natural allies of Georgism—will dismiss the Georgist as a crackpot. Countless men and women with economic grievances who might otherwise be persuaded to hearken to the philosophy of freedom will shrug and say, "Why should we get grey hair learning economics for the sake of a better world when that cradle to the grave law is going to take care of us?"

"Freedom in our time" is an alluring slogan. But freedom cannot be won by plagiarism of impatient socialistic catchwords. Anger at economic evils and the impulse to fight economic evils by political pother or by "helping to write the peace" will never achieve freedom. Men can be free only if they understand the significance and basis of freedom—an understanding which enters the human soul only through the double portal of heart and head, never by way of the stomach, never on a current of indignation.

The temptation to ride the tide of dominant forces is a temptation which Georgists should resolutely resist. If apostolic Christianity had resisted similar temptation,

the conversion of mankind to the humane philosophy of Christ might have been achieved in, perhaps, a thousand years of preaching. But early prelates, emphasizing the "points of likeness" common to Christianity and the State, forsook the simple teaching of truth and turned their energy to "working toward a better world" according to criteria of the Roman Empire, the Frankish Empire, the Holy Roman Empire and all the western empires which, of course, tidied up human society to a notable degree but certainly never contributed to the liberation of the human soul. Thus the conversion which might have been accomplished in a thousand years of teaching was never accomplished. The Christian spirit became the captive of the State or, later escaping the State, the prisoner of popular prejudice and passion, regaining freedom only through the infrequent solitary voice of Saint Francis, William Penn, Thomas Jefferson, Henry George, Count Tolstoi and men of their breed.

Georgists who hope to attract fellows to their faith must be true to the faith that freedom is their goal—freedom, not Four Freedoms; freedom for all, not jobs for all; freedom, not the appeasement of a better world achieved through collaboration with forces which deny the virtue and value of freedom. The poverty, crime and disease which are traced to mankind's loss of primitive freedom will, of course, disappear if men regain their freedom. First, however, freedom must be regained. And men do not win freedom by political revolution or by sociological evolution, by struggling to shape events or by trimming and patching to the pattern of events. Men can win freedom only in the manner explained by Jesus, who said, "The truth shall make you free."

What's Right With the U. S.?

In which RAYMOND MOLEY *discusses the much-abused American economic and political system and Mr. Charles Chaplin. Mr. Moley, as need scarcely be pointed out to the American reading public, is a widely-syndicated newspaper columnist, former professor of government at Columbia University, former Assistant Secretary of State, and one of the most prominent figures in the early days of the Roosevelt administration, which situation underwent an abrupt and drastic change when the aims of the New Deal and the methods being employed for their achievement became a little more discernible.*

This column is reprinted here by Mr. Moley's special permission to THE FREEMAN.

★ WITH THE FLAMBOYANTLY colorful aspects of Mr. Charles Chaplin's recent publicity this column has no concern. The personal, not to say intimate, concerns of human life are in the domain of more expert commentators and social craftsmen. This writer labors in the more barren vineyards of politics and economics. But since Mr. Chaplin belongs to a school of art which, unlike that of Shakespeare, is not content merely to hold the mirror up to nature, but also advocates political and economic reform, the career of Mr. Chaplin suggests itself as a theme for reflection in the broad wastes of political economy.

* * *

Our story opens in the London music halls, with Charlie Chaplin as wistful figure. Next, this little man came West, presumably in search of opportunity. A new and highly competitive industry found room for him, and his genius was crowned with great success. That was because the United States is a nation which is not the enemy of personal ability.

The material fruits of Mr. Chaplin's incomparable art were dollars—millions of them—poured out a free market place by free citizens who had money to spend. A free political and economic system guarded those dollars in their route from those who spent them to the man who earned them. No bureaucrat dictated Chaplin's choice of a profession. That is the American system of free enterprise at work.

When his dollars mounted to a fortune, Charles Chaplin was free to spend them as he wished. No commissar interfered with his free choice. No discriminating and capricious tax collector exacted unfair tribute. Chaplin and his money found equality under the law—a law created in accordance with the forms of a free republic by representatives of the people.

No government edict or law compelled him to renounce his foreign allegiance. When and where he chose to become a citizen of the country in which he found it so profitable to live were left entirely to his own discretion. And, citizen or not, he was entitled to the protection of the law. That is deep in the American tradition.

As an artist, he was at liberty to write and produce what he chose. The nation had no censor, and for 20 years no state has enacted a motion picture censorship law. What appears in Chaplin's pictures depends mostly upon his good taste, guided by a self-adopted and self-operating regulation by the industry that made wealth and fame possible for him. That is the way of the United States with the arts.

As a man of wealth and prominence, Chaplin suffered unavoidable embarrassments. But he enjoyed the assurance always that on such occasions he lived under the great shield of the laws and traditions of justice intended to protect him without discrimination. Those laws and traditions of justice are an inseparable part of this republic.

Even at such a moment as this in his life, he can feel the assurance that it is possible for him to follow the calm and agreeable pursuits of personal peace, secure

in the belief that American justice will protect his legitimate interests.

* * *

All this at the hands of a political and economic system that Socialists denounce as oppressive, outworn and ridden with exploitation! All this and more, because if Mr. Chaplin chooses to believe in and advocate Socialism, the American system will protect him in his advocacy, too.

This Government has never interfered with Mr. Chaplin's political views. If he chose, because the soul of an artist moves through the world shrouded in the morning mists of youth, to hold youthful views of making over America, no harsh authority stripped away those clouds.

When he chose, in his picture, "Modern Times," to portray mass production as an evil, America laughed and paid him for laughing. A satire of the supposedly blighted life of the robots on the production line now would be even more amusing, for the robot is drawing down $100 a week. There is even a kind of irony in the fact that the robot's work on the production line is destroying "The Dictator" whom Chaplin portrayed not long after his "Modern Times." America can stand lots of criticism. It even has a pleasant name for it—"kidding."

* * *

But is it too much to hope that in the many mellow years that lie ahead for him, Mr. Chaplin will begin pondering his career, or that he will give us, with a tender touch of autobiography, a great climactic picture based on it? We venture to suggest a title, "What's Right With the United States?" Charlie ought to know if anybody does.

"This England"

In which THOMAS EDMUND McMILLAN, *editor and publisher of Commonweal of New Zealand, the "Voice of the Natural Social Justice Movement of New Zealand," quotes one of the better known Shakespearian passages only to show that in its* complete form *the quotation carries a meaning greatly differing from that usually drawn from it.*

✶ SINCE THE OUTBREAK of the Second World War, various patriotic poetical compositions are from time to time published in the papers and magazines. Among them is the following, from Act 11 Sc. 1, of King Richard the Second, being the dying speech of John of Gaunt:

This royal throne of kings, this scepter'd isle,
This earth of majesty, this seat of Mars,
This other Eden, demi-paradise,
This fortress built by Nature for herself
Against infection and the hand of war,
This happy breed of men, this little world,
This precious stone set in the silver sea,
Which serves it in the office of a wall,
Or as a moat defensive to a house,
Against the envy of less happier lands,
This blessed plot, this earth, this realm, this England.

Invariably, the above is where the quotation stops. Readers may note by following the rest of the speech of Gaunt that Shakespeare was lamenting that the England he referred to belonged to a past age, before the private monopoly of the lands of England, by successive enclosures, and before landlord parliaments relieved the nobles of their obligations to pay the social rent (so-called "land value") to the people of England, and imposed rates and taxes instead. This colossal robbery of the people, so well described in "The Great Robbery," by W. G. Graham Peace, drove the masses of the people down to beggary and thievery. Henry the VIII, known as "Honeymoon Harry," a royal predecessor of sundry monetary mystics, depreciated the currency and made things much worse still, and then in one year hanged over 800 "beggars and thieves" whom the wretched social rent robbery and currency juggling had driven to the roads and forests in desperation and destitution. Shakespeare makes John of Gaunt say that he would gladly die if by his death these terrible wrongs could be banished from England. Mark well the rest of the speech, the part that the "news" never tells:

This nurse, this teeming womb of royal kings,
Fear'd by their breed and famous by their birth,
Renowned for their deeds as far from home,
For Christian service and true chivalry,
As in the sepulchre in stubborn Jewry
Of the world's ransom, blessed Mary's Son;
This land of such dear souls, this dear, dear land,
Dear for her reputation through the world,
Is now leas'd out,—I die pronouncing it,—
Like to a tenement, or pelting farm:
England, bound in with the triumphant sea,
Whose rocky shore beats back the envious siege
Of watery Neptune, is now bound in with shame,
With inky blots, and rotten parchment bonds:
That England, that was wont to conquer others,
Hath made a shameful conquest of itself.
Ah! would the scandal vanish with my life,
How happy then were my ensuing death.

According to Roger Williams, chairman of the Home Safety Committee of the Greater New York Safety Council, accidents in homes throughout the nation claimed 30,500 lives last year, in addition to which 120,000 were permanently injured, and more than 4,000,000 others incurred lesser injuries. The old saying still holds true: there's no place like home—for accidents.

