

The Freeman

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Five Cents

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The assertion of the equal rights of all men to life, liberty and the pursuit of happiness is the assertion of the right of each to the fullest, freest exercise of all his faculties, limited only by the equal right of every other.—Henry George, Fourth of July Oration.

Sailing the Malthusian Sea

Underlying every social maladjustment is an economic error. Until the error is understood and corrected, the maladjustment will continue. For behavior can be explained only in the light of understanding.

A boat containing nine hundred souls is floundering about in the Caribbean Sea. Running away from one country where the right to live has been denied them, they find that those in control of other parts of the world also deem them undesirable. They are not permitted to land. They are not permitted to live.

Why? It is not because of their race or religion—although that is the ostensible reason. The whole world has immigration quotas and “exclusion acts,” which apply to peoples of varying nationalities; none is excepted. It is not because they are unwilling to add to the common store of wealth—in fact, their ability to produce too much is frequently given as an excuse for their undesirability. It is not because of anything—except an economic error.

That error is that there are more people in the world than the earth can support. Or, as that befuddled English cleric, Mr. Malthus, put it, population increases faster than the means of subsistence. Nature has made the mistake of putting more people on this planet than can be taken care of, but nature has also provided a Caribbean Sea in which to sink them. Nature has, apparently, also provided the wise rulers to do her bidding.

Untenable and ridiculous as this idea is, it has nevertheless persisted in the public mind, aided and abetted by the pundits who purvey knowledge, by our politicians whose understanding is inferior only to their honesty. Until we un-teach ourselves this economic falsehood—propagated for the vicious purpose of justifying the poverty of the many, the privileges of the few—we shall never be able to solve our social maladjustment, of which the so-called Jewish question is only a phase.

Nature provides nothing—except the opportunity to labor. Man lives only by what he produces, and lives according to his ability to produce. He

can produce the things he needs and wants only by altering or moving the things he finds on this earth. And nature has never been lacking in providing him with these things. It has never been niggardly. Until nature ceases to operate, until man's ability to utilize its forces disintegrates, nature will always provide enough.

Provided, of course, that man's access to nature is not denied. It is to this denial of the use of the earth that we must look for the cause of all our social maladjustments—of all our “minority” problems. It is true that we have millions of unemployed in this country—in all countries—and that more population anywhere, more births, would merely add to our fund of hardships. But, it is not true that any living, physically sound person is unable to earn a livelihood. There never has been, never will be, a “surplus” population.

Likewise, there never has been and never will be a “race” question. This fiction has been foisted on us merely as an excuse for the maintenance of the status quo. Some explanation, other than the true one, must be given by those who live on the labor of others to justify the apparently unjustifiable, unnatural state of affairs which results from their robbery of labor.

There are no races, there are no classes, there are no innate differences between peoples. Economically there are only workers and non-workers. The story that there are “undesirable” or “surplus” peoples who must be got rid of was invented by the non-workers to hide from the workers the cause for the depressed condition of the many, the reason for the luxurious living of the few: the private ownership of the Earth.

And until that error is rectified, not only will ships of “undesirables” be floating about in oceans of barbarity, but our ships of state, laden with millions of unemployed, manned by privilege and corruption, will flounder about in the seas of war, hatred, destruction, until the seams burst, the will to go on against the insurmountable waves fails, and this civilization goes down to meet its predecessors.

Freeman Views the News

"Relief" is Impossible

In 1933, when our well-intentioned but economically ignorant brain-trusters installed "relief," we were told that this policy would be temporary. Nay, we were told that it was a measure made necessary by the imminence of "revolution." The latter statement, made by innuendo, is just another illustration of the use of force majeure for political ends. More on this point later.

That "relief" was not, could not, be a temporary measure, but springs from a deep-rooted economic maladjustment, is attested by the recently published study of the National Economy League. In seven years Federal, State and local governments have spent about \$20,500,000,000 on "relief." The end is not nearly in sight, for we have spent more in the seventh year than in any of the previous six years. Twenty-two million persons, about one-sixth of our population, are today receiving relief payments in one form or another. And this does not include the half billion dollars paid out in unemployment insurance since January 1938.

An interesting item in the study is that the overhead costs of administration of "relief" have risen from ten to twenty five percent of the total. In 1938 more than a billion dollars was spent on the cost of spending. Thus, bureaucracy feeds not only on the producer who pays, but also on the hungry it is supposed to feed. Quite characteristic.

The very definite impression a logical mind gets from the study is that "relief" has not relieved, that—judging by the promise of its instigators that it was a way of spending ourselves out of "relief"—it is an absolute failure. Does the League suggest that it should be abolished? Hardly. It merely suggests that our "relief" program is too haphazard, that it should be coordinated, that co-operation between Federal and State agencies is necessary.

