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INFILTRATION: A VIRULENT POISON

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THE CASE OF PHILADELPHIA

Harold Sudell

Even were it true that the common opinion of mankind has sanctioned private property in land, this would no more prove its justice than the once universal practice of the known world would have proved the justice of slavery.—The Condition of Labor.

The Truth About Lying

LYING is never expedient. This is not a moralistic observation; it is a deduction from objective experience.

* * *

Modern propaganda is expedient lying developed to the status of a fine art. It starts with a basic principle: that the liar-in-chief must prepare "his people" psychologically for the plan of living which in his omniscience he has ordained for their own good. His Munchausenisms have a purpose, a mission. Since the Plan is good, whatever expedites the Plan must be good. Thus the deliberate lie—which in private life would make him a social outcast—makes a patriot of the Planner.

* * *

This use of the expedient lie is not confined to the avowedly totalitarian governments. Whenever the State, even under the democratic form, assumes to function for the "good of the people," the tendency to mould public opinion to the acceptance of the "good" grows apace. This tendency is not limited to the outright lie. The distortion of facts, the use of the half-truth, the overemphasis of unimportant details, the drawing of favorable conclusions from basically erroneous but imposing statistics, these are some of the methods to which even we in democratic America have become somewhat inured. Pressure groups justify their use of this method on the ground of expediency; and the State is the apotheosis of pressure group polity.

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The recrudescence of Stateism in modern times has been attended, naturally, with an appalling amount of propaganda. But, because lies seem to carry with them their own detectors, the residuum of all this lying is extreme skepticism. So much so that even an obvious truth is scanned doubtfully, and never accepted without reservation.

* * *

Only a nit-wit believes the dispatches from the war zones; and many of us have got into the habit of looking for the lie in every statement from every capital, including Washington. Which is good; for the surreptitious attempts to inveigle us into this imperialistic war will continue until they are successful or the war collapses.

* * *

But, the point is that all this lying has been quite inexpedient. In all neutral nations it has failed and we have no doubt that even in the warring nations there is a modicum of sanity that cannot be blotted out by lies.

* * *

Perhaps, after all, then, honesty is the best policy—the truth is most expedient. All the truth. If that is so, and experience most decidedly demonstrates that it is, the half-truth method of advancing any philosophy—and particularly the philosophy of Henry George—is worthless. Cunning deception seems always to be detected, and the deceiver branded as a liar. It thus becomes inexpedient. If one goes down to defeat flying the banner of Truth, one at least gains the respect of one's enemies; and that is expedient for the next battle.

Hang the Law

THE CONGRESSIONAL INVESTIGATION of the National Labor Relations Board has brought to light some rather ribald practices of this government agency. Headline and editorial writers found much to decry in the methods employed by this bureaucracy in its attempt to do the impossible —raise wages by the collective bargaining technique.

But critics of the law which gave birth to the NLRB seek only to amend it to their own ends and none of them seems to discern its innate stupidity. The Wagner Act, for the enforcement of which the commissariat was established, assumes that business men can pay higher wages if they want to. They must be made to want to.

The power of organized labor rests upon the blunt instrument of persuasion backed up by governmental sanction. Thus the time-dishonored technique of all pressure groups has been made available to labor unions. They have won a privilege law for their own benefit at the expense of everybody else and it is implemented by quasi-judicial authority policing industrial relations.

But they, in turn, are victims of just such privilege laws wangled by similar pressure groups operating ever since the country felt its first growing pains.

When large tracts of land were granted to the railroads, the squatters, farmers and prospectors who had pioneered in these areas were ruthlessly evicted, sometimes killed, and their homes were destroyed. The process was strictly legal because the railroads had gained from the government a privilege which the courts had notoriously extended through confirmation.

From the distant days of "the full dinner pail" to the present, protectionists have been getting from Washington by back-scratching and log-rolling the tariff enactments which confer on them the privilege of robbing the American worker of part of his wages to the tune of billions while petty smugglers are clapped in jail.

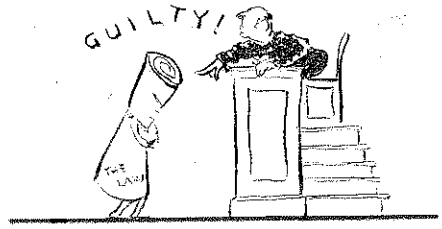
A subsidy to cotton land owners for holding land out of use results in the eviction of share croppers; their misery is part payment on the privilege.

Milk distributors, in cahoots with labor organizations, obtain regulatory measures which enable them to boost their prices at the expense of babies.

The American Legion, associations of manufacturers or retailers, farmers' groups, even religious bodies, maintain lobbies for the purpose of bribing, cajoling or intimidating legislators into granting special privileges—at the expense of unprivileged citizens.

So, if the NLRB used unethical methods to enforce an unethical law, it had many precedents to go by. This board was told, by the law, to see that workers in factories, stores, warehouses and beauty shops were organized so that they could "bargain collectively" with their bosses for higher wages.

If the Board went a little beyond the letter of the law it should be complimented for carrying out its spirit. If the Board acted with partiality, it must be remembered that the law itself is not impartial, for it is based on the false assumption that wages come out of the pockets of employers, and that force will make them disgorge; force is never impartial.



The NLRB is not on trial. The law itself is the accused. It is a liar, a thief and a trouble-maker. It assumes that wages are paid by capital, and that is a lie. It is a thief in that it robs workers of their jobs by trying to establish arbitrary wage scales above the natural level of wages, which is determined by the margin of production. It is a trouble-maker because it encourages disputes between worker and employer, both of whom are engaged in the production of wealth. The law, not its commissars, should be hung.

This is Socialism

A TRADE PAPER ANNOUNCES: "Bids for furnishing 7,500,000 yards of mattress ticking to the Federal Surplus Commodities Corporation, to be used in the manufacture of mattresses for distribution to low-income families through state relief agencies, were opened today."

Finland and Russia

"WHERE LIBERTY RISES, there virtue grows, wealth increases, knowledge expands, invention multiplies human powers, and in strength and spirit the freer nation rises among her neighbors as Saul amid his brethren—taller and fairer. Where Liberty sinks, there virtue fades, wealth diminishes, knowledge is forgotten, invention ceases, and empires once mighty in arms and arts become a helpless prey to freer barbarians! . . .

"Liberty came to a race of slaves crouching under Egyptian whips, and led them forth from the House of Bondage. She hardened them in the desert and made of them *a race of conquerors.* The free spirit of the Mosaic law took their thinkers up to heights where they beheld the unity of God, and inspired their poets with strains that yet phrase the highest exaltations of thought. Liberty dawned on the Phoenician coast, and ships passed the Pillars of Hercules to plow the unknown sea. She shed a partial light on Greece, and marble grew to shapes of ideal beauty, words became the instruments of subtlest thought, and against the scanty militia of free cities *the countless hosts of the Great King broke* like surges against a rock. She cast her beams on the four-acre farms of Italian husbandmen, and *born of her strength* a power came forth that conquered the world. They glinted from shields of German warriors, and *Augustus wept his legions.* Out of the night that followed her eclipse, her slanting rays fell again on free cities, and a lost learning revived, modern civilization began, a new world was unveiled; and as Liberty grew, so grew art, wealth, power, knowledge, and refinement. *In the history of every nation we may read the same truth.* It was the strength born of Magna Charta that won Crecy and Agincourt. It was the revival of Liberty from the despotism of the Tudors that glorified the Elizabethan age. It was the spirit that brought a crowned tyrant to the block that planted here the seed of a mighty tree. It was the energy of ancient freedom that, the moment it had gained unity, made Spain the mightiest power of the world, *only to fall to the lowest depth of weakness when tyranny succeeded liberty.*

"Shall we not trust her?"—*From "Progress and Poverty."*

Protection for Everybody

BECAUSE WISCONSIN has in effect barred entry of oleomargarine made from cottonseed oil, Georgia will no longer permit entry of Wisconsin products intended for relief distribution. . . . Sheboygan, Wis., bakery employees and "friends" of bakers are attempting to protect their industry from the competition of bakers in near-by Wisconsin cities; they propose to impose a fee of $25 a day on each truck carrying bread, pastry and rolls not baked in Sheboygan.

That's the stuff that wars are made of.

The Freeman

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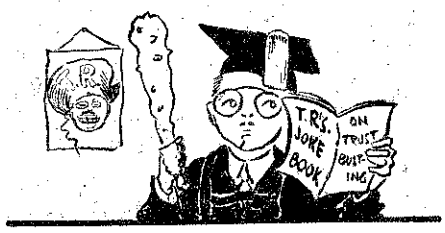
Trust Busting Chestnut

WHEN A COMEDIAN resuscitates a joke from Joe Miller's ancient collection, knowing ones smile sarcastically. But the public seems never to recognize either the vintage or the absence of wit in the jokes our politicians play on us.

It was some thirty-odd years ago that Teddy Roosevelt began entertaining Americans with his big-stick trust-busting antics. He was great fun in those days. His "gag" has been more or less successfully borrowed by subsequent headline seekers. The current reviver of the joke is the ex-professor (sic) Assistant Attorney General Thurman Arnold.



Author Arnold's twist of the hoary slap-stick comedy conducted under the auspices of the Sherman Antitrust Act consists of throwing custard pies at the hitherto exempted labor unions. These villains of the building trades are being charged with: (1) preventing the use of cheaper material and improved equipment; (2) compelling the hiring of unnecessary labor; (3) fostering graft; (4) fixing prices; (5) destroying legitimate collective bargaining.

Hero Arnold has hired him a crew of ambitious young legal lights from Harvard, Yale and similar incubators of juvenile feeders at the public trough, to take roles in the funny fracas which will undoubtedly give him a good press—the war permitting—from now until his term of office expires. The denouement will probably be a few more innocuous trust-busting laws in our already overcrowded statute books.

Economist Arnold's lines will include no reference to the fact that these union leaders could not ply their nefarious trade if the wage level (not the wage scale) in the building industry were so high that workers would find unnecessary the union method of seeking privilege. That the only way to boost the wage level to such heights is to prevent the stoppage of building. That this stoppage of building is due to the withholding from use of land—the only place on which and from which buildings can be built—for higher prices. That the way to stop land speculation is to appropriate rent for public purposes.

Professor Arnold may omit such telling points out of sheer ignorance. Or, maybe he's afraid his angel (F.D.R.) would withdraw support of the production if land speculation were brought into the plot. Anyhow, we must not be too severe on Thurman. He is, after all, staging only a farce.

"Terms and Conditions"

WHEN YOU MOVE into a low-rent (subsidized) dwelling built by the New York City Housing Authority you sign a "Terms and Conditions" contract which differs from an ordinary lease in that your tenancy depends not only on your decent treatment of the landlord's property, but also on your economic and social status.

You agree to notify the landlord immediately of any changes in your family—births, deaths, or the harboring of some indigent relative. Also, if you get a new job or a rise in pay you must tell the manager. And once a year you must submit to the landlord a signed notarized statement containing all such information. Punishment for not complying with these and other requirements—or for making an erroneous application for tenancy—is ejection from your domicile within seven days. However, this period may be extended to thirty days if your income rises above the limit established by the United States Housing Authority.

"A man's home is his castle"—until the government subsidizes it. Then it becomes a den consecrated to the evasion of regulatory bureaucrats.

The Kick - Off

ON JUNE 12, 1940, the Trade Agreements Act of 1934 expires. This law, with a stated purpose "to expand foreign markets for the products of the United States," empowers the President to negotiate trade agreements with foreign states. No agreements may modify existing duties by more than 50 per cent, no dutiable article may be put on the free list. It can be seen that these agreements can only slightly lower our high protective tariffs, and can only modestly increase our purchases from abroad. Nevertheless, even this slight concession to economic sanity has met with vigorous

opposition from both Republican and Democratic high tariff members of Congress.

Last month these reciprocal trade agreements came under fire again when the proposed twenty-first, with Chile, was being discussed at a public hearing. Representatives of the copper industry and of the chief copper-producing states, Arizona, Montana, Utah and Nevada, feared that this treaty would open the American copper market to Chile, which after the United States, is the largest copper producer in the world. The notorious strangle-hold which our copper monopolists have had on this industry may be broken to a small degree, and we may pay somewhat less for our copper tea kettles by letting a little Chilean copper come into the country; yet their henchmen in Congress are at the barricades.