George-ism

The author of the following provocative essay is BERNARD L. WEINER, C. E. *(New York University 1922); member of the American Society of Civil Engineers, graduate of the Henry George School of Social Science, author of "Engineers and World Economy."*

✶ YEARS AGO it seemed to me that the economic problem broke down into two distinct parts: first, a solution had to be found; and second, the thinking public had to be convinced that it was a solution—or even that a solution was possible at all. Of the two phases of the problem, the second part appeared to be much more important and at the same time, the more difficult of the two. I have since become convinced that the educational part is, for all practical purposes, the only problem—"the correct solution" will come by itself with knowledge of what makes the economic wheels go 'round. It is also evident, however, that the acquisition of knowledge by the general public is even more difficult than appeared at first—there is no such group as a "thinking public." More exactly, it might be said, there is no group which is willing to think.

A liberal is a liberal, for instance, because he has been exposed to "liberalism;" the same is true of other people regardless of the particular classification into which an individual's views might happen to fall. The educational task can not even begin before people are first taught how to think—or rather, what thinking really is. The difficulties involved may perhaps be appreciated when it is realized that even in the scientific professions men are willing to accept what is taught to them without questioning its validity. Even in science, progress is made by only those rare few individuals who really do think—by the agnostics of the group, if you like.

There does not seem to be much difference in the quality of the thought processes leading to the acceptance of any particular philosophy—and the disciples of Henry George appear to be no exception in this respect. As a result of the inscrutable operation of the laws of chance, certain people are exposed to the various philosophies and they accept the teachings of the creed just as they would have accepted the direct opposite if the mutations of chance had been slightly different. Most people merely believe—for the hundreds of millions, believing is the easy way out. Even scientists who are independent thinkers in their own fields are often sufficiently unscientific to be mere believers in other fields of thought. Such being the case, it is not surprising, therefore, that Georgists, who by and large are average people as far as training in rigorous thinking is concerned, should be willing to accept their basic philosophy on no better basis than the usual one: mere belief.

Superficially, it would seem strange that while so much progress has been made in the physical sciences, both pure and applied, very little has been accomplished on the social or non-physical side of human affairs. The explanation becomes obvious, however, when we consider the difference between the scientist and other mortals. The former—if he is a true scientist—seeks the truth no matter where the search may lead him; the latter, ordinary mortals, seek only to prove that their particular theory is the truth and the only truth. The layman is content to believe, and if his belief is questioned, thus threatening his complacency, he will go to all lengths to defend his dogma—quite unlike the scientist who is his own most severe critic. So strong is this desire to substitute belief for thought that even the scientist will yield to it in fields of thought other than his own specialty. This weakness in humans must be eliminated before education can make any progress—but it will be a difficult task. Even though Georgists do give zealous lip service to the proposition that education can and will eliminate most of the world's troubles, it seems that even they do so with the mental reservation that "of course, Georgism is the only true remedy." What is so rare as an open mind?

To come to grips with the argument, it can be admitted without further discussion that there is justice in the contention that the economic rent of land should go to the community. The further claim that we will be much better off as a result, is, however, open to serious doubt. There are too many other factors involved. It is futile to ask whether I admit the validity of Ricardo's law of rent—just as it is futile to ask whether I admit the validity of Newton's laws of motion. The latter were true when the great Englishman first stated them and they are true today—where and to the extent to which they apply. Einstein has shown that where tremendous speeds approaching that of light itself do not upset the applecart, Newtonian physics serves very well for all practical purposes; but he shows further, however, that although the little discrepancies are of no importance at ordinary velocities, the whole picture changes where light speeds are involved. Similarly, in a society which was largely agricultural—and still more important, in an economy of scarcity—Ricardo's law and its corollaries were the determining factors and the discrepancies, if any, were of no importance. Ricardo's law applies today but its effect is so small compared to that of other factors that Henry George's remedy has been reduced to nothing more than an ethical question—if it has not already become a mere academic question. Extrapolating the law of rent to modern "civilization" leads to corollaries that can be proven to be impossibilities by no more than superficial analysis. One of these impossibilities is the claim, for example, that the lion's share of production goes to the landowners.

I do not know how well known is the fact—or theory, if you like— that there have been only two economic eras in the entire history of the world: the era of eco-

nomic scarcity before the Industrial Revolution, and the modern era of potential, but not actual, plenty. During the first era, for some to be well fed, well clothed, and well sheltered, it was necessary for the vast majority to go hungry, ragged, and to live in hovels. It was therefore possible—and history shows it to be a fact—for the ruling classes to grab the lion's share. In the very early days, they did it by the simple and direct method of brute force—the physically strong taking from the physically weak; in later and more "refined" times they accomplished their purpose by more subtle methods—by such devices as the institution of rent. In the first era it was *arithmetically* possible for the few to take from the many the lion's share of total production. Today the story is different—conditions have changed but without the awareness of the change, thinking still proceeds along outmoded channels.

Today the few are still rich and the majority is still poor—comparatively speaking, for even the poor, except in the lowest brackets, are still better off than were the rich of several centuries ago. But it is nevertheless impossible for the rich to take the lion's share of production—for the same reason that it is impossible for the mouse to swallow the elephant. It is merely a matter of simple arithmetic. In the previous era, the crimes of the rich were crimes of commission; today conditions have changed—the crimes of the rich are crimes of omission. This is a crude statement of the facts but it will have to do for the moment. If it is true, then, that the owners of the land can not take the lion's share of total production, George's remedy will not improve our lot enough to make any appreciable difference.

"Men seek to gratify their desires with the least exertion—man's desires are unlimited," are two attributes of human nature about which any economy must be built. Another way of putting the same thing is to say that man is selfish—but selfishness is a virtue and not a vice. It is merely the outward manifestation of man's obedience to the first law of nature, self preservation. Whether vice or virtue, rich man and poor man are both human and therefore selfish. The crimes of the rich, however, are not the result of selfishness, as such, but—of unintelligent selfishness; the poor are just as culpable, however, except that their opportunities for committing economic crimes are fewer.

Various estimates have been made of our capacity to produce but even the most conservative show that in the peak year prior to the war, actual production was only a fraction of capacity. By their unintelligent policies, the rich, aided and abetted by the poor, have prevented capacity production and since even the rich get richer more quickly in good times than in bad times, they have hurt themselves as well as the greater number of the poor. The crimes of the "rich" are thus crimes of omission rather than crimes of commission. Although capacity production was the rule, in more primitive times, there simply was not enough to go around—hard times meant that a natural catastrophe like a drought made times more hard than usual—but goods were always so scarce that it was possible for the rich to grab everything in sight. Today it is of very minor importance how much the playboys squander—those responsible for the running of business and industry do very little squandering. The crime to be layed at their door is the creation of artificial scarcity.

Though it is of no particular importance what either Henry George or any other great man would have thought of today's problems which they did not have to face, brief consideration may be worthwhile—if for no other reason than the fact that such speculation is the favorite trick of those who have no other arguments. It is possible that Henry George lived several decades too early. Had he lived at a later period in the industrial revolution, he would have been the first to realize, I believe, the inadequacy of his conclusions—just as Newton would have appreciated modern science. Both Newton and George were original thinkers and therefore true scientists, each in his own field. Henry George, the man who demolished the idiotic theories of Malthus—which, in effect, are still believed today—would have seen the discrepancies in his own logic had he lived later. Looking back at the last war, the depression which followed, and weighing both against the extraordinary convolutions of the present war economy, he would have revised considerably his ideas on the importance of his remedy—for the true scientist is his own most severe critic.

Sometimes one wonders why it was necessary to say so much and still not convince—Henry George takes nine chapters, I believe, to demolish Malthus, and much more space to do the same to the wage-fund nonsense. Why was it necessary in order to demolish Malthus and others to do more than state that gem of wisdom, "Every human being is born into the world with a mouth that eats and with a pair of hands which produce"? Why? It was not the fault of George—I do not believe that he was merely verbose—it was the fault of his readers. George knew that his readers had minds which refused to think.

Were Henry George alive today, he might have seen the limitations of Ricardo's law of rent and its corollary, the law of wages. These laws are no more wrong than are Newton's laws of motion. Both sets of laws might be termed partial laws and are correct only where and to the extent that they apply; the effects of both are made insignificant, under certain conditions, by greater phenomena. Today, in our war economy for instance, even these greater phenomena of the modern peacetime world are overshadowed by still greater forces—the needs of war. Capacity production is being called into being without benefit of any economic clergy. Our country's enemies are not much interested in the particular brand of economic juggling we are using—the explosions of bombs and the rattle of bullets alone interest them. Despite landlord's crimes; usury; and the lesser form of banditry, interest; despite the stupidity of both capital and labor in their attempt to create civilian prosperity by scarcity producing methods; and despite the rest of the bag of economic tricks belonging to each and every creed, the material is getting to places where the enemy is to be hit hard. A greater

force is acting—and current history will prove to be a great source of economic lessons for those minds which are sufficiently scientific to be willing to learn rather than being merely anxious to prove their own particular creed as the one and only panacea.

There always was one and only one panacea to cure the world's material troubles, poverty and its twin, war. Sufficient production to feed, clothe, and house all of humanity has only recently become possible—recently as time is measured in the life of a nation—and for the first time in the history of mankind it has therefore become possible to apply the one and only panacea. Whether it will take a year or a century to bring about the abolition of poverty and war—who can say? Superstition still rules economic life. Georgists still talk about a small group grabbing the lions share; both capital and labor still believe that one must cut the throat of the other for survival—in general, all are thinking in terms of scarcity in a potentially different world. The clash of the ancient habits of thought upon the machine age results in chaos. We are still trying to put hay in the gasoline tanks—the result is not ten miles an hour but absolute immobility. Paradoxically, we would have less chaos and less horror of insecurity if we were not so potentially rich.