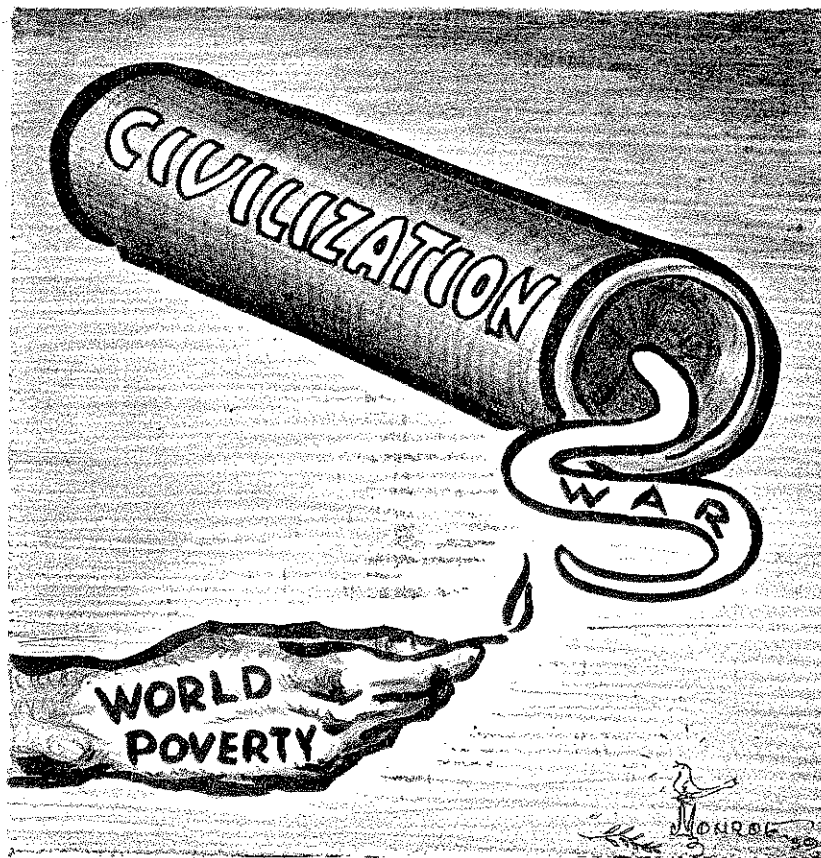
The only way to abolish "relief" is to abolish it—in toto, and at once. Also, its underlying economic fallacy—"scarcity economy"—must be abandoned, because it is a fraud. This fraudulent theory is based upon the crazy idea that people get satisfactions through higher values, whereas the evident fact is that only through production, and lower values, are human desires gratified. More things, lower prices—not less things, higher prices. Let people go to work and make more things. Let us have an abundance of everything—and let those who produce it keep it. That means, of course, let's kick the land speculators off the earth, the only place where produc-

tion can begin.

Which brings us to the dire fear of "revolution" which in 1933 we were confidentially told would result if "relief" were not started. The fact is that everything we have done—in Federal as well as in State governments, and regardless of party—has tended to hold up land values, to retard the necessary wiping out of speculative values.

The only "revolution" that would have followed from a complete deflation of land values would have been a legislative struggle by the land hogs to safeguard their rent privilege. That's the only "revolution" that was avoided—by "relief."

JULY 4, 1939



To Hell with Education

The art of plausibility—to hide a truth—is being used by New York realtors to make the public swallow an unpalatable fact: educational facilities for children and adults have been curtailed by an "economy" measure recently passed in Albany.

It might be true, as they say, that school teachers, measured by the wage-standard for similar capabilities in competitive fields, are overpaid. Why a teacher, with far less training, should be paid three thousand dollars a year while a doctor must live on half that amount, it is rather difficult for the average citizen to understand.

It might be true, as they say, that our educational system is a mass of expensive experimentation, born of conflicting theories of pedagogy, the value of which is purely conjectural, the price of which is real. To the public, knowing next to nothing about pedagogy, such an argument is quite plausible.

Our school teachers—as politically minded as any other group that feeds at the public trough—are meeting these arguments with sob-sister stuff about education, for the like purpose of gaining public sympathy. Being even more ignorant of economics than the realtors, they completely ignore the real reason for the cutting down of State-aid-to-cities for education.

Whether teachers are overpaid or not will never be determined until we have a competitive system of education. In a free economy, where every worker will get all that he earns, it is quite possible that the high wage level will permit parents to buy education, just like clothing for their children. The best school, like the best clothier, will get their patronage. To compete with superior private school education public schools and public school teachers will have to prove themselves. In a truly competitive system, no one is ever over-paid or under-paid. He who does not serve is rejected by the market.