It is interesting to observe that the politicians opposing the proposed treaty represent states in which copper mines happen to be located; which brings up the question whether our Congressmen represent the people of the United States or the mine owners of their districts.

The question will be answered in the election this fall when the Hull agreements will bring back the old tariff football to the political gridiron. We can expect to see our Congressmen blocking and tackling John Q. Public, while the copper, oil, wool and lumber interests do the quarter-backing.

War Forever

BENITO MUSSOLINI, no matter what else he may be, is a realist. Which means that he is convinced that what is, is. And he shapes his course of action accordingly. Recently he expressed his realistic approach thus:

"Now, above all, every one, even those with the thickest brains, can see that the division between the economy of peace and the economy of war is simply absurd.

"There is not an economy for peacetime and an economy for wartime. There is only a war economy, because historically, considering the number of years of war, it has been demonstrated that a state of armed warfare is a normal state of the people, at least of those living on the European continent, because even in years of so-called peace other types of war are waged, which in their turn prepare for armed warfare."

This happens to be a truism. War between nations has been carried on incessantly between intermittent periods of armed conflict for hundreds of years. The world is never at peace. War is merely an intensification of national economic rivalries, as expressed in tariffs, quotas, spheres of influence, imperialism—of all the methods used by privileged groups in one country to exploit peoples in other countries.

Indeed, the exploitation economy within every country is merely extended beyond the frontiers through foreign investments, by obtaining land grants from local politicians, by imposing extra-territorial rights. Thus the condition of war is present. Sometimes armed war is a revolt of local exploiters against invading exploiters; sometimes the exploiters of two nations come into conflict on the territory of the exploited. But the condition of war exists so long as one group of people exploits another.

That is why Il Duce's statement that there is "only a war economy" is correct. He means that all our national economies are based on the exploitation principle; that none of the economies of the nations tend to foster production, which is the only condition of peace.

France and England have been forced to scrap their competitive economies in order to strengthen themselves for the war. For war purposes they cease fighting one another in the economic field. Why did they not get together economically to foster their productive capacities when they were "at peace"? Better still, why did not the nations of Europe scrap their economic antagonisms and thus prevent the insane destruction of life and wealth?

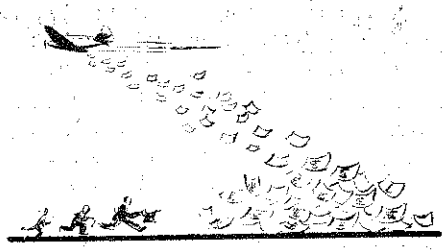
Simply because the rapacity of exploiters in all countries has no moral inhibitions. It is they who shape the laws which make the economy of war also the economy of peace.

Done Everywhere

FLASH! Early last year the Montreal City Council sold a strip of land for $750. The Montreal Daily Star, from which we obtained this scoop, protects the good name of said purchaser from public gossip. It isn't "cricket" to expose landlords. It isn't British. Anyway, a few weeks ago said strip of land was wanted by the city for street purposes. Unsaid landlord wants $19,000 for it. City officials hope to get it for $5,000.

Ultimate Beneficiaries

THE NEW LA GUARDIA AIRPORT (named after the famous reform mayor, who has been its most persistent sponsor), costing us collectively fifty million dollars, demonstrates anew the truth which our blinder-wearing professors of economics



persistently refuse to acknowledge: that every increase in productive capacity reflects itself in an increase in rent. The owners of land are the ultimate beneficiaries always.

We reprint the following story from the real estate page of the New York Herald Tribune because the mere telling of the facts carries its own commentary:

"The operation of the airport . . . has resulted in a . . . real estate demand, particularly for living accommodations within a few miles of the terminal.

"Close to 300 families from other sections of New York City and the country beyond have located in suites there in the last two weeks.

"Merchants also have been attracted to the area now that they know the possible trends of business resulting from the operation of the big air station. . . .

"It is estimated more than 2,000 families will be located in the district by the time the airport is in full operation.

"The survey shows Flushing and other sections of Queens have accommodated in the last three weeks families from Chicago, Cleveland, Cincinnati, New York State and Connecticut, whose heads have been transferred from other airports to the North Beach station.

"The demand so far has been chiefly for apartments. Real estate men expect the call also will be felt in the small house field. Prospects of purchases are evident. . . .

"Business men are reported to be scurrying about for suitable locations for stores to handle trade from the airport. . . .

"The apartment situation in Queens will be improved materially by the influx of airport tenantry, it was admitted by real estate men."

Problem of Economics

WHEREVER MRS. PELLECAN IS now, it will make her feel good to know her two kids are warm and have plenty of food.

The baby boy, Franklin John, who was born last May, is in the Brooklyn Nursery and Infant Home. Marilyn Alice, the girl, who is 5, is in the Shelter of the Society for the Prevention of Cruelty to Children.

Nobody knows where Mrs. Pellecan is. The mother, who is in her early twenties, left the two children in a rooming house and disappeared. She left the following note:

"I am getting put out of my room, and not having any place to go and live I am forced to leave my babies. I tried every place I know of and tried to get help, but they told me to try home relief and that takes six to seven weeks.

"In the meantime where would I go with my babies? I have no milk for the younger one. I have to give him grade B milk, whereas he has to have a special formula, being that he was born premature. Please take good care of them.

"I have to do this because I'll know that they'll have a warm bed to sleep in and something to eat. When I am sure that they are settled I will try to find out where they are and come to see them. What the police or anyone else will do to me after that I don't care, because I'll know that my babies are not starving."

The President's Address

TAXES . . .

To Abolish War Make Peace Profitable.

Infiltration: A Virulent Poison

By MICHAEL J. BERNSTEIN

When Marx wrote the Bible of Socialism he naively assumed that modern society was divided into two classes—capitalist and proletariat, and all groups not already included in either of these must eventually be absorbed into one or the other. As a matter of fact, unconsciously rationalizing his own social status, he constantly asserted that when the working-class succeeded in capturing political power, it would do so under the leadership of middle-class intellectuals, possessing all the educational and cultural training of the capitalists.

According to Marx, these intellectuals would have thrown in their lot with the workers because of their wish to liberate mankind from capitalist bondage. It never seems to have occurred to him that these people might choose the side of revolution and working-class organization because a socialized state would provide them with enormous opportunities for material advantage. And yet, this is precisely what has happened. The Bolsheviks in Russia were the first group of dispossessed intellectuals to seize political power and create an economy whose chief beneficiaries were themselves. Following in more or less swift succession came Fascist Italy and Nazi Germany, both of whose bureaucracies are engaged in rapidly consolidating their gains and fashioning their systems on the model of Soviet Russia, whose achievements in this field are still considerably ahead of their own.

There are many roads to power. Socialism, fascism, gradual collectivism—the name and the slogans are immaterial. Behind them all hides the same objective—a nationalized, collectivist economy concentrating all power and privilege, political, social and economic, in the hands of the propertyless educated. We are all acquainted with the phenomenon in its more violent manifestations as exemplified in Russia, Italy and Germany. But most of us are unaware of the real nature of this tendency as it develops gradually in those countries still retaining the democratic forms.

This process which may be called "Revolution by Infiltration" is going on today and at a tremendously accelerated rate. An enormous number of American college graduates find themselves each year tossed into a world which gives them neither work nor security. A governmental job, offering comparative permanence of tenure, a certain degree of authority, and opportunities for automatic advancement, seems the most desirable career possible. Many of the colleges, in response to the demand, have set up Schools of Public Administration or at least are giving courses in that field. Social Work has become a major profession, as training in it provides the graduating student with additional credit rating in civil service examinations, or even makes it possible for him to take such tests while others lacking that training are excluded. Civil Service schools, offering preparation for particular examinations, are mushrooming all over the country, even though the competition for every job may frequently be as high as a ratio of a thousand applicants for each.

Most of these young people find, to their surprise, that the radical organizations they had been taught to regard as somehow not respectable, are actually voicing their own demands and promising fulfillment of their own hopes. Widen relief, expand WPA, broaden Social Security, have the government take over certain industries—these are the planks in the current left-wing programs. Each one of them, if

achieved, means more governmental jobs, the creation of an increasingly larger class of bureaucrats whose incomes and privileges are completely independent of the fluctuations of the labor-market.

But many of our unemployed college graduates fail to attain this security of employment in the public service. They become the most ardent and vociferous advocates for the continuance and expansion of the white-collar, educational, and art projects of the WPA. It is from these projects that the unions of unemployed and WPA workers draw the greatest proportion of their strength. And it is with the membership of these projects that civil service workers find themselves in increasingly close alliance. Their interests are obviously similar—the preservation and strengthening of government participation in the economic life of society.

It is no accident that many of the individuals composing these two groups are either Communists or Communist sympathizers. For the primary function of the Communist Party today is the defense and advertisement of the Soviet Union. And the Soviet Union is the bureaucrat's paradise; it is the ideal society (from a purely material view) for the penniless intellectual. Any casual acquaintance with the economic life of Russia today demonstrates that the person of education who knows how to be discreet finds his services in great demand by the ruling régime which is itself made up of intellectuals. Actors, artists, engineers, accountants, doctors, teachers, lawyers, editors, professional agitators and propagandists, and just plain bureaucrats enjoy the highest standards of living. Obey the party line, keep your mouth shut, open it only when required, "and then widely," and a good job, plus the usual official privileges, are yours. "The Worker's Paradise" has become a qualified Heaven for the educated, but the great masses of

the people have still to experience the promised material salvation.

Not so long ago there was serious talk of transferring the WPA bodily to the Federal Civil Service. The notion of increasing the present governmental payrolls of four million employees to seven million was accepted in many quarters as a perfectly desirable goal. This talk became actualized in the movements to place the administrative officials of WPA on the Civil Service, and to create a Federal Art Bureau for the purpose of making permanent the WPA Art Projects. A tremendous amount of propaganda in favor of these measures was released from the left-wing groups. The educated "outs" were again simply manifesting what I have described as their primary impulse—governmental employment.

But it is impossible for the intellectuals to attain their goals unaided. To conquer political power they must ally themselves with the great masses of the unemployed, the unskilled, and the inadequately educated. They must and have become the advocates of measures apparently operating in the interests of the dispossessed, such as relief, old age pensions, public housing, unemployment insurance, etc. They accept as a fact that the poor must always be with us and direct their activities towards remedies based on the implicit acceptance of that premise. For it is to their interest that the measures for alleviating poverty be such as to render their services indispensable. To them the actual disappearance of poverty would be as unwelcome as it must seem unthinkable to those whom they call reactionary.

Earlier in this article I used the phrase "Revolution by Infiltration." The days of street fighting and the barricades are over. Poorly armed insurrectionary groups have not the slightest chance of winning against the technically equipped military forces of the modern State. Even in Russia the Bolsheviks could seize power only because of the chaos engendered by the war and the collapse of both the Czarist and the Provisional governments. But our contemporary Marxists are not unaware of this. Infiltration into all branches of the government payrolls is a guarantee of being in the strategic spot should collapse take place. And it is an assurance as well, that even should the democratic régime remain intact, if somewhat battered, left-wing sentiment will be in a position to exert tremendous pressure on legislative bodies.

We are living at a time when a substantial section of educated opinion has accepted to a growing extent the idea of increased State activity as the only solution for the social and economic problems of the modern world. Only in isolated quarters do we find the realization that the true path of civilized progress is away from statism, from directed cooperation, and toward a coordination of efforts which is the result of spontaneously undertaken individual activity. This is the true individualism, in contrast to the "ragged individualism" of the era from 1929 to 1932.

Today, men believe that there can be no freedom without economic security. But it is equally certain that there can be no security without freedom. For security involves, essentially, the ability to choose freely the kind, the place, and the time of one's occupation as well as the right to the full produce of one's labor and capital. If either of these two elements is lacking, men are neither free nor secure. An old slogan has it that "security without freedom is a six-foot cell." But paradoxically, occupancy of the cell is no guarantee of security. The warden, whether an individual or the State, having the power to punish, can always cut off rations. Human beings cannot exchange freedom for security—they can only surrender both.