Is there any hope of waking up in time to prevent the war of 1965? It is doubtful. It is true that there are over a hundred and fifty organizations working hard on postwar planning. But a cross-section of the various plans does not carry much hope. Regimentation will not work; medical science has not yet discovered how to grow angel's wings on man; various other proposals are equally futile. When economic education progresses to the point where the man of the street knows that his ultimate good is the same as the ultimate good of all his fellow men—as it must be in an economy of plenty—then and only then will the millennium come. Then and only then will we learn that the only planning that has any chance of success is the kind that merely provides the proper stimuli so that man may be intelligently selfish, and while raising his own standard of living, he will also inevitably raise the standard of living of all his fellow men. As the Georgists are so fond of saying, we must follow natural law. Fortunately natural law is on the side of humanity—but we must learn what it is—by reason and not mere believing.

Rebuttal

Believing that certain challenging statements in Mr. Weiner's article should not go unanswered, THE FREEMAN *is fortunate in having been able to prevail upon* WILL LISSNER *to make reply. Mr. Lissner will need no introduction to* FREEMAN *readers. It was he who in 1937 founded, or more properly speaking revived,* THE FREEMAN *and became its editor, a post which he held until July, 1938. The old* FREEMAN *was founded in 1920 by Francis Neilson and Albert Jay Nock.*

Mr. Lissner is a member of the editorial staff of The New York Times *and has written extensively on social and economic subjects. Among his more important works are: "Raw Materials: Ours and Theirs," "Public Education and Social Action," "American Exploitation of Fuels and Minerals," "Franz Oppenheimer's Land Reform Program" and "In Memoriam: Shailer Matthews, 1863-1941." In 1941 Mr. Lissner founded and became the first editor of* The American Journal of Economics and Sociology, *a quarterly published in the interest of constructive synthesis in the social sciences.*

* MR. WEINER begins with an inadequate statement of the experimental method. As the students of ideologies contend, there is much irrational thinking today, both among Georgists and non-Georgists. But if this were as widespread as the writers maintain, we should all be Marxists or Rotarians. For these are the ideologies to which we are most exposed and these have adequate means to propagandize and indoctrinate. Are we? If the writer were better acquainted with Georgist literature, he would discover that we pride ourselves not on our conclusions but on our capacity to analyze. Among ourselves each individual has so many qualifications of principle to which he adheres that our greatest difficulty is to get together on a statement of our beliefs. That is as it should be, for Georgism is not a set of doctrines at all, but an approach to real problems. It is not by chance that the greatest exponent of the experimental method, the method of scientific doubt, John Dewey, is a Georgist.

Georgism developed out of the Ricardian theory of rent, but the Georgist theory is not the Ricardian theory. Ricardo's law of differential rent is inadequate, as the writer believes. But George's contribution was the development of the theory of monopoly rent (which, incidentally, does not of itself depend for validity on the differential principle). In medieval society, before the maturity of the wool trade, monopoly rent did not exist in agriculture (although it did exist in primitive fashion in industry.) Yet it had existed in pre-medieval society. How did this happen? It was socialized by controls which existed then over land use and possession, controls which were abandoned on the rise of capitalism.

If rent arose only in an agricultural society, as the writer contends, Georgism would indeed be out of date. But land today, in this advanced, industrial society, is

more important than it ever was. The writer should read the article on natural resources in the Encyclopedia of the Social Sciences and he will see that raw materials deposits and energy sources play the key role in our present economy, just as agricultural land did in sixteenth and seventeenth century society, or in medieval society. All these are "land" and all are subject to the laws of rent. By monopoly and quasi-monopoly controls, these do claim the lion's share of production, as any analysis of corporate income will show (compare, for example, the earnings of Alcoa, or Anaconda Copper, with those of variety stores, the one representing a competitive enterprise, the former a monopolistic enterprise). Their monopoly controls do prevent us from realizing the plenty now potential.

Any good study in economic history will show that the notion that there were only two epochs in economic history is a false generalization. The conflict between the dominant classes and the exploited classes existed in ancient times, even in pre-historical times. In each epoch it is different as the conditions of that epoch differ. The crime of the rich, in all epochs, has been the same: suicide. Only for short periods do we find the dominant classes creating conditions that would enable their members to perpetuate their own security by sharing economic opportunity with the under-privileged. Hence in no case do we find a dominant class enjoying historical continuity; each helps to create the revolution, the war, or the debacle that consumes it.

George was unique among social philosophers in that he not only did not attempt to pontificate for all time, but bequeathed to his followers not a sacred book of true knowledge but a *method* by which each man can achieve true knowledge for himself in his own time. He saw so far ahead that he was able to see that, whereas agricultural monopoly was the prevalent problem in his time, industrial monopoly would be the problem of the future. Moreover, he saw there was no panacea whatever, not education, not land value taxation, not free trade, not the abolition of taxation. He saw that social reform was a complex, dynamic process and his contribution was in demonstrating that it could be achieved by the common man in a democracy by participating in the construction of a tax system that would guarantee justice and liberty, by taking part in the construction of free enterprise system that would set up competitive controls over enterprises or socialize them, by taking part in the formulation of international commercial policy so as to equalize the maldistribution of resources and share the benefits of the international division of labor, and by participating in fiscal and social policy-making.

The Beveridge Plan as Seen at Home

The following penetrating study of the British social security scheme is by A. W. MADSEN, B. Sc., *Secretary of The United Committee for the Taxation of Land Values, Ltd., 4 Great Smith Street, London, S. W. 1. Mr. Madsen is also editor of "Land and Liberty," the Monthly Journal for Land Value Taxation and Free Trade published by The United Committee. Mr. Madsen's article appeared originally in "The Retail Chemist," and is reprinted here by permission.*

✶ IN HIS ADDRESS to the Manchester Association and Branch on January 13, Mr. H. N. Linstead, M.P., the secretary of the Society, weighed the advantages and disadvantages of the Beveridge social security scheme. On balance he gave it his approval, indicating the benefits that the pharmacist "as a citizen" and the pharmacist "as an employee" would derive. But the pharmacist "as an employer" would not be so well favoured, since although he would enjoy certain benefits as an individual, such as training for a new occupation if his present livelihood fails, he would have to pay substantially higher contributions than today on behalf of each of his employees, so that for him "the responsibilities would outweigh the advantages."

Poll Taxes for Benefits

What Mr. Linstead says of pharmacists, for he was speaking to them as such, applies, of course, to all persons "gainfully occupied" (the phrase in the Report) in every trade as citizens, as employees and as employers; and as citizens it is true also of all others of working age not gainfully occupied whatever may be their status in society. Everybody of working age would be compulsorily insured, excepting housewives covered by their husbands' payments. Everybody with the exception stated would have to carry a card, to be duly and regularly stamped with the contribution, thus being subject to a "poll tax," as Sir William Beveridge himself aptly calls it. This poll tax would amount to £11 1s. a year for every adult man and £9 2s. for every adult woman working as an employee; of £11 1s. and £9 15s. a year per man and per woman respectively if working on their own account as employers or by themselves; and of £9 15s. and £7 16s. respectively if of working age but not gainfully occupied. The contributions payable by juveniles would be less in each case. These, then, are the poll taxes all people would be compelled to pay, excepting housewives as above stated and excepting also children and pensioners; and while any person is drawing unemployment or disability benefit he or she would be exempt from the weekly contribution to this tax (but neither the pensioners nor the other beneficiaries would be exempt from whatever indirect taxation is imposed to help the Exchequer in its payments towards

the cost of the enlarged as well as of the existing social services—how much that kind of taxation diminishes the value of benefits received "from the State" has never been considered, much less computed, by the advocates of these "money for social reform" schemes!).

Consumers Made to Pay

In addition to the personal contributions above mentioned, the employer's contribution as employer would become £8 9s. and £6 10s. a year respectively for every adult man and woman employed by him, as compared with £4 15s. and £4 2s. respectively under the existing insurance schemes for health, unemployment and pensions, the tax on the employment of juveniles being less in each case. Mr. Linstead may not have put it so pointedly to the pharmacists "as employers," but it is Sir William Beveridge's own chosen term, the Report describing the employer's contributions as a "tax on the giving of employment." But does it remain with the employer? Does it come out of the employer's pocket? That is highly questionable. Where the employer can pay without docking wages or without raising the prices of his wares, he will have so much less profit and be so much less able to contribute to general taxation; what the State loses in that way has to be made up by just so much more taxation payable by others. But the general opinion among economists who have gone into the matter is that the employer's contribution, and that is true also of the existing schemes, is either passed back to the employee in the docking of wages or is passed on to consumers in enhanced prices, thus becoming, in fact, an indirect tax, the burden of which is heaviest on those least able to pay it. Furthermore, the operation of the tax, in the process of being passed back or being passed on, is not only to handicap the small trader, perhaps even make him think of shutting shop, but also to concentrate business progressively in the hands of big concerns all the more able to raise prices because they have less competition to meet.