As for the new-fangled theories of pedagogy—the development of schools for defective children, the fitting of the curricula to a depres-

sion economy, the special training courses—how much of this is due to the social conditions brought about by poverty and the fear of poverty? The answer to this question is in a statement made by the head of a State mental institution, that many of his 6000 patients would not be there if they could find jobs.

Much could be said about the defects of our school system, but all that could be said is equally true of our courts, our sanitation, our legislatures, our police, of every community endeavor.

But the important point in this controversy, completely overlooked by the frothing school teachers, is that the proponents of this measure to curtail New York's educational facilities are the landlords. And what are they fighting for? More rent. Every increase in social service threatens their graft. Therefore, they fight it.

In the present instance this fact is so obvious that one wonders how the teacher organizations overlooked it. The main proponents of the "economy" measure were the landlord organizations—and they made no bones about their identity. But, did the teachers point out that these rent hogs were squealing for a full trough, and to hell with education? Hardly. We can't blame the teachers. They studied economics at college.

The Rochester Plan

Now comes a new economy—the stamp economy. We live by stamps, nice orange and blue ones.

The plan was inaugurated in Rochester, N. Y., last month, and it worked so well that it was moved on for further experimentation to Dayton, Ohio. Everybody voted it a huge success. Now it is to be extended to Seattle. Production is dead. Long live stamps!

The stamp plan was designed by—you guessed it—Washington economists. It's so simple. In Rochester, if you are lucky enough to be on relief—and one out of every five persons in that city is lucky—you have the privilege of spending all or a part of your relief check on orange stamps, which may be "bought" from a local commissar. For each two orange stamps another commissar gives you one blue stamp. The orange stamps may be exchanged for any necessity, but the blue ones may be used only to purchase commodities on the "surplus" list. Thus "surpluses" are reduced, retailers get new business, price structures are preserved and the needy fed. God bless our Washington economists.

But the economists have devised an even better plan for Dayton. Although the Rochester plan is good, it has the disadvantage of being voluntary. Perhaps some of the re-

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lieders have retained some spark of manhood after being debauched by the system; to drown their many sorrows they may buy some nectar of forgetfulness. To deny the relief of any such escape, our Washington economists have decreed that in Dayton he will get a voucher which is exchangeable for food only.

"It is as perfect a plan as can be devised," declared the president of the food merchants association. The president of a chain of food stores echoed this praise. Stamp buyers were exultant: "We get better meals, and the storekeepers treat us fine." The director of the food stamp division—i.e., a big commissar—was "gratified." Secretary Wallace—than whom there is no wiser Washington economist—hinted that the government has broader ideas than merely food distribution; he was quite "encouraged" by the Rochester experiment.

So low have Americans fallen.

Pigs is Pigs

Action of the House last month in defeating the Townsend Old-Age Pension Plan was interpreted as opening the door to legislation amending and "liberalizing" the present Social Security law. "Liberalizing" amendments would provide that payments to aged persons begin next New Year's Day, rather than on Jan. 1, 1942, as stipulated in the present law; that supplementary payments be made to dependent wives of pensioned workers, as well as to widows, orphans and dependent parents of deceased pensioners; that old-age insurance take in an additional million or more people over 65, by including workers in fields at present excluded.

Thus, in rejecting the Townsend Plan our august legislators did not reject the idea that under our economy a large portion of the population must be considered paupers. That thought is fixed in our legislative mind. Our Congressmen merely rejected the particular charity plan proposed by the crack-brained doctor from fairy-land California. The reasoning inherent in the rejection is in line with our general fiscal

policy. The Townsend Plan is based upon the transaction tax which, while indirect, would be too obvious a burden on the public. Our fiscal policy has always been based on the idea that what the public doesn't know won't hurt them—much.

The transaction tax involves a levy at every step in the production of goods, (including exchange) from the extractive point to the point of consumption. Corn sold to the hog-feeder would be taxed; commission-merchant, railroad, stock yard, abattoir would each pay a tax on the hogs; then come the trucking company, wholesale butcher, retail butcher; the hide would bring a tax from the tanner; the shoe manufacturer, the wholesaler, the shoe store; every by-product would likewise be taxed at every point in the producing or exchange system on the way to the consumer. Taxes on bank loans by each processor or distributor, taxes on machinery, printing, advertising, transportation, and the million and one things used in the direct and related industries would all pile up to make the ultimate buyer buy less. Of course, the cost of doing business would be increased, and each merchant and manufacturer would have to pyramid his profit on the additional investment. Then, after the millions of tax-gatherers and policemen and judges and bureaucrats-at-large had received their stipends, the poor old folks would get the residue, if any.