The American Way

From the New York "Daily News Record" we clip the following:

Fred Barkley of Gastonia, N. C., says he received the following wire (collect) from the Department of Agriculture, several days before the crop report was to be made:

"Up to this time we have not received any report from you relative to your acreage. We must insist on this report at once, or will have to prosecute you."

Mr. Barkley says he replied as follows:

"Answering your wire of this date, beg to give you report as requested. I have exactly two-fifths of an acre. There are 17 rows, nine stalks to the row and three and one-half bolls to the stalk, with four boll weevils to the boll. If the weather changes I will probably have an increase in yield, but I will do my best to hold it down as requested."

Conditional Titles

The reserved right of the people to the rental value of land must be construed as a condition to every deed.—Justice Miller, U. S. Supreme Court (1887).

Let's Go to Prison

A new Quebec prison with air conditioning, private baths, indirect lighting and sun porches, boasts it has no bars. How then does it keep the public out?—Detroit News.

True Liberalism

It would be a mistake for the disciples of Henry George to hold him up to the world merely as the advocate of Single Tax. His political thought went far beyond it. He was a liberal in the true sense of the word. Indeed, I know of no more inspiring passages of English prose than those which are contained in the closing chapters of his book "Progress and Poverty." John W. Davis, New York, N. Y.

From Prison Student

Lesson No. 7—Question No. 19—What is the difference between the robbery of rent and the robbery of an automobile or a sum of money?

Answer—One is continuous; the other ceases with the act.

P. S. What a piker I've been.

An Open Letter to Senator O'Mahoney

By HARRY GUNNISON BROWN

Dear Senator O'Mahoney: A recent Associated Press dispatch tells of testimony before the Monopoly Committee, of which you are chairman, by Mr. Patrick Butler, on control of the iron ore market and collusion in establishing the price of iron ore.

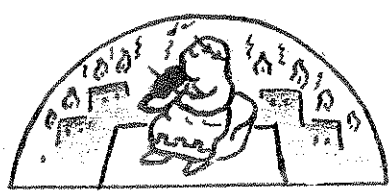
But there is an aspect of the question which this news item does not emphasize, and that is the extent to which a few companies own or control our resources both of iron ore and of various other kinds of minerals. That two steel companies have controlled over half of our iron ore deposits; that the Aluminum Company of America controls the world's major sources of bauxite; that last year three companies controlled the potash fields of the United States,—these and other like facts should receive, I think, much more attention than is usually given to them.

Such control of the raw materials from which basic manufactured goods are made most certainly makes relatively easy the limitation of competition and the limitation of output of manufactured goods and the holding up of the prices of those goods. Whatever may be said of collusion among manufacturers and distributors, of unfair methods of competition, and of ownership of patents, nothing can possibly give more—if anything like as much—monopoly price control than can the monopolization of the sources of raw materials. Why is it that this is an aspect of the subject that is practically never mentioned?

An essential element in the effective destruction of such monopoly would appear to be a heavy excise tax (based on value) on the privilege of holding any subsoil deposits. For then it would become highly expensive for any person or company to hold any such deposits beyond what he or it intended to use. Excessive prices for raw materials, to possible competitors unable themselves to produce the materials, would be no longer possible. Sources that were not used would probably be surrendered, thereby making it possible for competitors to use them.

No mere prohibition of monopolized ownership—however desirable such prohibition may be as supplementary legislation—can probably accomplish the purpose. Evasion through dummy ownership and through ownership by ostensibly independent but actually allied groups is too easy. And there is always the possibility of time-consuming appeals to the higher courts even if the first court is definitely opposed to such subterfuge. Whatever may be said in favor of prohibition of unified ownership of any kind of natural resources, or of any unduly large ownership, the resource-value excise tax ought certainly to be applied also. That there are political barriers in the way of applying it, I know well enough. To apply it would definitely get results and so, of course, it would arouse the bitterest opposition on the part of well-to-do individuals who or whose publicity men and legislative agents know how to make their opposition most effective.

But we have here not just a problem of monopoly. We have the further problem of whether a few shall derive large personal incomes from the exclusive possession of natural resources, of subsoil deposits for which they are in no way responsible; and whether they shall then be taxed on these incomes at no higher rate than the tax rate on incomes of other kinds. Surely there needs to be, from every point of view, not only a heavy tax on idle subsoil deposits, but also a heavy tax on the royalties or profits drawn from used deposits. Surely the tax on such royalties should be far higher than the tax on income from capital (such as buildings and machinery) that men have had to produce. For such royalties are paid for nothing that the owners of the deposits have done or that any persons have done. They are paid only because our laws permit owners to forbid men to use these gifts of nature, and as a sort of necessary bribe to make the owners stand aside and let industry proceed. And surely such royalties ought to be taxed at a far higher rate than the wages or salary that a man earns by hard labor.



Where there are no royalties but only "profits," because the mine or oil well or other deposit is operated by the owner (personal or corporate), the tax may be levied on the basis of what the royalty would be if the operator and owner were different persons. This "excess profit," i. e., the excess above what an operator would secure for himself if he had to pay royalty to an owner, ought certainly to be taxed as heavily as if it were a formal royalty.

A tax on the basis of output is an altogether different thing and is precisely what we should not have. An output tax rests with equal proportionate weight on the deposit which is just worth working and on which, therefore, no royalty is paid or can be paid. An output tax is chiefly a tax on labor. (If the consequently reduced earnings of labor in the taxed line will not be entirely borne by the labor in that line, because some of the labor will rather leave for other lines of industry, this merely means that there will be a relatively decreased output of the taxed goods and a shifting of most of the burden upon labor-in-general in the form of higher prices for the taxed goods.) This is doubtless why we have output taxes and practically never have either royalty taxes or taxes on the privilege of holding natural resources. The owners of these resources have had the determination and—at the expense of

the people—the financial means to dominate government, at least to the extent of preventing the establishment of any such taxation. Indeed, they have been able to make the very suggestion of such taxation seem so objectionable and so radical as to practically prevent the proposal from being even talked about. For, however ignorant they may be of economic phenomena in general, they at any rate know very well that they do not want any such tax. On the other hand, the workers do not understand clearly the nature of a royalty or realize its fundamental difference from a truly earned income; and they are easily induced to consent to taxes on their labor, euphemistically described as "taxation of the producing **corporations** according to output."

If the tax on the privilege of holding subsoil deposits is as high as it properly ought to be, and if the tax on royalty income from such deposits is likewise adequately heavy (in recognition of the fact that a royalty income is not an individually earned income and should belong mostly to the entire people), then these two taxes together would of course be excessive. But the solution is simple. The tax reckoned on the value of the privilege of holding and the tax reckoned on the royalty should be alternative with each other, the one applied in each case being the one which would be the larger. Thus, if the resource is held unused or but slightly used—e. g., for the purpose of restricting output—the tax on the privilege of holding would obviously be the higher. And it should be the tax applied, to the end that such restriction be sufficiently penalized. On the other hand, if the resource is being worked to the full and the subsoil deposits are being removed at a very rapid rate, the royalty tax ought certainly to be used, to the end that the whole people may enjoy the proceeds from the resource, rather than a very few private owners (or corporation stockholders) who are in no sense responsible for the existence of the resource they are so rapidly exhausting.

If these suggestions were adopted, the public interest would be served in every way. First, as I have already emphasized, monopolistic limitation of output would be heavily penalized and would probably be thereafter completely prevented, certainly so if some very simple supplementary legislation were also adopted. Second, all of the American people, rather than an insignificant few privileged far beyond their fellows, would enjoy the gains from America's subsoil deposits. And third, conservation of these resources for the benefit of future generations of Americans would be rendered easy and inexpensive.

At present, such efforts as we make at conservation, in the oil industry at least, seem to be managed primarily in the interest of those who own and control these subsoil deposits and to whom other Americans must pay tribute for **permission** to perform the labor of utilizing them. For this "conservation" takes the form of arbitrary restrictions on output with the **primary object of holding up the price.** Doubtless such limitation of output does, in some degree, conserve the resource for future generations. But it does this primarily for the privileged owners of the resource and not for the public. The main pressure is from those who want to secure a higher price for oil, and so to make the public pay a higher price. It is, essentially, a monopolistic restriction for private benefit, in which, however, several of our state governments have actively connived.

But if we seriously wanted conservation in the **public** interest, and were willing to consider seriously the objections to large privileged private income from nature's subterranean bounty, we could easily find a solution in the tax program outlined in the foregoing paragraphs. Such a tax program would give to the public the principal monetary benefit of any restriction, since a restriction which raised the price of oil and so the royalties of oil land owners would proportionately raise the tax. And such a tax system, through making privately owned subsoil resources lower in sale value, would make it easy for government to purchase—using for the purpose part of the tax money so collected—such substantial part of these resources as it might seem desirable to hold for the benefit of our children and grandchildren. The tax system I have proposed would, therefore, at the same time effectively aid in the abolition of monopoly, give the entire American public a substantial part of an income drawn from subsoil deposits which, in some countries, belong formally and wholly to the public, and promote conservation in the interest of succeeding generations.

Our Federal government does not now tax all incomes at the same rate. Thus, it taxes larger incomes, even if **earned** by the hardest kind of work, at a higher rate than smaller incomes. And there seems no good reason why it should not levy a much higher tax, whether normal tax or surtax or both, on incomes that are in the nature of royalties from resources which no owner is in any sense responsible for than on incomes from buildings, machinery, steamships and other capital that can come into existence only by labor and saving. Is it not utterly preposterous that a nation which is willing at any time to impose tobacco taxes, processing taxes, and sales taxes, all of which burden the wages of the poor, should be unwilling even to consider such a royalty tax except in pained and shocked surprise? Surely, not to be willing to consider such an alternative resource-value and royalty tax as I have herein suggested, is to refuse to make capitalism consistent with the very principles on which it is commonly defended; and is to insist on keeping it a system that penalizes efficiency and thrift, that exempts privilege from the tax burdens privilege ought to bear, that permits monopolistic withholding of natural resources from development and so reduces the demand for labor, with resulting diminished employment or lowered wages or both. No such utterly inconsistent and inadequate capitalism can arouse the enthusiasm of the masses in its defense, against totalitarian propaganda and pressure, that a proper system of free capitalistic industry ought to and would arouse.

The Land is The Chief

By RAYMOND E. CRIST

It is the land that freemen till,
That sober-suited Freedom chose;
The land, where, girt with friends or foes,
A man may speak the thing he will;
A land of settled government,
A land of just and old renown,
Where Freedom slowly broadens down
From precedent to precedent.
—Tennyson, "You Ask Me Why."

We are grateful to Dr. Crist, who is a professor in the department of geology and geography, University of Illinois, for permission to reprint this illuminating article, which appeared in The Scientific Monthly, October, 1939.

There is a proverb of the Negroes of South Africa to the effect that "the land is the chief," and an examination might lead us to the conclusion that it has more than local significance.

IRELAND

The invasion of Ireland was under way in 1170 when adventurers from England began to take sides in the quarrels of the chieftains of the Irish clans. The adventurers soon had the support of the English royalty. Under Henry VIII the actual conquest of Ireland was undertaken, and the struggle was carried on with great fury because it became religious as well as political. Both the English and the Scotch adopted the method of planting colonists, by which Ulster passed almost entirely into the hands of immigrants from England and Scotland. At the end of the wars of the seventeenth century, the holdings of most of the Irish were confiscated by the English, only a sixth of the whole island, and that in the poorest parts, remaining in the hands of the original inhabitants of the country. As late as 1903, 750 landlords owned more than half of the island, and three alone had more than 100,000 acres.

The consequences for Ireland of this dispossession of the native Irish have been far-reaching. Except in Ulster, where landholding Scotch and English settlers cultivated their own farms, the system of vast landed estates was disastrous, because the absentee landlords had no interest in agriculture. Conditions in the country became shocking. Agriculture was practiced on run-down soils, which were never fertilized, by a steadily increasing and ignorant rural population, always at the mercy of a famine. From the beginning of the nineteenth century there was a steady stream of emigration directed mainly towards the United States. It increased very much after the great famine of 1846, when the potato crop, the chief subsistence crop of the inhabitants, failed because of a blight.