Effects of Other Taxes

That is not all. The personal and employers' contributions that the Beveridge plan would exact through the card-stamping administration would provide but a fraction of the revenue required to pay the whole cost. The rest would come from general taxation, and if that is to mean a further turn to the screw of taxes as now levied we will get more obstructions to production and trade and therefore more depression and unemployment than the dispensation of the ill-gotten State funds could hope to ameliorate. It would be lunatic, for example, to tax windows and use the revenue to provide a "candles and kerosene" benefit, just as it is absurd to try to solve the housing problem with housing subsidies derived from the taxation of houses and of all building operations, which is the present rating system. So in the larger sphere, instead of seeking the causes of poverty and unemployment and discovering why hard times hit so terribly those who have to earn their living while others continue to seem prosperous enough, we collect and spend, or we borrow, huge sums in the hope of subsidising wages. *We do so, never stopping to think that the manner in which we get the money to pay out again may be responsible for the distress we are trying to combat*—the tariffs, the petrol tax, the purchase tax, the local rates on houses and shops, etc., all of them raising prices, all of them penalising trade and hampering production; and meanwhile the steady rise in rents and prices of land goes on for the benefit of those who hold the keys to every working man's and business man's opportunity to gain a livelihood.

The Burden of the Cost

It is well enough to picture how generous and how discriminating the "State" could be as a welfare institution if it had command of adequate revenues for the purpose. Too many have displayed the Beveridge plan in that expansive light as if the money was about to drop from the sky, or they talk like the would-be philanthropist imagining the wonderful good he would do if a fortune befell him. The consideration wholly lacking or about which little has been said in the publicity given to the Beveridge Report, and in the praises bestowed on its intentions, is that it is first and foremost a plan for new and increased taxation, since until the revenue is collected the proposed benefits cannot be distributed. The question how the revenue should be raised is of primary and paramount importance, but the plan does not discuss it. We are fobbed off with irrelevant suggestions that "we" can afford it and that "our" national income is so-and-so many multiples of the proposed extra "charge on the Exchequer." This "we" is a deceptive and question-begging term, rendering any rational economic examination impossible. The community cannot tax itself as a whole any more than it can subsidise itself as a whole. The imposition of taxation falls on certain members of the community in certain ways, according to certain standards or in respect of certain acts or possessions. The system of taxation we suffer from today has already been criticised, and it is to the taxpayers under *that* system that the question should be addressed, whether *they* can meet the demands that would be made of them, whether *their* businesses or households could sustain further burdens heaped particularly on them.

Root Cause of Poverty

The Beveridge plan is, secondly, a plan for a redivision of such wealth as exists by the arbitrary establishment of a "right" on the part of people with smaller incomes to take perforce (with the aid of the State) some part of the incomes of those who have more. Sir William Beveridge implicitly drives it to the point of saying, e.g., that the working man who has a wage of £5 a week (or the shopkeeper who earns that amount of income) has no "right" to the whole of it, so long as there are others who have only £3 a week in earnings; and the former must be compelled by tax adjustments and a sort of haphazard pooling scheme to hand over a portion of their weekly or yearly earnings to the latter. The intention of the plan is that the most needy will be able "as of right" to take out of the pool, in grants and benefits and allowances, more than they put into it in con-

tributions and taxes; and what they will gain in this way will be just enough to provide them with bare subsistence, earning or not earning. The plan is a surrender to the defeatist view that the maldistribution of wealth must be taken for granted and that nothing may be done about it except to provide its victims with what is virtually public charity, continuing and extending the poor law, which began in the days of Queen Elizabeth. Relief was rendered necessary by the poverty-creating enclosures that transformed a landholding peasantry into landless labourers. Since then the rent of land, with the growth of hamlets into towns and villages into cities, has gone in ever-increasing measure into private pockets. The State and the municipalities, deprived of this public revenue, have had to resort to all those imposts on labour and on capital to which reference has been made. These taxes not only take from the individual the earnings that rightfully belong to him, but they are the bulwark behind which the land monopoly is enabled to flourish and collect, for the mere permission to use the earth, very much of the fruits of productive enterprise. It is upon this unnatural institution that the mind of the public should be directed—upon the ending of this privilege that takes ransom and restricts the production of wealth, upon the obtainment of revenues from land values as the means; whereas the Beveridge plan, keeping the urban and rural land question out of sight as of no account, turns attention upon treatment of the effects with expedients that are as certain to prove futile as they are likely to aggravate the present social inequalities. It is a savage reflection on our civilisation with its vast potentialities and wealth-producing powers by which all might have abundance that even a bare subsistence living is absent in so many homes, that amongst us a large section of the population is in such destitution that the annual expenditure of hundreds of millions of pounds would be required to lift them just to that level where they would have no more than a starvation diet.

The Beveridge proposals have now been discussed in Parliament and the Government has indicated how far it is prepared to go with them approving, incidentally, of the comprehensive medical service. But neither Sir William Beveridge nor the Government looks at the overriding social problem holding all the industrial classes, and everybody who would serve them, in a vise which if not released will crush every endeavour or good intention to better conditions.

(*Continued from page* 7)

opportunity to let pass; and the predators turned their eyes to the south, seeing in the East Indies, Malaya, and thinly-populated Australia rich loot of land, oil, and minerals as well as control of most of the world's production of rubber. The United States, non-belligerent ally of Great Britain, represented the only real threat to the successful conquest of these lands; and, feeling sufficiently strong, Japan struck without warning. Although the militarists of Japan are generally credited with responsibility for this, it should be remarked that control of the economic life of Japan is lodged in the hands of only six families.

The Problem

We have seen that:

a. Changes in forms of government are due to economic pressures.

b. Statist governments wax strong at the expense of the personal, political, and economic liberties of the individual. The state monopolizes special as well as human privileges.

c. Libertarian governments weaken and tend to change toward statist forms because special-privilege groups gradually deprive the common man of personal and political liberty in order to prevent equality of economic opportunity, which would mean the end of special privileges.

d. Under statist government the individual has little incentive to develop his maximum productivity or service. Under libertarian government the ordinary individual receives little or no reward for maximum productivity, as the holders of special privileges filch all but what is necessary to keep him from open revolt.

e. Just as the conflict for special privileges within a government results in inefficiency, waste, and poverty, so wars between nations in efforts to gain or hold special privileges (natural resources) cause death and the destruction of wealth.

We know that, regardless of the lofty purposes attributed to them, the incursions of predatory individuals, groups, or nations intent on special privileges are responsible for the instability of governments, the enslavement of the individual, and the horrors of poverty and war.

The Problem, therefore, is the discovery of a method which will eliminate the special privileges of individuals, groups, and nations in natural resources (land).

The Bridge to Valhalla

Mythology tells us that when the god Thor swung his hammer there was a flash of lightning, a peal of thunder,—and there sprung into being a rainbow bridge from earth to empyrean Valhalla, over which the gods and goddesses marched to find security from the ice-giants.

A Man has crashed the hammer-blow of knowledge against the granite of ignorance and greed, the blinding illumination of a great truth has been seen around the world, the accompanying thunderclap is still echoing despite the cliffs and caves of prejudice, and an economic rainbow-bridge stands ready to serve as a path to a Valhalla secure from the ice-giants of poverty, enslavement, and war. Will we tread the bright-hued path of Free Economy?

Let us consider what a free economic system is and what it can and should mean to mankind.

National Free Economy

The cornerstone of a free economic system within a nation would be abolition of profits to individuals and groups as represented by the rental values of land. The collection and use of full land-rents by the community would result in the extinction of landlords as a class, render the holding of unused land prohibitively expensive, eliminate franchises as sources of profit, and reduce the load of values of obligation that adds to the burden of every citizen.

Since no one could profit by the rental or capitalized-rental (sale) value of land, there would be no speculation in land with its aftermath of panic and depression. The availability for use of all land would result in raising of the margin of production, and thereby an over-all increase in the productivity of the community. As each franchise involves use of the public domain, collection of the full rental-value of this by the community would prevent speculation in and inflation of the value of such franchises. The load of interest on values of obligation could no longer be collected from consumers, as such values could not be capitalized. Labor would receive higher wages and capital higher interest because of the higher margin of production, but only the state could collect the rent on land.

Individuals therefore would possess equality of economic opportunity and could, by their labor or services, hope to become wealthy in proportion to their exertions; but no one could become rich if the term is taken to mean the power to command more goods and services than are given. "Rugged individualism" and "personal initiative" could have full sway in production and services without being perverted to the enslavement of others, for they could claim as rewards their full value at the margin of production but not the possession of special privileges.

Government, having collected its due at the source, would find it unnecessary to continue many of its present bureaucratic functions, and could confine itself to its two proper functions:

a. Protection of the persons and property of its citizens.

b. Collection and disbursement of land-rents, these being established so as to insure collection of the full value and consequent equality of economic opportunity.

With economic liberty would come true political liberty and greater personal liberty. As no one could hope to acquire and gain from special privileges, true political liberty would be disadvantageous to none. In personal freedom and political equality lies the essence of Democracy; and the government would become a republican Democracy free from the venial politicians who are the henchmen of special privileges. Such a government, free from the conflict of special-privilege groups and the people as a whole, would be stable and free from the tendency to change to the autarchic form of government.

Under such conditions liberty, equality, and fraternity would become realities and not the dreams of visionaries.