This monstrous scheme (which only a deranged mind could invent or a harassed mind could entertain) was defeated by Congress—not because they thought it uneconomic, but because they could substitute for it a less painful, though not less bizarre, form of public charity. The Social Security Act, like the Townsend Plan, is predicated on the postulate that there must be poor people. Both are born of the incongruous idea that poverty is a necessary and permanent condition of society. Both presuppose that the burden of taking care of these indigents must be borne by the producers through the state. The only difference between the two schemes is that the Social Security plan is more devious in its workings—that the burden on the

producers' backs is more gradually, more seductively increased.

The backs will ultimately break. But, in the meantime, our politicians, intent on preserving their lucrative privilege, heed the clamor of the hungry millions—the millions demoralized by a continuing condition of poverty, the millions clamoring like wolves: "Give! give! give!"

Toward Statism

From a nicely printed brochure issued by the Federal government we quote a few significant sentences, adding brief comments of economic interpretation:

"Since March 1, 1935, and through to February 1, 1939, more than 1,500,000 people have bought more than 8,150,000 Savings Bonds, with a maturity value of \$2,260,000,000."

This money is not used in industry, for productive purposes. Most of it goes to support non-productive efforts. Therefore, it is largely wasted; a fact which is proved by our constantly increasing public debt, our constantly increasing tax burden. Since the money invested in these bonds is not used for productive purposes, it cannot be classed as capital, or the returns true interest. In fact, the interest on government bonds is derived from taxes, and the owners of these bonds are in reality merely tax-collectors, once removed.

"They (savings bonds) are primarily intended for citizens desiring to lay aside funds for the future."

Ordinarily, people do not invest for security. They invest for returns. But, when production is at a low ebb, and the rate of interest is consequently low, they hoard their savings. That's why government bonds are in demand. A sure sign of poor business is a big demand for government bonds; likewise, when government bonds go begging the economy of the people is on a higher level.

"More than 72% of the investors in United States Savings Bonds are making repeat purchases."

Which means that as the opportunity for investment in productive enterprise becomes less, people turn more and more to the buying of liens on the taxing power of the govern-

ment. In fact, what they are buying is the privilege of taxing themselves.

We have commented only on a few statements for their economic significance. A whole book on the political and social significance of investing in government bonds might be written. For instance, what would happen if everybody in the country put all his savings in government securities, none in business? How would the government meet the tax bill? Could we stand the burden? Would the necessary consequence be inflation or outright repudiation? Would we all have to go to work for the state in order to pay off the bonds we own? If so, what would we live on?

Needless to say, these and many other questions that suggest themselves are not even hinted at in the sales promotion brochure issued by the government.

Whose Lackey Is He?

"The most constructive piece of work done by the Republican Party since I've taken office." That's how Governor Murphy of New Hampshire characterized a bill imposing a 15% tax on tobacco products.

The ecstasy was not occasioned by the fact that the smokers of his State would be mulcted out of \$1,000,000 annually. Much larger levies have been placed on the people by their elected rulers in a most off-hand manner. This particular measure, however, is the cause of exultation only because its purpose is to reduce the tax upon real estate automatically in cities and towns by about \$2 per \$1000 of assessed valuation.

Which prompts the question: Does Governor Murphy represent the few land speculators or the many smokers in his State?

An Aromatic Law

Whether gambling is moral or not is questionable; at any rate, the answer depends on one's code, or upon the code prevailing at any given time or place.

But there seems to be a stench connected with the man who runs a gambling house and collects a "rake-off"—a stench that is recognized by gamblers and non-gamblers alike, and is very much akin to the aroma associated with the white-slave trade.

Making the "take" legal does not expunge this odor from one's nostrils. Nor does the use of this "take" for charitable purposes deodorize it. Neither the sanction of robed judges nor the sanctimony of ecclesiasts can make the gambler feel that the "house" in taking something out of every pot is anything but putrid.

And yet, the "house" does render a service. It provides a place, paraphernalia and "protection." That should be worth something. But an overlord, a racketeer, who provides nothing and takes no chances, but who through strong-arm methods intimidates the "house" into dividing the "take" with him—he indeed is something like a carrion-eating skunk. That this overlord wears a policeman's uniform makes him none the more acceptable to our sense of decency.

The legislature of the sovereign State of New York has decided by law to become such an overlord. Providing neither race track nor horses, jockeys nor racing forms, rain insurance nor fair skies, we, the people of New York, will demand a "take" from citizens who like to wager on the rapidity with which horseflesh can cover a given distance.