Hence there are very good reasons why Great Britain has had an "Irish question" for several centuries. Concessions had to be made occasionally to prevent armed outbreaks of the peasants. A series of laws which were passed from 1869 on enabled many renters to become landowners, with the result that to-day there are six times as many farmers who work their own land in agricultural Ireland as in industrial England, and the system of small landholding tends more and more to predominate. With it has come a certain degree of economic well-being. National aspirations, heightened by religious antipathies and economic inequalities, resulted in the civil strife of 1919-21, and finally in the accord of 1921, which granted Dominion status to Ireland. Since that time conditions have improved. The interdependence of England and Ireland is recognized more and more by both peoples, farms owned by the operator have increased in number, and rents to absentee English landlords, long a nightmare to the Irish, have been abolished.

SPAIN IN AMERICA

It should be kept in mind that there were two paramount motives which drove the Spaniards to exploration and conquest in the New World: The quest for gold (el dorado) and the desire to add new members to the Roman Catholic Church. In the high plateaus of the New World the Spaniards found millions of people living together in great empires in an advanced stage of civilization. But the native leaders were ruthlessly set aside and the land on which their subjects lived was portioned out into fiefs, called encomiendas, according less to extension of surface than to size of the population upon it. The higher the rank of the chieftain, the larger his estate.

A few villages were permitted by royal grant to keep their traditional communal plots (ejidos). But most of the land was concentrated in great landed estates in the hands of a few overlords, and the native inhabitants came under the absolute control of the new white masters. Theoretically, this was done so that the Indians would be indoctrinated with Christianity, and the estates were granted by the Crown for only dos o tres vidas (two or three generations). But many of these estates remained in the hands of the same family for over four hundred years, and it was usual for the owners, the hacendado, to live as a feudal baron in the great house, the hacienda, in the center of the estate. The hacendado was the highest court of appeal to the simple peons living on his land.

MEXICO

Mexico is a land of distant horizons. The great plateaus of the interior, which are high enough to have a temperate climate and where as a result most of the population is concentrated, are hemmed in by the far horizon of a purple mountain chain. Most of the mountains are volcanoes, many extinct, but some of them active from time to time. Indeed, the truncated cone of the volcano is a motif which runs through Mexican life—pre-Columbian, as well as modern. When one sees the great pro-

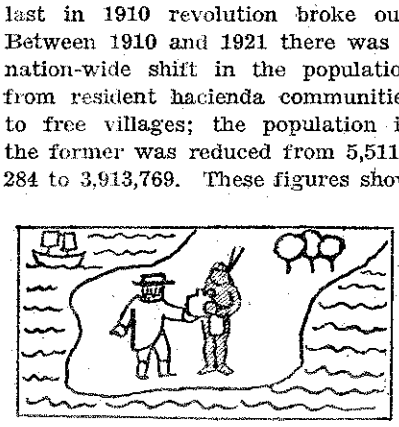
fusion of volcanic cones it is not at all surprising that such man-made structures as temples and observatories were, even before the arrival of Cortez, modeled after them.

But Mexico is not all a volcano-girdled plateau. It is built up in layers, or strata: the hot lands (tierra caliente) around the edges, then the cool or temperate lands (tierra templada) and the cold, high mountains (the tierra fria or paramos). But these are not easily delimited regions. Streams have cut great gashes in the form of canyons into the central plateau so that there is a complex interpenetration of one climatic region by the other. The result is that the sharpest contrast in land forms, climate and the cultural landscape are found very close together. From one point it is often possible to view areas representative of almost all the major climatic types, from the tropical rainforest to the tundra: from the fertile valley bottoms, where bananas and oranges grow, up through coffee plantations to the dry mesa country, where maguey, maize and barley grow, and still on as far as the eye can reach through the grazing lands, then the timberlands and finally to the slopes eternally covered with snow.

Against this background of sharp physical contrasts there has been an interplay of the many forces—social, cultural, racial, economic—which have gone toward the molding of present-day Mexico. During the regime of the dictator, Porfirio Diaz, the industrial policies of modern nations were adopted in Mexico without destroying the feudal structure of the Mexican economic organization. Foreign trade increased from $63,000,000 in 1885 to $239,000,000 in 1907, and railway mileage increased from almost nil in the 70's to 16,000 miles in 1911. But this industrialization was paralleled by a rapid increase in the cost of living without a corresponding rise in wages. The oil fields and mines were largely foreign-owned, and profits from them left the country.

The Hacienda. The full flowering of the hacienda system occurred during the Diaz regime. The land of Mexico, the support of the great mass of the population, was in the hands of a very few people. Some 60 per cent of the private land in Mexico was owned in estates of 2,500 acres or more, and almost 25 per cent of the privately owned land was in the hands of only 114 proprietors. Furthermore, the process of concentration of land in the hands of a few was continuing. Villages were deprived of their communal holdings through the encroachment of "colonization" companies, or through the manipulation of water rights by a hacendado. Such a landlord might boast blandly of having moved the "mojonera," the boundary post of a village ejido with water rights to a certain stream, which the hacendado thereafter diverted to his own estate. Feuds over land often had at the root a feud over water. Land was also taken away from "rebellious" villages—particularly Indian villages with good land—by the government, often controlled by the local landlord. As a result, the inhabitants of what had once been free villages were gradually forced to become wage laborers on the haciendas, where they were soon tied to the soil by debts and were paid in kind rather than in money in the hacienda store—the infamous tienda de raya.

Living conditions were very bad on the estates, where often no attention was paid by the landlords even to housing his peons. In time the miserable people, who lived like beasts, without the most rudimentary principles of hygiene, became apathetic, morally bankrupt, spiritually insolvent. Small wonder that the cry of the landless for "Tierra y Libertad" (land and liberty) became with each year more insistent, until at last in 1910 revolution broke out. Between 1910 and 1921 there was a nation-wide shift in the population from resident hacienda communities to free villages; the population in the former was reduced from 5,511,284 to 3,913,769. These figures show that the oppressed people fled from their heartless landlords during the period of social and political upheaval in order to return to the free villages where they could till their small plots of land under the age-old system of communal tenure.



Land Distribution. Unfortunately, land distribution has proceeded slowly. In 1930, fifteen years after the inauguration of the agrarian reform, almost seven tenths of the total economically active population engaged in agriculture still belonged to the disinherited landless masses dependent upon day wages or such meager earnings as may be derived from tenant farming or share-cropping. President Cardenas saw that the aims of the Revolution of 1910 had not been completely fulfilled largely because there was no middle class to carry them through. Hence, he has speeded up the program of land distribution. In the first twenty months of his administration he awarded some 3,000 villages nearly four and one half million hectares (about 10,000,000 acres) of land—over half as much land as had been distributed by all his predecessors together.

But most of the ejidatarios (those working village communal plots) must have credit: long-term credit for relatively permanent types of equipment as well as short-term advances for seed, fertilizers and consumption goods. If this credit is not extended by the government the ejidatario is at the mercy of the hacendado, loan shark and local politician. The problem of ejido credit is a problem in education, and progress must be measured not in terms of profits, but in changed attitudes and values, in the growth of initiative, responsibility and the cooperative spirit. Educational progress is extremely slow, but even if the rural school—product of the Agarian Revolution—had failed in all other respects it has kindled hope of better things to come and an enthusiasm for life in hundreds of communities. And with education has come greater geographical and social mobility.

In conclusion, it may be said with reference to Mexico that the rural villages must be given the land which they occupy and till if economic well-

being is to come to them and consequently to the country as a whole, and the benefits of modern civilization must be brought to the Indians without impeding the development and reinvigoration of the native culture. It is significant that Cardenas keeps insisting that he wants to see more Mexicans and fewer Indians. In other words, the free Mexico of to-morrow has its roots in the soil, and in the racial and cultural base which was denied for four centuries.

In that free Mexico, the hacendado will no longer be able to say contemptuously that "the peon is a machine which runs on pulque" (the native beer, made of the fermented juice of the agave), because, instead of the sodden impotence of peons tied in debt slavery to the hacienda, there will be social and political integation, unity and order.

Of course, many foreign investors in Mexico will continue to complain because they are no longer able to realize as much on investments as formerly, and are forced to reinvest a part of their profits in that country. Many rapacious politicians will continue to abuse the reforms and become rich men. Many pudgy generals will, under the pretext of breaking up great landed estates, themselves become great landlords.

In the March issue Dr. Crist will deal with the land question in Puerto Rico, Java, Cuba, Africa, Kenya and Soviet Russia.

Unto the Very End

By M. B. THOMSON

He was an itinerant peddler. One of those marginal producers who eke a limited livelihood from among the lowest paid workers of a big city. From factory door to factory door he lugged two heavy bags of inexpensive hosiery and rayon lingerie. A cheap line for a cheap trade.

At various times, when he was younger and stronger, he owned stores. Stores that gave him a bare living for a while. Stores that eventually failed. The overhead was always too big for the volume. If rents were low, so was his gross business. If rents were high his gross volume was just fair and his income just not enough, and failure followed failure.

He always worked hard, never complained, just made the most of it, accepting his reverses dispassionately, contemplating his future apathetically. He never really knew why he failed. All of his set-backs he laid to his own incapabilities. He never heard the phrase "economic rent," and if he had he would have been at a loss as to its meaning; and yet, because of economic rent, because someone collected unearned increment, he was finally forced to lug heavy bags from factory door to factory door, selling his cheap line to his cheap trade.

He did not know that in carrying his inexpensive hosiery and rayon lingerie in bags from factory door to factory door he was at last escaping the thing that had caused his other failures; that no one was collecting the unearned increment that constantly absorbed the fruits of his past ventures; that, poor as they were, he was finally collecting the full produce of his efforts.

For the first time in his life he was able to put a little aside. Very little indeed, yet a little. He managed to pay for his room, his meals and a few articles of clothing. He even succeeded in living under the limits of his meagre budget, saving a little on meals, a little on clothing and once in a while, when business was a little better he put away a little extra.

So as the years dragged by, he dragged his heavy bags from factory door to factory door, catching the girls at one place as they went to work in the morning, at another as they went to lunch and at another when they were leaving for the evening. Monday and Tuesday, uptown; Wednesday and Thursday, downtown; Friday he went across the river. Five long days of hard work, but there were always the week-ends to rest up.

In the last few years the bags became heavier and heavier, the days longer and longer and the distances greater and greater from factory door to factory door. The week-ends did not have the recuperative benefits that once they had. Every now and then he would only spend Tuesday uptown. His five day week became a four day week, with a four day income. Finally only two days a week, and then—he didn't come any more.

* * *

They found him in his room. A pencilled note indicated where his will could be found. It too was pencilled and unnotarized. It read:—

"It is my wish that my body shall be given a decent burial. Please take the money on deposit in my name at the bank. Get as nice a plot as possible."

His wish was granted. A small part of his savings went for the funeral expenses. Another fraction for a modest stone. The most of it went to secure the final request in the will for—"as nice a plot as possible."

Despite his weary pilgrimage from factory door to factory door, he could not escape—unearned increment.

The Shoe Fits

Of all the groups which have opposed the Hull reciprocal trade agreements, none was so active as the shoe producers of New England. When the treaty with Czecho-Slovakia, which gave concessions on certain types of shoe products, was under consideration, the attacks on the program were most intensive.

It is interesting to note, accordingly, that the New England Shoe and Leather Association has asked the Committee on Reciprocity Information to include the maximum reduction of 50 per cent on the duty on hides in the buried trade agreement with Argentina.

Catch-Words Versus Jobs

By W. D. HOFFMAN

"The present emergency challenges American democracy." With this as a keynote, the American Association for Economic Freedom, under excellent sponsorship, is making a drive for further planning and regimentation with the announced goal of substituting "an economy of abundance for the present economy of scarcity." Among those on the association's literature are William Allen White, Rt. Rev. Msgr. John A. Ryan, Bishop Francis F. McConnell and Rabbi Stephen S. Wise, all men identified with liberalism. Endorsing the general objectives of the New Deal, this group takes the position that "the NRA, dominated by short-sighted Big Business men, refused to consider the President's urgings and inaugurated a regime of restricted production and controlled prices."