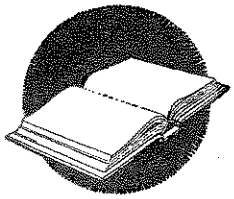
International Free Economy

Any of the larger nations which would adopt a free economic system could do so without being penalized excessively. If the United States alone were to adopt the system, all tariff barriers to trade with other nations would be removed and other nations would benefit by having access to our natural resources *at the margin of production in effect in the United States.* The United States would not enjoy free access to the natural resources of other nations, and therefore would be penalized directly in proportion to its lack of economic self-sufficiency, though no more than has been the case for years. The United States, being one of the most richly endowed nations with respect to natural resources, could well afford this disadvantage. Another effect of the removal of the protection of import taxes would be the failure to survive of certain highly protected industries which could not compete with similar foreign industries. This would benefit the United States as a whole, for the land involved could be used for other types of production for which it might be better adapted or would become submarginal land. In the latter case labor would be exerted on more productive land made available for use by the free economic system. The community, in either case, would be relieved of the support of basically uneconomical industries and would benefit by the availability of wealth produced cheaply in other countries.

The over-all effect would be the so greatly increased productivity of labor and capital in this country that other nations would have to adopt a free economic system in self-defense. This would render access to the natural resources of the whole world available to all nations. As the monopoly of natural resources and the misuse of such monopolies form the real basis for wars, there would be no inducement for special-privilege groups within a nation to foment war. Governments might still profit by the annexation of other lands and collection of their rental values, but the war costs would overshadow such profits of war. The mass of people in a country having a truly republican-Democratic government would have nothing to gain and much to lose by such military adventures and would not countenance them. At the same time there would be nothing to prevent the union of countries mutually desirous of the benefits of unified government. The logical outcome of this would be the unification of peoples naturally drawn together by common speech and a common network of economic production and communication.

Thus the adoption of national and international Free Economy would usher in an era free from the conflicts of groups and the wars of nations. Individuals would possess the equality of economic opportunity necessary for stable political and personal liberty; and nations would be free from the fears and greeds which have led them to waste their wealth in war and preparation for war. An era of good will, it would offer free sway to the natural law that progress results from cooperation in equality.

Man, freed from material fears, would rise to new



The BOOK TRAIL

DON'T MISS THIS ONE

"The New Philosophy of Public Debt," by Harold G. Moulton. The Brookings Institution, Washington, D. C. 1943. 93 pp. $1.

This little book has the merit of brevity without omission. It packs dynamite enough, in the shape of a devastating analysis of certain of the worser foibles that pass as economic policy with an influential group in Washington, to make more than a little noise; but it probably won't for it has the misfortune of being written in a scholarly, dignified and punctiliously impersonal style that practically assures its being passed up by a large number of well-meaning people who *ought* to read it. It reeks of dignity, decorum and good manners. What a pity that books of this kind can't be jazzed up with a little sex appeal and a first-class murder. Or if the author could have brought himself to heave a few bricks—but what's the use? Can you imagine the scholarly Doctor Moulton, President of The Brookings Institution, doing anything like *that*?

The two opposing philosophies with respect to public finance which exist in high government circles today are set forth as, first, the *traditional* view that a continuously unbalanced budget and rapidly rising public debt imperil the financial stability of the nation; and, second, the *new* conception that a huge public debt is a public asset rather than a liability and that continuous deficit spending is essential to the economic prosperity of the nation.

The author states that the *traditional* view is held by the United States Treasury, by the Board of Governors of the Federal Reserve System, by the President, by numerous congressional leaders both in the House and in the Senate, and by many individuals occupying important positions in the administration. The *new* conception, we are told, is advocated by the National Resources Planning Board, by numerous individuals high in the councils of the government, and by various groups not connected with the administration.

The alignment seems fair enough except as to the inclusion of the President in the first group. True, Mr. Roosevelt was first elected on a platform of economy and sound money; true, too, that for a short period such was the established policy of the administration, but it was not long before the President himself was telling us about pump priming and how we could spend our way to prosperity, nor much longer before the emphasis on balancing the budget—at least *some day*—faded away to a whisper. Notwithstanding that the President, in presenting the 1944 budget, declared that "a debt (of 210 billion dollars) can and will be repaid," and that "the nation is soundly solvent," the fact remains that the National Resources Planning Board, which is the President's creature, the official agency of the administration with respect to economic and social planning, takes the position that financial costs and national debt are of no consequence.

Professor Alvin H. Hansen, special economic adviser to the National Resources Planning Board, as well as to the Federal Reserve System, states that "Every cent expended, private and public, becomes income for members of our own society. Costs and income are just opposite sides of the same shield." (The captured hold-up man might try that argument on the judge: that what is cost to the victim is income to him, and therefore OK. The suggestion, however, is the reviewer's and *not* Mr. Hansen's.)

In another place Mr. Hansen writes, as quoted in "The New Philosophy of Public Debt": "We shall come out of the war *debt free*. (That will astonish a lot of people, thinks your reviewer.) We shall have no external debt, only an internal debt." And this: "A public debt, internally held . . . has none of the essential earmarks of a private debt. A public debt is an instrument of public policy. It is a means to control the nation income and, in conjunction with the tax structure, to regulate the distribution of income." Mr. Hansen holds that an internal debt "is in fact so different from what we commonly think of as debt . . . that it should scarcely be called a debt at all." And if that surprises you, laugh this one off: "The attack on chronic unemployment by means of public expenditures financed by *a continually rising public debt* is essentially a conservative proposal."

If it is going to be difficult for the President to disavow his own National Resources Planning Board and its adviser, Professor Hansen, and repudiate their views, it will not be exactly easy for him to brush aside similar notions expressed by one of the earlier Brain Trusters

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cultural levels from which the present poverty-ridden, war-stricken period would appear in retrospect his last stage of barbarism. And in the attainment of the new era man will have justified all the clumsy mistakes of ignorance, greed and brutality of which he has been guilty during his too long climb to the heights.

But one major step from the present path is to be taken—elimination of private ownership of land. The other steps will follow as naturally as those of a walker who places one foot in a new path and continues walking.

How soon will that first step be taken? Come it must, for man's striving for liberty cannot always be unsuccessful. We cannot estimate how near or far is the day, but we who have seen the hope of the future can wait and work with confidence that the day will come. As Henry George said: "It may be a long, long struggle; but to see the truth and do what one can to spread it, brings its own rich and independent reward."

and present Assistant Secretary of State, the Honorable A. A. Berle, Jr. Writing in *Fortune*, a periodical, incidentally, that has come out enthusiastically for bigger and better national deficits, Mr. Berle outlines postwar requirements as he sees them in a fashion which leaves little doubt as to his attitude toward government spending and government debt. He says:

"You would . . . have the government engaged in providing credit or cash for: (1) An urban reconstruction program . . ; (2) A program of public works along conventional lines; (3) A program of rehousing on a very large scale; (4) A program of nutrition . . . for about 40% of our population; and (5) A program of public health. . . .

"Unless we are prepared to finance the demobilization as well as we have financed the mobilization, we shall be headed at best for a depression and at worst for disorder approaching revolution. . . . The technique of doing the job is perfectly understood. The financial crew that can do it will be on hand and experienced. . . ."

It is this reviewer's uncharitable suspicion that Mr. Berle spoke more truly than he realized when he said, "financial crew." If that, in the circumstances, isn't a fitting term, then I wouldn't know what is.

On another occasion, writing of his proposed new type of credit bank, the Assistant Secretary of State gives further evidence of how he feels about your Uncle Sam paying the bills, and throws more than a little light on where he stands with respect to the private enterprise system. He says:

"If wealth is to be created by creation of government debt, the scope of government enterprise must be largely increased. Briefly, the government will have to enter into the direct financing of activities now supposed to be private; and a continuance of that direct financing must be inevitably that the government ultimately will control and own those activities. . . . Over a period of years, the government will gradually come to own most of the productive plants of the United States."

If the opinions expressed by Messrs. Hansen and Berle have the President's approval—and if they haven't why are those "tax-and-spenders" still holding their fat jobs?—it will take more than the learned Dr. Moulton's assurance to convince us that the President supports the *traditional* view that a continuously unbalanced budget and rapidly rising public debt imperil the financial stability of the nation. Especially since we are still hearing unconscionable government extravagances and treasury deficits being described by high administration officials as the "Treasury's net contribution to purchasing power," or "net income-creating expenditures."

This is a great little book. If you've got a dollar, buy a copy; if you haven't, steal one.

—C. O. Steele

HEROES, THEN MORE HEROES

"The Hero in History," by Sidney Hook. The John Day Co., New York, 1943. 273 pp. $2.50.

The author has written a number of works in philosophical topics, but he appears to be best known as an outstanding scholar and writer on Karl Marx, Marxism and Marxists. His interest, however, is one of detached academic appreciation as to origin, dialectic content and general influence. Especially noteworthy is his work on the connection between Hegel and Marx and on understanding Marx. Unlike some Marxist authorities, his attitude is one of independent inquiry which eschews the partisan line and label. A main trend of his works is that of philosophic critical interpretation.

The common notion of, "hero" might lead one to expect, from the title, a number of prosaic pedestal portraits. If so, this view is soon dispelled. The author's heroes are a wide type-catalogue of flesh-and-blood humans in the historic fields of achievement whose outstanding contribution and influence, whether as saint or sinner, whether for good or evil, have acted on and reacted to the complex web of the social scene in the course of history.