The "Pari-Mutuels" law recently passed by the legislature will be submitted to the citizens at the November elections. Because we are ignorant of the effect of taxation of any

kind on production, because most of us do not bet on horse races, we will probably pass the law.

Nevertheless, it has a bad odor.

The Bewildered Editor

Criticism—sometimes quite pronounced—has been levied at *The Freeman* on two scores:

First, we have been accused of being too sophisticated in our interpretations and our articles—"pulling punches" is the phrase used.

Second, we have been accused of being too critical of the status quo and its advocates, and entirely too forceful in our expressions—"soap-boxing" is the characterization.

We admit being just human. Therefore, it is quite possible that prejudices have influenced both our phraseology and our point of view. Perhaps a purely objective mathematical approach—let us say in the un-moral vein of our professors of economics—may please some of our readers, or mere emotionalism may appeal to others. In order to please everybody—an obvious impossibility—we should first de-humanize ourselves, and, second, deviate from our policy.

And what is the policy of *The Freeman*? To test current events and trends in the light of Georgist philosophy, so that its readers may understand the realism of this philosophy—and also to acquaint those interested with news of the Georgist movement. And, as for the philosophy, it must be treated in its totality—not merely as an economic science, not only as a fiscal reform, nor yet as a social ideal, but in all its phases.

At least, that's what we are trying to do. We'd like to have, from our readers, suggestions on how we can better carry out this policy.



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Can Socialism Achieve Democracy?

By Michael J. Bernstein

In 1901 Max Hirsch, the eminent Australian Georgist, published a book called "Democracy versus Socialism." Almost 40 years have elapsed since its publication, and yet a re-reading of this book startles one with the impression that Max Hirsch must have written it in 1939. Is he painting a picture of present-day Russia as he describes the functioning of a society based upon planned production, upon complete state ownership and control of all the land, labor and capital? Is he discussing the recent Russian purges as he shows how government officials in a planned economy invariably attribute the failure of production to sabotage? Is he talking about the disappearance of civil liberties and the suppression of the individual in totalitarian states?

No, Max Hirsch has simply predicted the inevitable consequences of transferring all power—cultural, political, and economic—to the state. He has demonstrated logically that there is no guarantee of personal independence so secure as the institution of private property, nothing that so enables the individual to withstand the pressure of the powerful and, in defiance of autocratic or popular condemnation, to create new values for humanity.

Today the issues of socialism and democracy have an immediate significance that they lacked when Hirsch made his theoretical analysis. I am convinced that they represent the fundamental issues of our time. And as Georgists, as the only genuine exponents of the philosophy of freedom, on us devolves the responsibility of demonstrating to a sadly confused world that it has mistaken the socialist promise for the bitter reality, the dream for the harsh awakening.

Mankind, by and large, wants security, peace and freedom. Every social philosophy, every political party, every reform group promises all three as it attempts to enlist the

This address was delivered at the commencement exercises of the Henry George School of Social Science on June 6. "Democracy Versus Socialism" by Max Hirsch, referred to by the author, will be re-published by the School this summer; a syllabus for classroom purposes is also being prepared.

support of the people in its striving for political power. There is no disagreement about the goals. But today, men are wearily tramping the collectivist road in a vain effort to reach these goals. They never do, along that road. But the shouting of demagogues, the screaming of slogans, the loud clangor of irrelevant controversy have drowned out the still, small voice of reason which is trying to tell mankind that it has lost its way; the voice of Henry George pointing out the true path, the voice of Max Hirsch warning against the disastrous course on which mankind seems to be embarking.

The antithesis presented by the title, "Democracy versus Socialism," may be surprising to many otherwise intelligent people who know nothing or very little of the ideas of Henry George. They would ask: "How can you speak of democracy and socialism as contradictory concepts? How can there be fundamental opposition between two ideas which have been so persistently identified for the past century? Have not Socialists always asserted that only their program could breathe life into the dead abstraction of political equality by extending democracy to the economic realm?"

That democracy to be genuine must exist in the economic as well as in the political sphere is a truism found in all theories of social reform. None know it better than do the fol-

lowers of Henry George. But merely to assert it is not enough. What precisely does the term "democracy" mean—and by what methods shall it be attained? These are the questions that must be answered, for they are being asked with increasing persistence among intelligent men and women. These men and women are honest enough to admit that the realities of collectivism, as we see them operative in the world today, bear not even the remotest resemblance to the promises originally made, to the assertions that are trumpeted forth each hour, so confidently, yet so falsely.