* * *

Starting thus laudably, the association sets forth its program for solving the vexing problems confronting the democracy. "Can industry plan itself?" the association asks, and answers the question negatively, asserting increased governmental action is necessary. "American democracy now faces the most severe test of its entire existence," says W. Jett Lauch, acting chairman. "It must not only meet the challenge of Fascist and Communist dictatorships, which deride us for our failure to restore prosperity and employment for all our workers, but it must renew the faith of its own people in its efficacy—must demonstrate that under the democratic process an economy of plenty, re-employment and adequate standards of living for all classes can be established and maintained."

* * *

These aims are stated in "A Program for America—End Unemployment, Increase National Income ,and Lower Taxes—An Economy of Abundance," from the **New Republic.** Few will quarrel with the objectives. The interesting feature of the program is the specific recommendation for government action. This is seen to be a wide system of regimentation. "New government agencies would have to be created to effectuate the plan." These are (1) An Industrial Reconstruction Commission, (2) A National Planning Board, (3) Industry Councils, (4) An Assurance and Marketing Corporation, (5) A Capital Issues Banking System, (6) A Licensing System.

* * *

These are all imposing and high-sounding, indeed; they would create many more $10,000-a-year jobs, which might be justified if they forwarded real reconstruction. But examination of the duties of these agencies under the plan will reveal either great vagueness or activities further hampering the laws of supply and demand, from which we suffer acutely now. "Coordination" is the word most commonly appearing in the detailed outline of duties.

* * *

Commission No. 1 would be "directed to administer the law," as though there were not already administrative officials charged with that duty. But it would be "guided by the principle that the economic resources of the nation are to be utilized as fully as practicable in the promotion of the general welfare." This is a desirable objective, but there is no specific proposal here as to how utilization of resources is to be realized. No change of present laws is suggested—laws that permit 100 per cent monopolization of the nation's resources, of timber, mineral, soil, water power and centers of trade. Thus this commission will be a dream commission, unable to move in any direction other than toward the public payroll.

* * *

Commission 2 is directed "to develop a general program for the coordination, stabilization and orderly expansion of the major industries in interstate commerce." Again there is no proposal of means, no implementing. How a commission can bring about "orderly expansion of the major industries" is not stated. It will occur to most of us that such orderly expansion will follow automatically now if there is a demand for the product of such major industries and not before. The commission in no way is empowered to create this demand, even if that were possible.

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Commission 3 is empowered "to recommend expansion programs for their industries, subject to supervision, adjustment, coordination and application by the commission." Here we have more imposing words. The President himself, through all the depression, has not only been empowered to "recommend expansion," but he has done so, and he has called in the leaders of industry, including the utilities, and has beseeched them to expand, with what result we know. Thus this would be merely one more commission with nothing to do but "recommend" and dream of "coordination."

* * *

Commission 4 (a corporation) would assist in "such handling, carrying, warehousing, insuring, marketing and distributing of products as may be necessary; to assure industry against loss in realizing the actual necessary costs of increased production under quotas established by the commission." To insure this would mean only one more subsidy at public expense. Also "to assist businesses in procurement of bank credits." Actually any sound business can procure bank credits now; in fact, the banks are bulging with idle funds seeking a safe investment in any business that is not sick. Further, No. 4 would "ensure funds to cover continuing costs of operation,

a production-cost assurance tax of 2 per cent on net value in the major industries shall be collected by the government" for "maintenance of the production-expansion programs." Thus business is to be taxed in order to expand itself. This is bootstrap lifting in reverse.

* * *

Commission 5 (Board of Banking Governors)—"The Capital Issues Banking System applies to institutions of investment banking and underwriting only." Here is one more high-sounding agency that at first glance seems to offer a correction of abuses in the banking system, but actually is limited to doing just about what the Securities and Exchange Commission now does, with the exception that it can make capital loans. It assumes, of course, that such loans are needed, regardless of all the incentive given by the Roosevelt administration to industry to expand, through loans, subsidy and otherwise. The fact that credit to sick borrowers who may never pay back has already been overdone does not occur to those who framed this proposal. Where a dollar is to be made, there investment will flow, always, without such an institution as this. If money-lending holds the key to recovery, we would have been out of the depression long ago. What is lacking is not credit, but sound business behind the borrowing. Assuming that banking facilities may be the great lack of America (which is not so), then these planners are approaching the subject timidly, indeed, with such a milk-and-water program as this. If the government is to go into banking directly, it might start with its present Postal Savings Bank and permit loans and the issuance of checks there. That would require no imposing new agency.

Commission 6 (Licensing system through Industrial Reconstruction Commission)—"No articles, commodities or goods produced in the major industries shall be shipped, transported or delivered in interstate commerce, if produced, manufactured, processed or distributed by any business which has not been licensed by the Industrial Reconstruction Commission." Just one more licensing, hampering, fining scheme of which the country has seen too much in recent years. More interference with trade.

* * *

This is the sum total of the plan which the American Association for Economic Freedom offers for the salvation of democracy in this hour of trial. Its claim is: "For the specific plan outlined herein, it may be said that it is a complete proposal in all legislative details and forms. It leaves nothing 'to be worked out' —a weakness of most of the plans thus far presented to the Congress and called to public notice." This is apparently said seriously, without humor. This is the panacea offered for "an economy of abundance."

* * *

Need anything more be said? Here is a program seriously offered, couched in magnificent, polysyllabic words, seizing on catch phrases such as "economy of abundance" to impress American liberals while proposing a battery of commissions empowered to do nothing except hinder and hamper trade and extend a few loans, the latter not even a drop in the bucket compared with those extended by the New Deal. There is no whisper of monopoly here, no attack on exploitation, no suggestion of ending unemployment with jobs, no method advanced for increasing purchasing power. It would appear that the eminent sponsors of the American Association for Economic Freedom have been bunkoed. Instead of economic freedom, what is offered is further economic penalizing and restriction. Instead of bread, the hungry are given a stone. The mountain has labored and brought forth a gnat.

* * *

It is unfortunate, indeed, that men of such humanitarian instincts do not realize the relation between joblessness and a locked-up Earth (monopolized natural resources), and that any real move for economic freedom must begin with a correction of a system of land tenure that permits the few to control the source of wealth production, making "an economy of scarcity" inevitable.

The Case of Philadelphia

By HAROLD SUDELL

The City of Philadelphia, like most of our cities, needs more revenue. The city fathers considered three plans for obtaining this: first, an increase in the present tax rate on real estate; second, a sales tax; third, an income tax falling on earned incomes.

The real estate owners protested vigorously against any increase in the present real estate tax ($1.70 per $100.00) and, although as compared with other cities this rate is a low one (taking our thirteen larger cities Philadelphia is eleventh on the list and is 18% below the average) their protest was heeded and no increase in the rate was made.

The city recently had a sales tax in operation for a year. This reduced, quite considerably, the business done by our large stores, and the owners protested against any revival of this tax. Their protest, too, was heeded. Finally the income tax was selected.

This was fixed at 1½% on all incomes earned by both residents and non-residents in the city, and with no exemptions. It is to be deducted, like the present Federal old age pension tax, at the source. So it is, to a very large extent, a payroll tax.

The labor union leaders are fighting the law and have brought a number of suits on various pleas to have the law voided. But, since in two cases the courts have already ruled against the unions it looks as if the law will stand.

While the matter was under dis-

cussion, the writer suggested to various city officials the expediency of using a modification of the Pittsburgh tax plan. This was to **double** the present tax rate on land and to cut the tax rate on buildings 25%. This would have yielded 30% to 40% more revenue than the present real estate tax produces, and would do this without increasing the taxes paid by most of the small property owners. Other Georgists suggested similar methods but no heed whatsoever was given to any of these plans. The labor union officials, who opposed the payroll tax, were also approached; but, while they seemed interested, they took no action in regard to the suggestion, nor did they offer any practical substitute for the tax they were opposing.

It is plain to be seen that this levy will put a far heavier tax-burden on the workers and on the small property owners than would a rise in the present real estate tax, not to say anything about the plans we offered. A worker earning $30 per week will pay $23.40 per year.

The plan adopted, taxing as it does residents and non-residents alike, is highly unjust, particularly to the non-residents, since they, while supporting their home communities, will also be taxed heavily to help to support this city.

Street votes, now being taken for and against the measure, show an overwhelming majority against it (35 to 1); unfortunately, most of those opposing the income tax have nothing better to offer in its place. There is no active sentiment in favor of the sensible plan of collecting Philadelphia's needed revenue from the rent of that "Golden Earth" on which the city stands.

The labor leaders threaten to call a strike of all unionists against the law claiming that it is a 1½% **reduction in wage rates.** This is an excellent object lesson for those who while advocating land value taxation also offer apologies for taxes on incomes, either as a short term program or as an additional form of revenue. Philadelphia has proved that income taxation can and will be extended to wages.

A Vote For 100 Per Cent

By MATHER SMITH

There appeared in the August, 1939, issue of The Freeman an article by Sandy Wise entitled "Johannesburg: An Economic Error." Several of our readers, from Canada and England, took sharp issue with this article, in which the author pointed out that "Land Value Taxation there (Johannesburg) has proved that land value taxation is not what Henry George advocated." In that city, Mr. Wise argued, the presence of land speculation, heavy taxes on industry, and dire poverty, indicated that a "tax on land values amounting to anything less than 100 per cent of the rent defeats the very purpose which George had in mind."

In deference to the criticisms received we sought information from The Farmers' and Workers' Party of South Africa, Mather Smith, secretary. Mr. Smith is also Editor of the Georgist publication, "The Free People." The illuminating letter herewith reprinted is the result.

Appended to this letter are some fiscal statistics for the City of Johannesburg. The total of assessed land values is about fifty million pounds, improvement values sixty nine million pounds. The total of taxes collected is 5,284,000 pounds. The tax rate is therefore somewhat over 4 per cent.

Dear Mr. Chodorov: I have just received your enquiry of the 29th of August. Yes, we agree with Sandy Wise.

The Transvaal Site-Values Rating Act was drawn up by our chairman, F. A. W. Lucas, when he was Chairman of the Transvaal Labor Party, about 1914. He wanted a rate on the annual (rental) value, instead of on the capital value, but the others would not agree. We then thought that more and more would be taken until the most of the capital value disappeared. But is hasn't worked. There is no doubt but that the rate, especially when first introduced, had a good effect and helped to force building land into use. It was one time here, I think, up to 10 pence or 1 shilling in the pound. But it is now down to 4 pence and the Labor Party City Councillors also voted for a reduction from 5 pence to 4 pence last year which shows that they now know nothing about the question.

(It seems that in Johannesburg, as in Pittsburgh and other places where limited land value taxation has been instituted, an increase in the rate did not automatically follow, as is so often predicted by "Single Taxers." It was reduced in Mr. Smith's city. Which seems to bear out the contention of the "hundred per centers" of the Sandy Wise stripe—Editor.)

When South Africa went off gold, about six years ago, there was much increase in mining. Abandoned mines started up again and new mines were opened up on a very large scale. This led, too, to a building boom on the Reef and also, to a lesser extent, in all the larger manufacturing towns, which led to a demand for **skilled** Europeans and **unskilled** native labor. Many skilled men arrived from Britain, Holland, and elsewhere, but the boom slackened off about six months ago although house and shop rents are still very high.

I first came to Johannesburg in 1896—43 years ago. This was little more than a mining camp in those days, yet much of the old town is just as it was then, except that parts that were then respectable are now slums. There are slums within 100 yards or so of the business part of the city, and the same one-story buildings I knew in '96. These are now swarming with human beings and, no doubt, vermin of all sorts. The City has spread enormously since '96 and now covers (that is the municipal area) 84 square miles. But half the old Johannesburg I knew is now more or less a slum.

There is no dole here, as in Britain, but the Government has all sorts of semi-charitable relief-work schemes. The natives work on the railway and in the towns for about £3-to-4 a month, on which a white man cannot live. So many natives were put off the railways—to starve if they could not find some other work—and unskilled whites, at a higher wage, put in their places some 14 years ago. Then there are government irrigation schemes, etc., on which whites only are employed at a wage of 3 shillings and six pence to about 5 shillings and 6 pence a

day. Skilled Europeans (builders, engineers, etc.) get about 3 shillings and 6 pence an hour.