In general, the specific individual, event or social scene is named more for illustration of type than for individual portrayal. An exception is found in a "case history" of Lenin and the Russian Revolution and its national and international repercussions both in totalitarian and other countries. This matter is treated with a broad and masterly grasp of social world horizons and in rare intimacy of subject matter.

In the author's view and point of emphasis the event-making man, as distinguished from the eventful man type of hero, largely steals the show as compared to the other types of "heroes." The comparison may impress one as damning the great thinkers with faint praise. Nonetheless, the argument is replete with critical insight and there is a neat logic in the observation that the contribution of the thinker implements rather than determines the course of events; that the work of genius in the field of thought is, relatively, more of a co-operative cog of a process already current than an individual prime mover of the process. This notwithstanding, the reader may still feel that though less dramatic and spectacular, the thinker, in the broad course of time, exercises a more pervasive ultimate influence.

Aware of the plurality and subtle variability of causes in the social scene in which notable figures have made their mark, the author aims to develop a normative formula of evaluation and balance. The result is not one of tabulated form and method, but one finds it, rather, implied in terms of penetrating criteria and canons of objective critical method; in the anatomy and mechanics of historical and philosophical perspective; in a balancing of limitation against influence in relation to the background of action. Current theories of evaluation, ranging from the biological to the conflicting schools of heroic and of social determinism are weighed as to validity of assumption, premises, dialectic and evidentiary content and conclusion. Views of the more eminent writers of these schools, including Hegel, Spencer, Carlyle, Frederick A. Wood, orthodox Marxists and others are chosen as horrible examples for lively, adroit vivisection. Especially trenchant are his observations on the unfortunate and unduly weighty influence of the various deterministic views; of the paucity of the evi-

dence on which they rest; i.e. of their "Monism" and "dialectic Mysticism." While such criticism may appear sharp and extreme, this reviewer's impression is that the author makes out a good case on the sound principle that in social relations causes are subtly multiple and that the more exhaustively one surveys member causes and factors the nearer one may approach the truth.

With more obvious relevancy to historical perspective than to "The Hero In History," Mr. Hook essays a number of illuminating exercises and dissertations on the "If," the "Contingent," and the "Unforeseen" in history, which enliven and broaden the outlook in a subject all too prone to appear more chronologically narrative than analytical of social and personal factors and of their inseparable relations.

In marked contrast, however, to the rest of his approach, his treatment of alternatives to current trends is summary, meagre, and typically Marxian in vagueness of economic subject terms. There is no hint of distinction between increments from production and those from obligation in reference to the devil "profits" and all his works. He alludes to the weird outgrowths of private enterprise as "free enterprise" and capitalism in a manner to suggest them as the inevitable norms of free enterprise. Inferentially, he sees no alternatives really worthy of particular consideration, for the force of the trends is, "irreversible toward free enterprise." One may question whether the forces which beget this condition would continue and have the same appeal for the collectivist-minded if people should come to view the freedom of such enterprises in its true light wherein it bears no resemblance to a free enterprise of free men as envisaged by philosophers of freedom. Such a philosophy, during at least two centuries, has received noteworthy treatment by Spencer, Locke, Thomas Paine, Dove, Spence, Ogilvie, Jefferson and Henry George, as well as by a number of contemporary economists, statesmen and scholars. That the author brings to the work a lucid and objective critical talent makes it the more poignant to students of that philosophy that its heroes of thought do not receive even a frigid nod of recognition in the discussion of alternatives, in either the short or long term view of "The Hero In History."

—Dominic Della Volpe

NOT SO DIRTY AS PAINTED

"Citizen Tom Paine," by Howard Fast. Duell, Sloan & Pierce, Inc., New York, 1943. 341 pp. $2.75.

In the best seller list, where it has already climbed to a high place, "Citizen Tom Paine" is classified as fiction. That's as should be, since the book is not history but a historical novel. I am glad of that. It allows me leeway for believing, despite the author's reiterated suggestions to the contrary, that Tom Paine was *not* congenitally opposed to taking a bath; that he bathed willingly once or twice a month, instead of unwillingly once or twice a year; and that while he may have been dirty most of the time—and possibly by choice—he was not dirty *all* the time. It allows me to doubt, too, that *every* pleasant word or kindly offer addressed to Paine was met with "Go to hell," or an equivalent insult, and that, drunk or sober, Paine was perpetually immersed in maudlin self-pity.

I wasn't there, of course, and maybe I am a little stubborn about it, but Paine's part in the American Revolution—he came close to keeping it going single-handedly for long periods at a time—stamps him as a man of such heroic mold—and on that point Author Fast gives full credit—that I can't bring myself to believe he was quite the crab he is made out to be.

Mr. Fast's treatment of his hero is reminiscent of the methods of some of the older writers. John Dos Passos, in his search for realism, used to make much of the five material senses, particularly smells; he doted on smells. Stale sweat was his favorite but any smell would do as long as it was unpleasant. Hemingway proved that his male characters were virile by depicting them as loud-mouthed, uncouth and vulgar. Leonard Merrick, writing of the Quartier Latin of a by-gone day, had every young artist starving in a garret, imbibing huge quantities of vin ordinaire, and keeping a mistress with a heart of gold and dirty fingernails. It was all very romantic and, if you ask me, a lot of bunk and a pain in the neck.

I suspect that young Mr. Fast, though already the author of a number of highly successful historical novels, in striving for effect has at times just a little overstriven.

And now, lest these churlish observations lead you to a wrong conclusion, let me hasten to assure you that "Citizen Tom Paine" is a book that will well repay you for the reading. Never myself a historian, and recalling from student days even the highlights of the American and French revolutions none too clearly, I can only surmise that Mr. Fast has stuck reasonably close to the record. On the whole he has given us a highly interesting narrative. If in places the thing seems to drag a little—particularly noticeable in the story of Paine's part in the French Revolution—that, of course, is a fault with practically all books. Shortening is as helpful, and far less used, in book writing as in cooking. You will count "Citizen Tom Paine" no waste of time—anything but. Even so, I wish the factors of dirt, drunkenness and self-pity had been handled with less of unflagging unpleasantness.

—C. O. Steele

THE DILEMMA OF DEMOCRACY

"FORCE AND FREEDOM: Reflections on History," by Jacob Burckhardt. Edited by James Hastings Nichols. Pantheon Books, Inc., New York, 1943. $3.50. 382 pp.

In this book, for the first time, readers of English have access to this series of lectures by the eminent Swiss author of *Civilization of The Renaissance,* whose historical insight enabled him to foresee from the middle of the last century the major political happenings of this century. He presents us with the dilemma of democracy which, beginning as a revolt of the masses against authority, carries this revolt to the point where ruthless militarism takes over to maintain social order.

Rousseau taught the mass of people to think that all

things are possible in human society, and that everyone has an equal right to them. The bonds of outer discipline —tradition and law—were thus broken. Nothing was fixed or stable; the democrats lacked respect even for their own laws and constitutions, and would toss them aside as soon as someone thought up a new public service for the people to claim as a "right of man."

But outer discipline can be safely done away with only if it is replaced by inner discipline—a sense of responsibility, a readiness on the part of each individual to put the good of the whole above his own narrow interests. This was assumed by the early democrats, in their doctrine of the perfectibility of man, but it has not been achieved by our democracies. Quite the reverse. Here is the essential task of education in a democracy—the development of character—but it is one for which there is practically no provision in our schools.

With the development of suffrage—independent of any proof of competence or responsibility—all things came to depend on the whims of public opinion, and the manipulation of public opinion became a great art.

There is always some group who can profit by a change, and lacking the essential interest in the common good, pressure groups begin to demand changes, without any consideration of the effects of those changes on others or on the community as a whole.

The belief grows that everyone is licensed to demand anything because someone else has it. Let everyone get what he can, and the devil take the hindmost. So life becomes a scramble for the favors of government, and political leadership declines because the least scrupulous politician—who is willing to make the most impossible promises—is voted into power.

Burckhardt saw a century ago what many liberals are now discovering too late—that the extent to which the state provides its citizens with the necessities of life, is the extent to which it will also control and regiment their lives. To know that security which the political state promises, individuals must give up their independence. Government operation of economic life not only results in bureaucratic control of our individual lives, but also in a lowered productivity and therefore a lowered standard of living for the nation as a whole. But voters keep voting for the extension of government activities ("services") because each individual focuses his attention on the advantage that he thinks will accrue to him, refusing to observe its cost to him, and refusing to care about its cost to others or to the society as a whole.

As an aside, it should be noted that the one type of pressure group whose interests are those of society as a whole, are those groups formed by consumers, for everyone is a consumer. (The labor movement assumes that it represents all of society, but even in good times only about half the population are employed.) Both for this reason, and also because cooperation develops independence among people who do things for themselves instead of having government do for them, this reviewer looks on the consumers cooperative movement as the development that offers a solution to this dilemma of democracy.

Those who stand to gain by each change, justify it by contending that it means greater equality of distribution. Those who advocate equal distribution of economic goods via the state rarely observe that the advantages in such a society shift from economic to political, and that they are not equally distributed, but flow disproportionately to those in power. To share in this power one must demonstrate a servile faithfulness to the party line, regardless of the protests of his conscience or his intellect. Thus human personality is debased, as irresponsible men turn more and more to the use of force —centered in the state—to attain their ends.