The cause of this confusion has its roots in the historical development of modern civilization. Every reform and revolutionary movement since 1830 has been a striving to extend the benefits of political democracy to an ever greater section of mankind. Socialists participating in these movements frequently played a most active role and succeeded in identifying their philosophy with the struggles for democratic rights. There was nothing deliberately sinister about this. Their spokesmen were always careful to point out that without corresponding economic gains for the masses, the democratic reforms attained must remain sterile. But in the popular mind, and in the minds of thousands of intellectuals, Socialists were inseparably linked with the struggle for wider political democracy. And only a few resisted this associational process sufficiently to ask if the economic proposals of socialism would really result in the genuine democracy which the Socialists were promising. We know who these few were—Henry George and Max Hirsch among them. And today, their predictions of many years ago are being confirmed.

In this brief historical sketch, one interesting fact stands out. Up to a few years ago, every important European nation possessed a large and powerful Socialist party. Some of them still exist today. But only in one country did they succeed in



seizing power and imposing a collectivized economy. That was in Czarist Russia. And this was no accident. For only the Russian Bolsheviks realized that to create and maintain a planned society, democracy had to be scrapped, and scrap it they did without scruple. Fascism and Nazism have conquered Germany and Italy, have instituted, as in Russia, a control of the life, labor, and industry of their countries without parallel in history. And they too repudiated democracy.

But the large and powerful Socialist parties of the other world powers have failed because they have insisted upon using democratic methods. They have never realized that the aims of socialism are essentially anti-democratic and can be attained only by using the appropriately dictatorial weapons. In other words, Socialist parties, save in Russia, have been doomed to failure because they have refused to accept the basic contradiction between socialism and democracy, because they have thought it possible to achieve and retain both.

Today everyone clamors for democracy—the Nazis, the Fascists, the Communists, the gradual collectivists. The word has become a fetish empty of all significance. To the Fascists it means that the subconscious wishes of the people have found mystical expression in the words and actions of the leader. The Communists, repudiating the leader principle in theory, though accepting it in fact, assert that Russia has the highest form of democracy because each individual is compelled to work in accordance with the decrees of the state. And the gradual collectivists maintain that if only we could elect or appoint an incorruptible officialdom we could safely leave the organization of economic life to them. Thirty-eight years ago Max Hirsch foresaw all this, and we have reason to be proud of an economic analysis that enabled him to prophesy with such unerring accuracy.

Genuine democracy is not merely a form of government; it must pervade every corner, every aspect of the life of a society. And its essential principle must operate identically in all fields, the economic as well

as the political. What is this basic, unitary principle? Let me attempt a tentative definition: "A community is a genuine democracy only when each responsible adult member of the community exercises an influence and receives a return exactly equal to the contribution his labor and capital have made to the community."

This definition, I believe, gives an accurate picture of the functioning of a free economy in an ideal Georgist society, for its logic is the unshakeable logic of the social implications contained in "Progress and Poverty." Henry George asserted, bluntly and without qualification, that we must make land common property. The implications for democracy of this simple yet fundamental remedy for the ills that have always plagued the world bear analysis.

In a community where land is common property, ideally speaking, the government has only two functions—to collect the economic rent and to give it back to its citizens either through an equal division among them or through the social services that they deem desirable. Each citizen has one vote because that one vote represents the equal share of each in the land, the common property of all. In other words, political activity consists solely in deciding what to do with the economic rent. It is a process in which the influence exercised by each individual and the returns received by him must be mathematically equivalent, because the contribution made by each is equal. So we see that in the political sphere, a free economy requires, as a matter of justice, equality in the exercise of the franchise. And thus far our definition of democracy has been satisfied in every particular.

Now we turn to the field of economic life. In a Georgist society, again ideally speaking, individuals functioning in complete freedom voluntarily initiate those activities

which each one feels will most effectively gratify his desires without interfering with the activity of the other members of the community. Based on an expanding division of labor due to technical advances, such a society must engage in closer cooperation and more rapid exchanges. And the result will be differing rewards for the exertions of each individual, although the enormous discrepancies which arise from unearned incomes will have disappeared completely. The strict arithmetical equality which we found to be essential in the political sphere does not and cannot exist in the economic.

For the genuinely free market is a true democracy too, or more accurately we might call it a consumers' democracy. By a consumers' democracy we mean that the power to dispose of his skill or of his capital which belongs to the laborer or to the capitalist, can only be acquired by means of the consumers' ballot held daily in the market-place. Every customer who buys an automobile rather than an airplane, every patient who prefers Dr. A. to Dr. B., every investor who prefers the stock of corporation X to the stock of Corporation Y, in fact, every child who chooses one toy and not another, puts his voting paper in the ballot box, which eventually decides who shall be elected the leaders in industry, commerce, and the professions. It is true of course that there is no equality of vote in this democracy; some have plural votes. But the greater voting power which the disposal of a greater income implies, can itself only be acquired and maintained by the test of election.