Most of our natives have some claim to tribal land on which they can grow most of their own food, but there is a growing army of detribalized natives who compete with the unskilled whites. The latter are nearly 100% Afrikaner (that is Boer) and keep on pouring into the towns from the farms. There must have been at least 100 of these standing at the Labor Bureau trying to get work at any wage when I passed there this morning. And in every large town it will be the same. I need not explain to you how economic forces are pushing them off the farming land, but the natives on the farms have to work for next to nothing (ten shillings a month with less than half a bag of maize per month in the Cape Colony and Free State), so that the European (old Boer) farmers who have lost their hold on the land cannot compete with them. We now have about 400,000 poor whites out of a European population of about 2,000,000. Their position, under present conditions, is hopeless. Charities and relief-works pauperize them.

Conditions are considerably worse since the war started. The building trade is almost at a standstill and there have been at least 400 to 500 men at the Labor Bureau seeking relief work for the past week or two. They were told that the Municipality would take on 320 at 7 or 8 shillings a day, but nothing has yet been done. And prices are rising.

Mistakes Don't Work

A Sermon

By JANET RANKIN AIKEN

While continuing to be very active in the support of what we consider right things, we may profitably pause to reassure ourselves philosophically from time to time, lest we fall into defeatism, despair, and a futile complaining which is almost worse than either. Perennially we need to have a few basic ethical facts restated.

1. People are sufficiently intelligent to perceive and to follow their own benefit.

2. Social means determine social ends.

3. People cannot be scared into heaven.

Number one we consider—but often only in regard to selfish interests. The landowner we are too likely to feel knows enough to perceive and to attain his own ends—but not the Georgist. Predatory interests, we tell ourselves, are skillful, while altruistic interests are inept. I want to submit that this is not true, and that believing it to be true is the only sure way to the defeat of the Georgist cause.

Number two is the opposite of the principle on which is based the thinking of totalitarians of all shades of misguidedness. Their "economic determinism" is the doctrine that the end justifies the means—that you can make a good cake with mouldy eggs, or a good chair with rotten sticks. Does it work? Look at Russia with its armies in retreat before determined, active, unintimidated independence; or look at Germany, with its people disintegrating into slow starvation and privation caused directly by the errors of its economic thinking. The plain fact is that mistakes don't work and the only circumstances under which they can seem to work are (a) if we are ignorant of them, (b) if we are afraid of them.

Number three is most important because scaring society into heaven is so precisely what many of us in the HGSSS are trying to do. Scaring people into heaven, enslaving them into heaven, is what the Communists have for years been trying to do. It may be effective in securing temporary power, temporary dictatorship, for the head scare-monger. It never can work in getting us rank-and-filers closer to heaven.

Taking the short view, we often see mistakes rampant and effective. Very well, we must take the long view, never deluding ourselves into thinking that we or society have not got enough time to improve in. We have eternity in which to establish justice, and the inevitable, deliberate, grand processes of justice march on and work where the petty futility of evil moulders into oblivion.

We must refuse to get excited or dismayed by mistakes. After all, past ages have seen mistakes apparently rampant, landowners in supreme power, absolutists being absolute—and then a Magna Charta or a Reform Bill or a French Revolution has come along and sowed a whole new crop of rightness and mistakes. Society has survived the mistakes. Society is tough.

Society is tough, but society is not impervious to progress and education. Moreover, selfish interests are inept just because they are selfish, and the more successful they are, the more glaringly their mistakes are certain to appear. Too often we talk as if greed and selfishness knew more than common sense and freedom. Well, sometimes it may seem that they do, but it is only appearance. It is not true.

Sometimes it pays to have good aims and to keep quiet about them. The "Readers' Digest" has built up an all-time largest periodical circulation by stressing the constructive and playing down defeatism and faith in evil. But it never advertises the fact.

We can see that our Socialist and Communist brothers are beating a straw man in their doctrine of class warfare, since in fact the interests of producers are identical, whether they call themselves capitalists or laborers. But can we see that the interests of land owner and tenant are basically identical, since each must profit by prosperity and freedom in the community? Do we all realize that it is ignorance first last and all the time which is our enemy, and not any individual or organization? Do we recognize in all humanity, including landlords, the urge toward social progress and well-being which needs only to be instructed and enlightened in order to insure the establishment of Georgist principles?

Mistakes never work. That is the essential nature of a mistake.

The Book Trail

SIDNEY J. ABELSON

It seems that in these columns I have imparted my calm reasoned reflections on current economic literature with an eagerness that has been mistaken for acerbity on the loose. Now in the matter of criticism it is a question whether feeling precedes reasoning or vice versa. For my part, I try to reserve judgment until all the evidence, pro and con, is in; and then I form conclusions, at that point unleashing my convictions, to praise or blame in the intensity warranted, as I see it, by the facts.

You will say that this pattern of procedure is one to which no mortal can adhere with any degree of perfection; and to this I readily agree. Yet it is a pattern to which I aspire and I am willing at all times to entertain evidence of my failure. The Book Trail has a "welcome" sign out to those able to prove my conclusions, in quality or in intensity of expression, are unjustified by the facts.

I believe it is a mistake, in tactics as well as in logic, to present George's writings as the sole repository of truth, in spite of my belief that the author of "Progress and Poverty" has established a covering doctrine in economics and sociology of incontestable validity and incomparable perspicacity. But it is one thing to admit the human fallibility of George and another to admit disproof of his conclusions. I have not yet seen an attack on George which shook his doctrines in any fundamental aspect.

Now what is wrong with economic thinking today is its lack of covering doctrine. I have had occasion to speak of current writers as "make-it-up-as-you-go-along economists." They write without basic guidance, substituting statistics of evanescent or superficial nature for basic theory or natural law. They mistake the respectability of academic or official approval for the stamp of scientific approbation.

There is a crying need for economic writings which measure given problems with the laws of nature and which utilize covering doctrine for practical purposes.

* * *

In "People: The Quantity and Quality of Population." (Henry Holt & Co. $3.00). Henry Pratt Fairchild publishes an excellent popular discussion of the subject. Here is a book which because of its careful organization and clarity can be read with profit even by those who have advanced beyond the elementary stage of study in this field.

Some of this profit will derive from detecting a few of Professor Fairchild's unwarranted assumptions and conclusions. He says, "There is obviously a point at which, given a certain equipment of land and economic culture, the population is exactly right to maintain the maximum level of living." This is an example of what I mean by thinking without benefit of a covering doctrine. If Fairchild kept in mind the fundamental axiom that "man's desires are unlimited" he would be incapable of using such a phrase as "maximum level of living."

Moreover he assumes "a certain equipment of land and economic equipment"; but these are two factors which are not and never will be quantitatively and qualitatively static from the point of view of capacity to sustain human life. Today, of course, the use of land is restricted by the institution of private landlordism; and subsistence theories based on artificial restrictions of this nature will themselves be unrealistic. But even if we extend our reasoning to assume that all the land area of the world were freely available for production, land would still not constitute a fixed quantity as far as potentialities of production are concerned.

Man's capacity to transform the free gifts of nature into effective articles of wealth is truly unlimited and unpredictable. Chemical agriculture is already an established fact; and a man who denies the possibility of finding a chemical substitute for, say, wheat or some other basic commodity, would be rash indeed.

At any given time a nation or an area may be "overpopulated" in the same way that at a given time an individual may be sick. In this sense the United States with an unemployed army of 10,000,000 men and women is "overpopulated." Yet no one in possession of the elementary facts would say that the area of the United States is incapable of sustaining its population of 130,000,000, or, for that matter, of keeping in high comfort an increased population of 200,000,000 or more. What is signified by our widespread unemployment is not the incapacity of land and the arts of production, but the ineffectiveness of our social arrangements for the use of these factors.

Fairchild makes this very point, (with respect to the U. S. A.) but attributes our economic instability to faults of the "capitalist system," which, he says, "has proved itself to be a system of restriction and scarcity." Yet Belgium, a country of high capitalist development lives in comparative prosperity with a population density of 691 per square mile, while India, where capitalistic development is still of a low order lives in abject poverty with a population density of only 195 per square mile.

Obviously there is a factor involved which counts for more than the mere fact of population quantity—and I suspect that this factor might be called freedom of enterprise.

From the Columbia University Press comes an almost steady stream of books having exceptional merit. I recently reviewed briefly Professor Cole's masterful survey of mercantilism. ("Colbert and a Century of Mercantilism"). I now have before me, from the same publisher, Lawrence A. Harper's "The English Navigation Laws: A Seventeenth-Century Experiment in Social Engineering," ($3.75), a volume embodying research on a more ambitious scale, as far as I know, than has ever before been attempted in this subject. The English Navigation Laws, as an expression of the mercantilist doctrines of the day, played an important role in the efforts then made at "social engineering," and thus provide, or should provide, either guidance or warning for the social planners of our day.

* * *

Another recent book dealing with mercantilist theories and social planning ideas is "William Penn as Social Philosopher," by Edward C. O. Beatty. (Columbia University Press, $3.50.) Whatever were the abilities of the Quaker founder of Pennsylvania his ambitions were certainly versatile. Professor Beatty sets forth Penn's views on the then current theories concerning the self-sufficient state, mercantilism, paternalism, racial equality, charity and a number of other questions which have not yet been answered.

* * *

Still another Columbia University Press book presenting valuable research, though not on so comprehensive a scale, is Michael T. Wermel's "The Evolution of the Classical Wage Theory." ($2.25) Here is an illuminating survey of "the cruel and iron law of wages" in its theoretical concepts as developed from its early beginnings to its crystallization in the Ricardian doctrine.

* * *

LA CUESTION OBRERA de Henry George. Traduccion, Prologo y Notas de C. Villalobos Dominguez. Editorial Claridad, Buenos Aires. $1.00 (Argentine currency).

Dr. C. Villalobos Dominguez, professor of the Faculty of Physical, Natural and Exact Sciences of the University of Buenos Aires, has published his new translation of Henry George's "The Condition of Labor," the economist and social philosopher's reply to the encyclical "Rerum Novarum" of Pope Leo XIII. Professor Villalobos Dominguez, one of the leading members of a distinguished group of South Americans who have been indefatigable in their labors for the Georgist cause, and the author of the scholarly work, "La Apropriacion Social de la Tierra," is to be congratulated on this translation. Thanks to his painstaking study of the text and his facility in languages, he has approached George's exact meaning more closely than the earlier translators, even more closely than the Madrid edition produced by the noted Georgist

scholars, Baldomero Argente, editor of La Reforma Social, and Francisco Beltran. The volume also contains a translation of Dr. John Dewey's tribute to George from "Significant Paragraphs from Progress and Poverty," a 31-page introduction by the translator, paragraphs from the Supreme Pontiff's encyclical newly translated, and notes which help to convey the meaning of the encyclical's English translation—the one with which George worked—to the Spanish reader.

In his introduction the translator explains that this work of George has the virtue of being a compendium of his essential doctrines, and therefore is a useful work for introducing George to new readers. Indeed, in this respect "The Condition of Labor" has rivaled "Social Problems." The translator's remarks on the book and its occasion are provocative but this is no place for doctrinal discussion. His comments on Catholic social philosophy in general and Pope Leo's contribution in particular are highly debatable, and his account of the excommunication and rehabilitation of Dr. Edward McGlynn is drawn from obsolete material. Apart from this, however, his summary of George's life and of the significance of his work should be invaluable to Spanish readers.

—WILL LISSNER

Books Received

How Strong Is Britain? By C. E. Count Pückler. Veritas Press. $2.50. An estimate of the political, economic and military strength of the British Empire, by a German journalist. Translated.

* * *

The Disposition of Loyalist Estates in the Southern District of the State of New York. By Harry B. Yoshpe. Ph. D. Columbia University Press. $2.75. A study of the redistribution of Tory landed wealth by the Revolutionary government of New York.

* * *

The Ending of Hereditary American Fortunes. By Gustavus Myers. Julian Messner, Inc. $3.50.