These two trends meet. The decline in the quality of political leadership brings the demagogue; at the same time the centralization of power in the state offers a machine for domination to any ambitious man bold and ruthless enough to seize it. In the end, said Burckhardt, would come the generals, because militarism is the only way of maintaining order. "The sudden change from democracy will no longer result in the rule of an individual—for he would be put out of the world with dynamite, etc.—but in the rule of a military corporation. And by it, methods will perhaps be used for which even the most terrible despot would not have the heart. . . People may not yet like to imagine a world whose rulers completely ignore law, prosperity, profitable labor and industry, credit, etc., and are then in a position to rule with absolute brutality."

This is a book for those of us who have become too much engrossed in the narrowness of contemporary events. Burckhardt does not conceive of history as establishing innumerable facts under the illusion that when a period has been "covered" it will be understood. History is rather a matter of evaluation. These lectures evaluate three major institutions in human life—culture, religion, and the state—in their influence on each other. They call attention to the fact that political power is in opposition to cultural greatness.

"The great ages of culture were not those protected by the mighty states of the past, but were the work of communities whose political significance was infinitesimal."

Appreciation should be expressed to James Hastings Nichols for the brilliant essay on Jacob Burckhardt that occupies the first 77 pages of this book. Nichols' analysis of Burckhardt as Man, Prophet, and Historian serves to illumine the eight lectures which are translated into English here for the first time.

A book like this helps us to understand as we observe the masses selling their birthright of freedom in exchange for the promise of economic security guaranteed by force. Freedom, Burckhardt defines, not as the right of every man to *do* as he likes, but the unimpeded right to know and communicate knowledge, and the freedom of the creative impulse.

Each of us imagines that if we could but obtain more power, we could use it for good ends. To this illusion, Burckhardt warns, "Power is of its nature evil, whoever wields it. It is not stability but a lust, and *ipso facto* insatiable, therefore unhappy in itself and doomed to make others unhappy."

—MORGAN HARRIS

AND UP GOES THE RENT OF LAND

In a fascinating article in the June issue of Harper's, entitled "The Great Crops Move," Charles Morrow Wilson tells the story of one of the most exciting developments in the war—the sensational growth of "seed flying," carrying seed by airplane from country to country and even from continent to continent. Rhizomes of the abacá, or Manila hemp plant, flown out of British Malaya under the noses of the Japs for replanting in American tropics; selected Hevea or rubber-tree seed from Jap holdings in Sumatra to points in India and other tropical areas; high-yielding hybrid corn, the seed of long staple cottons, and disease-resistant wheat and rye from the United States to Madagascar, south China, Burma and Egypt—these are but a few of the plant migrations made possible by that swift annihilator of time and space, the modern airplane.

Others include the acorns of cork oak, flown from Spain to southern California; the seed of staple drug crops, from southern Europe to the Carolinas and Tennessee; Cryptostegia, or vine rubber, from Madagascar to Florida, Arizona, Haiti, Arizona, Mexico and other areas south of the Rio Grande. The seed of cinchona, or quinine, trees are reaching us from the formerly Dutch Pacific Islands, and proceeding via Washington to Puerto Rico and many republics of the American tropics.

Enormous traffic has been built up in the transport of breeding animals by air, and this in turn has been supplemented by the rapid development of the techniques of artificial insemination by which the semen of highly valuable sires can be packed, insulated, flown thousands of miles by plane, and used to impregnate dams in another country or even on another continent.

The author writes, significantly: "In any case the time is long gone when any important tillable crop can be considered the vested property or monopoly of any one individual, corporation or nation. After the collapse of cartel-ridden Malaya and the Netherlands Indies; after we have seen the end-results of the so-called Stevenson plan (sponsored, alas, by Mr. Winston Churchill himself in the nineteen-twenties) for keeping the production of Hevea rubber in the hands of a close-knit coterie of London investment trusts and out of the hands of some quarter-billion of tropical peoples whose lands and energies are well suited to rubber production; after we have learned the lesson of the succeeding Dutch-British Rubber Control Committee (which was holding world rubber production at 51 per cent of proved capacity even after the fall of Holland and the subjection of Britain to mortal danger)—or of the maladorous Dutch quinine monopoly maintained by the Kina Bureau of Amsterdam—there is no sense in defending the insidious and perilous power politics of crop monopoly."

So far, so good—in fact, fine. But then the author goes on with a paragraph which shows that with all his skillful marshalling of the facts and his penetrating analysis of the economic changes that are being wrought by this new system of air transport, he is totally unaware of the fact that in smashing one after another of the secondary monopolies, we will still be immeasurable leagues short of having achieved freedom of production. That we cannot claim until we shall have rid ourselves of the parent monopoly of them all, the monopoly which inheres in our present system of land tenure. He writes:

"The free migration of crops means the end of crop monopolies, and it can very well mean the end of the audacious cartels which would 'freeze' a given crop to a given locale in order to augment the profits and prestige of any self-seeking collusive group. From now on, if free men and free nations are to survive, crops, like air and water, must be for all men of good will who can use them well. The free migration of crops offers the one assurance that this can happen."

The "free migration of crops," of course, offers nothing of the kind, nor can it ever offer any such assurance until our stupid land laws are amended so that all men have equal rights of access to the land, and trade restrictions of every kind are leveled—until men have ready access to a place to *plant* the seed that are brought to them, without paying tribute to any land owner, and are free to trade their product where they will, without let or hindrance.

—C. O. Steele

ABOU BEN ADHEM

Abou Ben Adhem (may his tribe increase!)
Awoke one night from a deep dream of peace,
And saw within the moonlight in his room,
Making it rich and like a lilly in bloom,
An Angel writing in a book of gold.
Exceeding peace had made Ben Adhem bold,
And to the Presence in the room he said,
"What writest thou?" The Vision raised its head,
And with a look made of all sweet accord,
Answered, "The names of those who love the Lord."
"And is mine one?" asked Abou. "Nay, not so,"
Replied the Angel. Abou spoke more low,
But cheerly still, and said, "I pray thee then,
Write me as one that loves his fellow men."
The Angel wrote and vanished. The next night,
It came again, with a great wakening light,
And showed the names whom Love of God had blessed,
And, lo! Ben Adhem's name led all the rest!

—*Leigh Hunt*, (1784-1859)

HENRY GEORGE

When I am dead—
Let nothing more be to my credit said,
But that I followed Henry George and tried
To aid the Cause for which he lived and died;
Who, like Ben Adhem, "may his tribe increase,"
Saw in a vision what would bring world peace;
Not Love of God, but Love of fellow man,
Which covers both and brings the human clan
Within the shadow of whom God has blessed—
All such as he "whose name lead all the rest."
Because he scorned the vanities of pelf,
And learned to love his neighbor as himself,
I honored Henry George and want no line
Carved on my tomb but that his dream was mine—
When I am dead.

—*Horatio*

NEWS *of the* Crusade *for* Economic Enlightenment

We'll Take Jersey

Not long ago, March of Time in its movie about India said "With India already overcrowded, its birth rate increasing by millions every year, neither industry nor agriculture is capable of absorbing the ever-mounting excess of population doomed to poverty by its very number."

India has 246 people to the square mile. Why aren't the nearly 900 people to the square mile in Nottinghamshire also doomed to poverty? Senator Tydings, of Maryland, in our own U. S. Senate, when talking about Puerto Rico, says the problems down there are "due to the fact that in Puerto Rico there is found the densest population in the Western Hemisphere." Puerto Rico has 544 people to the square mile. The State of New Jersey has 553. Draw your own conclusions.

You can use New Jersey quite often as an example of density of population because it is thickly populated compared to many other places. When people tell you that India, Japan, Germany, Italy and so many other places are overcrowded, just ask them if they think the Garden State of New Jersey is too thickly populated? It is evident there is plenty of vacant space. We do not believe anybody in New Jersey is "doomed" to poverty on account of their numbers.

HARRY BADGLEY, in *Your School*

Teresa Has a Baby!

NEW YORK—Lieutenant and Mrs. William Witort announce the birth of a daughter, Joan Amyand, who arrived on this troublous scene late in May. Her legion of friends will remember Mrs. Witort as Miss Teresa McCarthy, for a number of years an active full-time worker at the Henry George School as Assistant Director and later as Field Organizer in New Jersey for the New Jersey Extension.

In Fairness to All

PHILADELPHIA—Of interest to readers of THE FREEMAN will be the reply of Mr. Harold Sudell of this city to a correspondent who submitted the question: "Why limit the land tax to 100% of its annual value?" Mr. Sudell wrote as follows:

You ask, "Why limit the land tax to 100% of its annual value?"

No individual has any just right to the rent of land. Any user of the earth must, if justice is to be done, pay to the rest of us the full value of the privilege granted him.

But, as it seems to me, if we call on him for more than this, we begin to place obstacles in the way of the freest use of the earth. This is what speculation in land now does, and we are working to get rid of that.

So long as no more than the annual ground rent is collected the land tax puts no burden whatever on the user of land—it is something that must be paid to someone—but the moment that line is crossed the tax becomes a burden, and it will prevent that which we are anxious to get—the freest possible use of our natural resources so that the greatest possible amount of wealth may be produced. It seems to me then, that if more revenue is needed some other form of taxation should be used as the land-user has paid all that can justly be demanded of him, and others should then share in furnishing the required revenue.