That the demands of those with larger incomes exercise a greater influence in directing the course of production is in itself an "election result," since in a free economy wealth can be acquired and maintained only by meeting the requirements of consumers. Thus the greater wealth of skilled workers, of enterprising producers, of successful business men, would always be the result of a consumers' plebiscite, and once acquired could be retained only so long as it was employed in a way regarded by consumers as most beneficial to them.



And so we see, as a result of our analysis of the functioning of the free market in a free economy, that the essence of a genuine democracy is in the definition we have already given. "Each member of the community exercises an influence and receives a return exactly equal to the contribution he has made." And that simply is the philosophy of Henry George: equality in the administration of the common property, and to each individual the full product of his labor and his capital.

For the Socialists, genuine democracy has meant only the achievement of what they call economic security. But nowhere have they demonstrated precisely the methods by which democracy and security are to be attained. Planning is their solution, and it has become the grand panacea of our age. But unfortunately its meaning is highly ambiguous. In popular discussion it stands for almost any policy which it is wished to present as desirable. Indeed there can be no doubt that it is this very ambiguity which lends it attractive force. Men do not cherish vague emotions about precise concepts. When the average citizen, be he Nazi, Communist, Socialist or what is vaguely called "progressive," warms to the statement that "what the world needs is planning," what he really feels is that the world needs what is satisfactory. It is in fact almost certain that the more of a plan he is confronted with, the less enthusiastic will be his response, the less likely his agreement with the other members of the crowd.

On one thing all planners agree: "planning" requires the destruction of the market. To destroy the market, however, instead of freeing it and widening it, is to destroy the only mechanism by which it is possible to determine, impersonally and justly, the value of the contribution

each individual has made to satisfying the desires of the members of the community. No system of distribution is possible under socialism which does not necessitate the arbitrary, and therefore corruptive interference of government officials. And certain inevitable consequences flow from such an exercise of authority. We see them operating today in Russia, Germany, and Italy. These consequences are inherent in, and not accidental to, any society which, based on the division of labor, destroys the free market, the only objective means of distribution.

A recent personal experience brought home to me most vividly this contrast between state regulation and free enterprise. I am employed in the Department of Welfare of New York City. Several weeks ago I was summoned to a conference at which supervisory officials were discussing a new policy on relief administration which was shortly to be instituted. What struck me most forcibly was that the entire discussion took place without the slightest consideration for the wishes or desires of those to whom the policy was to be applied. The officials were normal, decent people, but their decisions had to be bureaucratic. For bureaucracy consists simply in treating people as objects—in giving them no voice in determining the policies to which they are asked to submit.

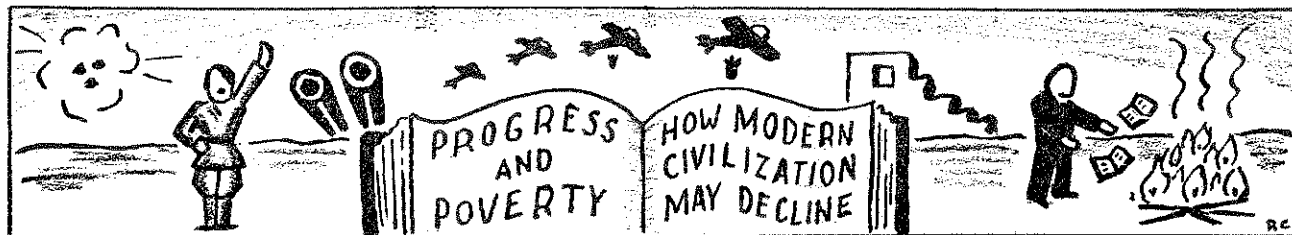
Contrast this with any similar meeting held by the executive staff of a business firm in a competitive industry. They wish to sell more of their product, and so they are concerned primarily with pleasing their customers. The latter's wishes and desires are the controlling factors, and that firm is most prosperous which best succeeds in anticipating consumer demand. I know that frequently there is much of fraud, chicanery and unfair practice. But even

these are resorted to for the purpose of securing, even though dishonestly, the good-will of the buying public. And the competition in the free market of a Georgist economy would weed out those whose performance did not coincide with their promises.

Socialists may not intend it, most of them would sincerely and fervently deny it, but their program leads inevitably to a condition in which freedom of choice is destroyed: freedom to labor, freedom to consume, and ultimately, freedom to think, speak, and act. With the destruction of freedom there is destroyed the possibility of any ethical standard. For the disappearance of freedom means the annihilation of responsibility. Men who are not free cannot be described as good or bad.