* * *

Dividends to Pay. By E. D. Kennedy. Reynal & Hitchcock. $2.50. A study of depressions and an analysis of "prosperity" based on the record of corporate incomes.

* * *

Military Strength of the Powers. By Max Werner. Modern Age Books, Inc. $.95. "A noted military authority" discusses Germany, Italy, Japan, Poland, Russia, Great Britain, France, and the United States in their potentialities as belligerents.

* * *

Monetary Experiments. By Richard A. Lester. Princeton University Press. $3.50. An historical survey of early American and recent Scandinavian efforts to overcome depressions through monetary manipulation.

* * *

Getting and Spending: The A B C of Economics. By Mildred Adams. The Macmillan Company. $.60. A new volume in "The Peoples Library" intended "to give the reader a healthy doubt about all economists . . . who claim to know just what is the matter with the world."

Tides in the Affairs of Men: An Approach to the Appraisal of Economic Change. By Edgar Lawrence Smith. The Macmillan Co. $2. An examination, supported by 25 charts and 21 tables, of "the tidal ebb and flow of mass psychology as a fundamental factor in the business cycle."

* * *

Financing Economic Security in the United States. By William Withers, Assistant Professor of Economics, Queens College. Columbia University Press. $2.75. A review of American relief and security programs and an analysis of the associated financial problems.

* * *

America Reborn: A Plan for Decentralization of Industry. By Ralph L. Woods. Longmans, Green & Co. $3.00. A "commentary on the social and economic waste of Metropolis (containing) facts and observations that would delight the booster of Main Street and sadden the big city realtor."

* * *

Marxism: An Autopsy. By Henry Banford Parkes. Houghton Mifflin Company. $3.00. A theoretical and historical demonstration of Marxist errors of thinking, and a presentation of the author's belief that solution of our social problems lies in the preservation of the free market.

* * *

Education for Democracy. Bureau of Publications. Teachers College, Columbia University. $2.50. Addresses before the Congress on Education for Democracy held at Teachers College, Columbia University, August 1939.

* * *

International Security. Chicago University Press. $2.00. Five Harris Foundation lectures, by Eduard Benes, Arthur Feiler and Rushton Coulborn.

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Raw Materials Bibliography by United States Tariff Commission. The Commission, Washington. In this mimeographed publication the commission and its librarians include bibliographic references to 728 publications and documents relating to selected raw materials and basic economic resources, and a topical index. It covers much of the current literature of the subject but there are significant omissions. The serious student will find it useful.

* * *

A Pioneer Merchant of St. Louis 1810-1820, The Business Career of Christian Wilt, by Sister Marietta Jennings, C. S. J., Ph. D. Columbia University Press. $2.50. An account of trade in the early days of the Mid-West.

The Freeman

A Monthly Critical Journal of Social and Economic Affairs

Editor: Frank Chodorov

Associate Editors:

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R. J. Manfrini Harry Gunnison Brown
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The Freeman does not necessarily endorse opinions expressed in signed or initialed contributions or statements in news reports, assuring the widest freedom of expression to its writers. Contributions consistent with the policy of The Freeman are welcomed; no payment is made, for the editors and writers contribute their services as a living endowment to the cause for which The Freeman stands.

Speakers Bureau Reports

Miss Dorothy Sara, Secretary of the Speakers Bureau, reports following engagements:

Dec. 14—Morris Van Veen at Young People's League of Workman's Circle, N. Y., on "The Labor Question."

Dec. 17—W. L. Hall (Newark HGSSS) at Westminster Presbyterian Church, Bloomfield, N. J., on "A Foundation for Religion."

Dec. 21—Morris Van Veen at Temple Club, Ocean Parkway Jewish Center, Brooklyn, on "The Cause of Poverty."

Jan. 8—Dr. S. A. Schneidman at The Jewish Ort, East Midwood Temple, Brooklyn, on "What Does the World Offer?"

Jan. 9—Morris Van Veen at Hamilton Community Council, N. Y., on "How to Abolish Poverty."

Jan. 10—Henry A. Lowenberg at Yonkers League of Women Voters, Yonkers, N. Y., on "Taxation—Just or Unjust."

Jan. 12—Emanuel Choper at Friday Night Free Forum, Wedding Temple, N. Y., on "Taxation—Just or Unjust."

Jan. 21—W. L. Hall (Newark HGSSS) at Episcopal Church, Hasbrouck Heights, N. J., on "Taxation—Just or Unjust."

Jan. 23—M. B. Thomson at Contemporary Forum, The Dome Rendezvous, 480 6th Ave., N. Y., on "The Class Struggle—For What?"

Advanced Dates Booked:

Feb. 5—M. B. Thomson at Manhattan Beach Jewish Center, 60 West End Ave., Brooklyn, on "Education—The Path of Economic Democracy."

Feb. 26—Reginald Zalles at Penthouse Club, London Terrace, N. Y., on "Is Democracy a Lost Cause?"

De Witt Bell at Hartford

HARTFORD, Conn.—Graduation exercises for 41 students of the Hartford Extension were held December 16, 1939 at the Hartford Y. M. C. A. De Witt Bell, of the New York faculty, spoke on the fallacies in the teachings of contemporary college economists. Quoting from various professors' books, Mr. Bell startled the meeting by the obvious lack of logic, as well as the self-contradictions in these texts.

Claiming that "we've failed in teaching if we haven't been able to give you an idea of a better world," Nathan Hillman, extension director, urged the graduates to view the world through the eyes of Henry George—philosopher and economist. The class speakers on the program were Philip Bauer, William Korinsky, Luther W. Murphy and Mrs. Gertrude Smith.

The Hartford extension has more than 250 graduates. A class is being inaugurated January 15 in Glastonbury, and an advance course in "Protection or Free Trade" is to be instituted January 25.

NEWS OF THE CRUSADE FOR ECONOMIC ENLIGHTENMENT

Edited by Sandy Wise

Georgist Answers Ford; Letter Writers Busy; And the Contest For Better Letters Continues

NEW YORK—An old newspaper axiom is that just as editorial policies sway public opinion, so do letters to editors fashion editorial attitudes. Therefore, the current attempt by this column to rouse Georgists everywhere to write to radio, magazine and newspaper editors (or any other person responsible for conveying information to the public). Aside from the actual work of the School, nothing is so effective in disturbing the equanimity of our pedagogues and demagogues, and bringing to their attention the fact that there is an active body of Georgists constantly fighting for freedom.

From Robert E. Blacklock of Irvington, N. J., comes a letter with copies of letters he had sent to Henry Ford, the Newark Evening News and the N. J. Lumberman's Association. The letter to Mr. Ford—a reply to a talk by W. J. Cameron on Mr. Ford's Sunday Evening Hour—rated a reply assuring Mr. Blacklock it would be brought to Mr. Ford's attention. Mr. Blacklock is to be congratulated for his sincerity and splendid performance.

Letters Get Newspaper Space

NEW YORK—Prizes for letters published during the last month have been sent to R. J. Manfrini, New York City, R. W. Stiffey, Beaver Falls, Pa., Granville Anderson, Irvington, N. J. and Harold V. Childs, Berwyn, Ill.

Mr. Manfrini's letter in the New York Times, given seven inches of space, stressed the relationship between economic planning and international trade barriers.

Mr. Stiffey, whose letter was published in the Pittsburgh Post-Gazette, obtained special place on the editorial page. The letter, which points out that our democracy is retarded through our inability to attain economic independence because of private land ownership, runs for two columns, mentions "Progress and Poverty."

Harold V. Childs claims that his letter in the Chicago Herald-American is his first. He has been blessed with an uncommon amount of success and should redouble his efforts. His letter takes exception to the all too common trick of grouping Georgism with Townsendism, Marxism, et al.

Granville Anderson forwarded a clipping of his letter that was given about nine inches in the Irvington Herald. Mr. Anderson lauded the editorial which stated that in order to combat Communism we must return to a system of private enterprise.

Working In New Jersey

NEW YORK—In line with the policy of the School to extend the educational campaign as fast as funds will permit, Miss Teresa McCarthy, who for over three years has carried on so efficiently as school secretary at headquarters, has been assigned by the Trustees to the work of developing classes in New Jersey for the present. If time and finances permit, she will extend her activities along these lines to other centers.

During January Miss McCarthy made arrangements for classes in these communities: Bloomfield, Dover, Elizabeth, Hackensack, Irvington, Kearney, Montclair, North Arlington, Orange, Perth Amboy, Towaco, Union City, and West New York. She reports that her completed list, to appear in the March Freeman, will total from sixteen to twenty classes.

Current Events Group

NEW YORK—Every Wednesday night, in room 22, a group of students who have completed the courses based on George's books discuss current events, in the light of Georgist philosophy. Sidney J. Abelson, associate editor of The Freeman, is in charge.

Bob Clancy Goes Up

NEW YORK—The work of expediting the mails heretofore done by Robert Clancy will henceforth be done by Vladimir Strach, for Bob has been upped to the staff of "Land and Freedom." Although he will still supervise the School's library, his fellow-workers will miss his untiring usefulness and his cheery presence, while welcoming Vlad, who had been working as a volunteer.

Five St. Louis Classes

ST. LOUIS, Mo.—Noah D. Alper, who started a class last fall, now has five classes in Fundamental Economics organized, besides a class in Principles of International Trade now in process of forming. Mrs. Jessie Sehrt is corresponding secretary of the extension. The classes:

Central Public Library, Monday, 5:45 P. M.

Carondelet Branch Library, Wednesday, 7:45 P. M.

Cabanne Branch Library, Thursday, 7:45.

Barr Branch Library, Thursday, 7:45 P. M.

Clayton City Hall, Room 25, Tuesday, 7:45 P. M.

New Assistant to Director

NEW YORK—The assignment of Miss McCarthy to extension work made possible the addition of Edwin S. Ross, formerly of Arden, Delaware, to the School staff. He has taken over the duties of assistant to the director.

Mr. Ross, well-known to many Georgists, was "born in the movement." His father took part in the campaigns of Henry George and was associated with Frank Stephens in the Arden enclave, of which he was a trustee for years.

High School Senior Classes

NEW YORK—During the month of January fourteen city high schools distributed seven thousand announcements of the course in Fundamental Economics at the HGSSS to their senior students. Classes for these students will commence the week of February 5, 1940, and will be conducted afternoons, evenings, and on Saturday morning.

Boston Area Blanketed

BOSTON, Mass.—The following is a list of the winter Fundamental classes in this area:

Boston, 138 Newbury Street, 7:45 P. M. Monday.

Boston, 138 Newbury Street, 7:45 P. M. Thursday.

Cambridge, Phillips Brooks House, Harvard, 7:45 P. M. Monday.

Dorchester, Dorchester Branch Library, 1 Arcadia Street, 7:45 P. M. Thursday.

Brookline, Public Library, 361 Washington Street, 7:45 P. M. Wed.

Somerville, Somerville High School, Highland Ave., 7:45 P. M. Tues.

Arlington, Robbins Public Library, 695 Massachusetts Avenue, 7:45 P. M. Wednesday.

Medford, Children's Library, 115 High Street, 7:45 P. M. Thursday.

Winchester, American Legion Building, 84 Washington Street, 7:45 P. M. Tuesday.

Woburn, Woburn Y. M. C. A., 555 Main Street, 7:45 P. M. Thurs.

Malden, Dowling Building, 8 Pleasant Street, 7:45 P. M. Monday.

New Jersey Speakers Bureau

NEWARK, N. J.—K. F. Howell, a local graduate, has undertaken the development of a Speakers Bureau for New Jersey. All requests for speakers in that state should be addressed to Mr. Howell, c|o HGSSS, 744 Broad Street, Newark, N. J.

Chicago Area Covered With Classes

DOWNTOWN
Room 1208, 139 No. Clark St.
1. Mon., Jan., 15—6:30 p.m.
2. Wed., Jan. 17—6:30 p.m.
3. Fri., Jan. 19—6:30 p.m.