Corporal Duris a Visitor

NEW YORK—Corporal Alex Duris, U. S. A., was a visitor to school headquarters in late June. It was Alex Duris who launched the Letter Writing Group on its high successful career last year. Since his induction into the armed forces, the activities of the group have been directed by Robert Sage and, more recently, Miss Katherine Buckley.

Brain Trust's Score

NEW YORK—The following forthright views from the ever-forceful pen of that veteran Georgist, Henry Ware Allen of Wichita, Kansas, appeared as a letter to the editor in a recent issue of the New York *Herald-Tribune:*

It is unfortunate that our schools and colleges while doing such good work in other departments should neglect that most important of all sciences in relation to social welfare: the science of political economy as founded by Adam Smith and perfected by Henry George.

In place of this a makeshift has been substituted, "economics," which has proved to be a conglomeration of unscientific and unrelated ideas which are interpreted in various ways by every professor of economics.

During the last ten years these professors of economics have been given full opportunity to put their theories into practice at Washington, a sufficient number of them having been contributed by their respective colleges in order to constitute the brain trust.

Here are some results of their handiwork: Sending men to prison for charging too little for their services, the killing of 5,000,000 little pigs and plowing under of every third row in order to raise the price of agricultural products, compelling employers to rehire objectionable men who have been discharged and to pay them for work not done, paying subsidies to farmers for raising what they were going to raise anyway and then paying them rewards for not raising what they were not going to raise while imposing heavy fines upon them for raising more than their allotted quotas.

But the worst and most inexcusable of these atrocities has been the freezing of prices and rentals, in that way robbing one class for the benefit of other classes and without any compensating advantage to the Federal government.

Is it not about time to put an end to the work of these socialistic crackpots and to return to the democracy of our fathers?

Outstanding Accomplishment in Chicago

CHICAGO—Evidence that the Henry George School in Chicago is well on the way toward making the tenth year of its existence its most successful year was seen in the graduation of approximately 200 students at the Commencement exercises held at the Y.M.C.A. Hotel on the evening of June 23rd. The principal address of the evening was delivered by Henry Hutchins Hardinge; the address of welcome was made by Hiram B. Loomis, President of the Board of Trustees; a number of graduates spoke briefly, and Dean Henry L. T. Tideman presented the certificates of graduation. Mrs. Susan M. Emery presided.

In view of the exigencies of the war situation and the limitations imposed by the severe curtailment in transportation facilities, the school's showing—more than forty classes providing so large a number of graduates—is considered little short of remarkable, and a fitting tribute to the aggressive leadership of Director John Lawrence Monroe.

Preceding the commencement celebration the members of the Henry George Woman's Club served a smorgasbord supper at school headquarters to the graduates and friends of the school.

NEW YORK—The following letter, which appeared in a recent issue of the *Chicago Daily Drovers Journal*, is from Theodore T. Whitney, Jr., a former partner in one of Wall Street's largest investment banking houses and now a "gentleman farmer" who makes it pay. Mr. Whitney operates the Flying Cloud Farms, where he raises Aberdeen-Angus cattle, Dorset sheep and turkeys. His home is in Milton, Mass.

"Thomas Jefferson with rare wisdom once said, 'When Washington tells its people when to sow and when to reap, then our nation will want for food.' In Protection or Free Trade, Henry George with equal wisdom says, 'Between the man and the community there is . . . an analogy which becomes closer as civilization progresses and social relations grow more complex. That power of the whole which is lodged in government is limited to its field of consciousness and action much as the conscious will of the individual is limited, and even the consensus of personal beliefs and wishes termed public opinion is but little wider in its range. There is, beyond national direction and below national consciousness, a life and relation of parts and performances of functions which are to the social body what the vital processes are to the physical body.

" 'What would happen to the individual if all the functions of the body were

placed under the control of the consciousness, and a man could forget to breathe, or miscalculate the amount of gastric juices needed by his stomach, or blunder as to what his kidneys should take from the blood, is what would happen to a nation in which all individual activities were directed by government.'

"I commend to our hordes of bungling bureaucrats or to those planners in government who spawn these hordes—seemingly world without end—that they read, digest and assimilate some of the economic philosophies of Henry George, one of the world's greatest original thinkers, who wrote the above quotation more than fifty years ago. His book, Protection or Free Trade, is one of the classics of political economy and social science, but it seems to have been forgotten like the 'forgotten man,' in the rush to plan a new world."

An Editor Tells the Editors

ALMA, WISCONSIN—The following communication speaks for itself:

To the Editors
Life
Chicago

SIRS:

Your editorials—I like them; they help me to think. Like "Post-War Plans" of June 14. I hope to repay you by helping you think.

Does not post-war planning call for a certain definite policy more universal than even *Life* or *Fortune* or Mr. Keynes seem to realize?

Search to the source, and you will find that in this and every other land immeasurable injustice, social unrest, international disturbances, spring from the special privileges antiquated property laws give to individuals who thereby control natural resources of the earth, including advantages of location.

The truth you apparently fail to grasp is that in America, as in England, Germany, Italy, and everywhere—the state neglects one of its first essential duties—the taking of RENT, its own automatic revenue, for public purposes.

You need only give an impartial hearing to such a man as Otto Cullman of the Cullman Wheel Co., or C. R. Walker of *Cause and Effect*, 127 N. Dearborn St., both Chicago, to put you or *Fortune* on your way to some most essential information for Post-War Planning.

Most sincerely,
THEODORE BUEHLER, Publisher,
The Buffalo County Journal

Mr. Noren to Mr. Johnston

PITTSBURGH—The following letter from a veteran Georgist of the city to Eric A. Johnston, President of the United States Chamber of Commerce, needs no explanatory remarks—it speaks for itself most effectively.

"Of late I have seen your name much in print, the latest in the clipping enclosed. I agree with your four points. But by achieving them business interests will recover only a small part of what has been lost of free enterprise. It will have done nothing to remove the cause of the tragedy of general business failures. I used to subscribe to many business papers. Their universal theme was—work harder. All too many work themselves to death, literally. I have run a little store here for 33 years. The number of merchants at any one time have varied between 17 and 29. Of the 17 here when I came only two survive now. Some 150 have started and quit or failed. Nearly all worked hard. But if what the trade journals say is true, these failed because they did not work hard enough.

"I have never known any business organization, such as your Chamber of Commerce making a study to find a cause for these business tragedies. Opposed to socialism, yes, even the slightly disguised socialism called the New Deal. But such opposition is futile for it does nothing to cut the ground from under socialism. The slogan 'free enterprise' is meaningless, for we know that if the issue became free trade and tax free production the Chamber would form a solid line of opposition.

"Thirty years ago we took a step here in Pittsburgh to relieve industry of City taxes by taxing privilege instead. The staunchest opponents of the proposal were the Chamber of Commerce and the Real Estate Board.

"From all that I have seen to the contrary, the organizations which represent private business, such as your Chamber of Commerce, could well have issued a call to the communists something like this: 'Come and destroy us.' That they will do anyhow, of course, since there appears to be no hope whatever that business men will ever take any measures to effectively stop them."

H. W. NOREN

The Snyder System

Several years ago one of the students in the Hudson Extension suggested that we all enclose tracts with our Christmas cards. I did so for several years, urged others to.

I always have a few in my wallet to give to anyone I talk with who shows any interest. I leave them in library or other borrowed books, on table at my observer's post. I use them as stuffers in most of my outgoing mail. I give them to men who are looking for work and thumb a ride. Except for an occasional acknowledgment from a Vice President of some concern to which I have sent them with a proxy, or some charity to which I have contributed with the remark that if George had been heeded that charity would have been largely needless and I would have been able to contribute more to it, I must confess that I have seldom been able to trace any result from this, as is the case with most advertising.

However, a few days ago I found my plumber's door locked and had nothing with me upon which to write a message except a tract. Later he said he found it and read all but my signature and reread the tract and showed it to several people because it was so sensible. One man asked him for it but he would not give it up!!!

This shows that tracts DO sometimes accomplish something and they are very cheap. I wish I could get more of my graduates to use them.

They probably seldom if ever effect a complete conversion but they do break down sales-resistance. Why not publish this letter to encourage others?

Hudson, N. Y. WILLIS A. SNYDER

Applauds Miss Harkins

I was greatly interested in Margaret Harkins' articles in which she places Jesus of Nazareth as one of the greatest political economists of all time, and delves into that mine of social truth, religious doctrine and high grade economics: the Sermon on the Mount. Properly interpreted, understood and enforced, there is enough power in that marvelous sermon to regenerate the world and bring in the Golden Age so long foretold and longed for. Miss Harkins' ideas are very interesting and should be especially so to our clergy and theological students.

Rochester, Pa. R. W. STIFFEY

As Mr. Meyer Sees It

We are growing accustomed to thinking of labor as being a group separated from the rest of the race. It might be well to remember that, irrespective of their membership in any labor union, that they are first and last citizens of our nation, with all the privileges that word bestows. And that we should remember in connection with the strikes in plants working on war contracts that every strike for the purpose of raising wages will be paid for by all of us. For isn't it clear, that the manufacturer is paid for the use of his shop and for the wages of his workmen. The citizen will have to pay the government any increase in the high wages that are already prevailing today by a heavier income tax tomorrow.

Even if wages were higher and the taxes were frozen, what then? The situation would not have improved much. Surely we understand that the basic problem is not Wages, or Labor, or Capital, but LAND.

Oklahoma City, Okla. WM. MEYER