NORTH SIDE
4. NORTH AVE. Y.M.C.A.
1508 N. Larrabee
Tues., Jan. 16—7:30 p.m.
5. LINCOLN-BELMONT Y.M.C.A.
3333 N. Marshfield Ave.
Thurs., Jan. 18—7:30 p.m.
6. THE PEOPLE'S CHURCH
941 W. Lawrence Ave.
Thurs., Jan. 18—8:00 p.m.
7. ROGERS PARK—EDGEWATER:
Residence of Mrs. Edith
Siebenmann—1434 W. Highland
Mon., Jan. 15—8:00 p.m.

WEST SIDE
8. AUSTIN Public Library
Thurs., Jan. 18—7:00 p.m.
9. URBAN LEAGUE
2024 W. Maypole Ave.
Thurs., Jan. 18—8:00 p.m.
10. JANE ADDAMS Houses
1243 W. Taylor St.
Thurs., Jan. 18—7:30 p.m.

SOUTH SIDE
11. BRYN MAWR Community Church
7000 S. Jeffery Ave.
Thurs., Jan. 18—7:30 p.m.
12. BRAINERD Community Church
88th & Throop Sts.
Tues., Jan. 16—8:00 p.m.
13. HYDE PARK-WOODLAWN:
The Cloisters, 5801 Dorchester
Tues., Jan. 16—7:30 p.m.
14. ENGLEWOOD Y.M.C.A.
6545 S. Union Ave.
Fri., Jan. 19—8:00 p.m.
15. WABASH AVE. Y.M.C.A.
3763 S. Wabash Ave.
Thurs., Jan. 18—7:30 p.m.

SUBURBAN
16. HIGHLAND PARK High School
Mon., Jan. 15—7:30 p.m.
17. WINNETKA Community House
620 Lincoln Ave. (Rm. 109)
Tues., Jan. 16—7:30 p.m.
18. EVANSTON Public Library
1703 Orrington Ave.
Fri., Jan. 12—7:00 p.m.
19. PARK RIDGE—Mary Wilson House
Prospect & Crescent
Tues., Jan. 16—7:30 p.m.
20. DES PLAINES Municipal Bldg.
Thurs., Jan. 18—7:30 p.m.
21. OAK PARK—B.P.O. Elks Hall
Tues., Jan. 16—7:30 p.m.
22. LOMBARD Village Hall
Fri., Jan. 19—7:30 p.m.
23. LA GRANGE Community Center
104 N. La Grange Rd.
Thurs., Jan. 18—7:30 p.m.
24. BLUE ISLAND—Field House
Memorial Park
Mon., Jan. 15—7:30 p.m.
25. CHICAGO HTS.
Washington School
Tues., Jan. 16—7:30 p.m.

ADVANCED COURSES

DOWNTOWN
1. Rm. 1208, 139 N. Clark St.
Tues., Jan. 16—7:30 p.m.
"Social Problems" and "Protection or Free Trade"
2. Rm. 1208, 139 N. Clark St.
Thurs., Jan. 18—7:30 p.m.
"Science of Political Economy"
3. Rm. 1415, 11 S. La Salle St.
Mon., Jan. 15—7:30 p.m.
Teachers Training Class
4. Rm. 909, 30 N. La Salle St.
Thurs., Jan. 18—7:30 p.m.
"Democracy vs. Socialism"

NORTH SIDE
5. LINCOLN-BELMONT Y.M.C.A.
3333 N. Marshfield Ave.
Fri., Jan. 19—7:30 p.m.
"Social Problems" and "Protection or Free Trade"

SOUTH SIDE
6. ENGLEWOOD — Residence of Mrs. Thos. J. Keefe, 6209 S. Laflin St. (1500 West)
Tues., Jan. 16—7:30 p.m.
"Science of Political Economy"
7. HYDE PARK Neighborhood Club — 1364 E. 56th St.
Wed., Jan. 17—7:30 p.m.
"Social Problems" and "Protection or Free Trade"
8. BRYN MAWR Community Church
7000 S. Jeffery Ave.
Thurs., Jan. 18—7:30 p.m.
"Social Problems" and "Protection or Free Trade"
9. WABASH AVE. Y.M.C.A.
3763 S. Wabash Ave.
Mon., Jan. 15—7:30 p.m.
"Social Problems" and "Protection or Free Trade"

SUBURBAN
10. WINNETKA Community House
620 Lincoln Ave. (Rm. 109)
Wed., Jan. 17—7:30 p.m.
"Social Problems" and "Protection or Free Trade"
11. EVANSTON Collegiate Institute
2408 Orrington
Wed., Jan. 17—7:30 p.m.
"Science of Political Economy"
12. DES PLAINES Municipal Building
Fri., Jan. 19—7:30 p.m.
"Social Problems" and "Protection or Free Trade"
13. LA GRANGE Community Center
104 N. La Grange Rd.
Thurs., Jan. 18—7:30 p.m.
"Science of Political Economy"
14. BLUE ISLAND—Field House,
Memorial Park, Walnut & Highland
Mon., Jan. 15—7:30 p.m.
"Social Problems" and "Protection or Free Trade"
15. CHICAGO HEIGHTS
Washington School
Tues., Jan. 16—7:30 p.m.
"Social Problems" and "Protection or Free Trade"

Argentine Georgist Publication

NEW YORK—Democracia, daily newspaper of La Plata, capital of Buenos Aires Province, Argentina, printed in full on its first, fourth and fifth pages the addresses of Senores Romulo S. Cobanera and Luis Denegri at the Henry George Centenary celebration held under the auspices of the National Henry George Memorial Commission at the auditorium of La Facultad de Ciencias Economicas, the Argentine economic association. The addresses were comprehensive expositions of George's contributions to economics and social philosophy. The newspaper, which is edited by Georgists, is now in its tenth year.

Phila. Graduates 100% Classes

PHILADELPHIA, Pa.—At the Eighth Semi-Annual Commencement of the Philadelphia Extension, a probable record was established in that two of the classes graduated 100 per cent of their students.

The excercises were held in the Social Service Building, January 4, and a formal program was substituted for the usual dinner feature. Among the speakers of the evening were the Hon. William N. McNair, former Mayor of Pittsburgh, Jules Guedalia, instructor in New York, Miss Anna M. Staub and Emil T. Hagist, two graduating students.

Fellowship Elects Woodmansee

HARTFORD, Conn.—New officers of the Hartford Chapter of the Henry George Fellowship were elected at a meeting held January 10, at the Sea Food Restaurant, 296 Asylum St.: Llewellyn E. Woodmansee, president; Harold J. Liebe, vice-president; Donald Ferry, treasurer; and Ann C. Martin, secretary. The meeting included a debate. "Must We Change Human Nature Before We Can Solve Our Economic Problems?", in which the affirmative was taken by Edwin Z. Lesh, the negative by Margaret Takaro.

The chapter announces its weekly noon Round Table discussions every Monday at the Round Table Restaurant, 15 Asylum St. Final arrangements have been made for seven classes in "Progress and Poverty" and one class in "Democracy vs. Socialism," during the winter semester.

Pittsburgh Experiments

PITTSBURGH, Pa.—In order to stimulate additional interest in his course in "Progress and Poverty," and to insure good attendance, Fred W. Hacker announced that those having a perfect attendance record would receive a gift at the end of the course. The gift was a copy of the Teacher's Manual. Mr. Hacker reports that the look of disappointment of those who had had absences chalked against their records was so profound that he made a concession; they too received copies.

Who's Who in Georgism

GEORGE R. GEIGER

George Raymond Geiger, son of Nina Daly Geiger and Oscar H. Geiger, founder of the HGSSS, was born in New York City, May 8, 1903.

He attended the public schools of New York City, Columbia University for eight years (A. B., 1924; B. Litt., 1925; M. S., 1926; and Ph. D., 1931). His undergraduate work was in English and economics. His Ph.D. in philosophy was taken under John Dewey. His doctor's thesis became the basis of his "The Philosophy of Henry George," published by Macmillan in 1933 and hailed by critics as a monument to social philosophy. Dr. Geiger studied at Oxford for several months.

In some ways the most important part of Dr. Geiger's education came from "The Round Table," a group of lads brought together by his father when George Raymond was nine years old. The weekly meetings of this group continued until most of its members were out of college. These gatherings gave the boys practice in public speaking and analytical thinking—and they always wound up with Henry George. This was the acorn from which has grown the HGSSS.

Dr. Geiger's teaching career began at Bradley Polytechnic Institute, Peoria, Ill., in 1928, where he taught philosophy and psychology until 1930. From 1930 to 1934 he was associate professor of philosophy at the University of Illinois; he then returned to Bradley for two years. In the summer of 1937 he taught economics at the University of Missouri. In the fall of 1937 he went to Antioch, where he is now associate professor of philosophy.

In 1936 Macmillan published Dr. Geiger's "Theory of the Land Question." His "Toward an Objective Ethics" was brought out by Antioch Press in 1938. His chapter on the political and economic philosophy of John Dewey appears in "The Philosophy of John Dewey," published in October, 1939, by Northwestern University.

Dr. Geiger married Miss Louise Jarrett in 1934.

Graduates Demand Class

SOUTH HUNTINGTON, L. I.—Former students of Eric Howlett, whose teaching work, after three successive classes, terminated a year ago because of business reasons, organized a new class, securing a room at the Central High School, and induced him to renew his efforts. The class started on January 18.

New York Commencement

NEW YORK, N. Y.—Commencement excercises for the graduates of the Henry George School of Social Science will be held Tuesday, January 30, in the Engineering Auditorium, 29 West 39th St., at 8 P. M.

Chairman of the evening will be John B. English and the speakers will be Grover C. Loud, who will address the meeting on "Rediscovery of a World's Land"; Jules Guedalia, speaking on "Applying Principles to Practice" and Frank Chodorov, director of the School, who will explain how he is "Maintaining Our Amateur Standing."

As usual, there will be refreshments, and the charge is fifty cents.

IT CAN BE DONE!

SEVEN years ago, when Oscar H. Geiger projected his idea of a School to teach the philosophy of Henry George, friends —sincere Georgists—advised him that it could not be done.

It was 1932. The first shock of depression had not yet been absorbed. People were scared. Where would the money come from? Who would study? The jobless were too depressed; those who were working had no stomach for political economy.

But Geiger started. In one room, and with eighty-four students. Somehow, the money for rent, postage and printing came. Very little for his living expenses, except from his own savings. He had started the great crusade against economic ignorance.

The School grew, and with its growth came faith—that most powerful of all human emotions. And faith brought substantial contributions, in money, in promotional ability, in teaching, in works.

The one room grew to two, three, four, and attic. Extension classes spread over the country. A correspondence course was added. The basic course in fundamental economics developed into a curriculum.

Then came the building on East Twenty-Ninth Street, made possible by a generous bequest. Enough money was contributed to equip three floors—two floors remained for expansion.

That was in October, 1938. In one year new teachers were trained, new methods developed for attracting students—aided by that publicity which follows in the wake of activity—and the three floors were not sufficient.

November 1939, the Director's Report* was published. The story of the School, its growth, its plans, its policies, revealed the dynamic character of this educational venture. To those immersed in the work the story seemed but a simple statement of the obvious, to otherwise busy Georgists it was inspirational—more than a hope, a veritable promise.

The financial response was heartening. Single dollars, fives, tens, hundreds. But one man who saw in the proposed budget the item of *Seven Thousand Dollars* for renovating and equipping the two top floors sent in a proposal:

"My wife and I will contribute one-third of this expense, if the balance can be raised."

The offer was mentioned personally and by mail to several friends. At this writing $1,850 has been paid in toward the fund, one hundred dollars pledged. Two thousand seven hundred and seventeen more are needed—to complete the Citadel of Democracy—where 5,000 students can be taught the philosophy of Henry George each term, thrice a year, in Spring, in Summer and in Fall.

The architect—a graduate volunteer—is working on the plans. The contractor has agreed to take partial monthly payments. The space will be ready for the fall term, beginning in October, and ideas for filling the class rooms with students are formulating.

WE must and will succeed. And your contribution toward the $2,717 balance will help. Send something—and if you can't send even one dollar now, send a pledge, to be paid at your convenience, before September 1, 1940—for you too want to feel that you have had a part in building the School. Address:

The Building Completion Fund

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

Thirty East Twenty-ninth Street, New York

* A few copies of the Director's Report are available. You can have one if you send for it.