Today the peoples of the world are badly frightened. They seek to avoid responsibility—to surrender the very attribute which makes them human beings. In Freudian terminology they wish to return to the darkness, the warmth, the safety, yes, the complete irresponsibility of the prenatal state. On every hand we see manifestations of this tendency—in our art, our music, and our literature as well as in our politics and economics. Men have adopted the cult of irrationality and strive for unnatural Utopias. Wishful thinking has driven out thought.

Yes, mankind has lost its way. We Georgists have a tremendous task and a profound responsibility. Perhaps the obstacles seem insurmountable; perhaps civilization itself will disappear in the bloody welter of an unimaginably destructive war. But we cannot shirk the task, difficult as it is. We must persuade the world, through the power of reason, that progress, democracy and freedom are identical conditions, which can be attained through the Law of Human Progress, Association in Equality.



LET'S PASS A LAW ABOUT IT

A century or so ago a pious monk, the Abbé Mendel, made a series of experiments on sweet peas. By crossing peas of various colors, and then re-crossing the hybrids, he obtained data which led him ultimately to the formulation of the laws of hereditary transmission; laws which are known by his name to-day. Father Mendel founded the science of genetics. He discovered that inheritable characteristics are transmitted by carriers called genes, that a child gets genes from both father and mother, and that the child's inheritance will be a probability function of its parents' transmissible traits.

In recent newspapers, however, we read that the Mendelian laws have suffered a severe setback. In Soviet Russia it has been discovered that they are anti-Marxist and have counter-revolutionary implications. For example, if a capitalist father and a proletarian mother have offspring, it is not, according to Mendel, possible for the offspring to be true proletarians; they will be half-breeds. And crossing such half-breeds is certain (again according to Mendel) to result in children of which one in every four will be an outright capitalist. Obviously, such a state of things cannot be tolerated in a worker's republic, and the U. S. S. R. has taken the perfectly natural and obvious step of rescinding, repealing and abolishing the Mendelian laws, and rendering them null and void.

Why have not we in America taken a fuller advantage of this direct and efficacious method of dealing with difficulties? We have made a beginning, to be sure, but only the barest beginning, entirely inadequate to the task of accomplishing any real reform. In Tennessee, for example, the theory of evolution is outlawed, and in Michigan the value of pi (the ratio of the circumference of a circle to its diameter) is fixed by statute as exactly 3.14 (The saving to the automobile industry by this contraction of the circle must run into the millions.)

But what we really need is something fundamental, something basic. Here is a law which should be passed

by every legislature. Send copies to your congressmen and your senators. Forget all about land reform; we were dopes not to spot this simple, easy way long ago.

"WHEREAS: the marginal law of wages operates to diminish, reduce, impair, mitigate, abate, lessen and make smaller the return enjoyed by laborers, workers, producers, employees, farm hands, factory hands, domestic help, and all persons dependent on wages whatsoever; and

"ALLOCABLE RECEIPTS"—NEW NAME

Consider New York City's excise tax on gross receipts, which became due on June 15. It is levied on all business and professions carried on in New York City, at the seemingly nominal rate of one-tenth of one per cent of gross receipts. Both in principle and effect it is one of the most vicious of all taxes.

Sales taxes are condemned by all sound economists because they increase price and thus reduce purchasing power and hence production. But sales taxes are generally paid only once, by the ultimate consumer. On the other hand, a tax on gross receipts, or turnover tax, is cumulative, as it falls on every point in the productive process.

In our highly developed society many industries co-operate in the production of the various goods and services which we demand. A tax on the gross receipts of each of these industries, even at a low rate, results in a very appreciable increase in the cost to the ultimate consumer.

For example, the pencil with which I write contains graphite, wood, metal, paint and rubber. Each of these materials, or their components, passes through several processes, each of them carried on by different processors, before coming to the pencil manufacturer. And each of these business units, in turn, may be dependent on a host of other business houses for materials, supplies, and services, such as machinery, delivery equipment, stationery, fuel, professional services, etc. Every link in the chain of production must include the tax in its costs, and pass it on.

"WHEREAS: such a diminution, reduction, impairment, mitigation, abatement, lessening and making smaller of wages operates to increase poverty, unemployment, distress, hunger, homelessness, etc.

"Now therefore BE IT ENACTED, that on and after the blank day of blank, wages shall no longer be governed by the margin of production;

"BE IT FURTHER ENACTED, that the law of rent, in so far as it conflicts with the present enactment, be, and the same hereby is, repealed."

PAUL PEACH

In former years the tax in question was levied only on receipts derived from sales within the State of New York. Sales in interstate commerce were deemed exempt under the Federal constitution. This year the city is attempting to apply the tax to receipts from sales shipped outside the State. Receipts from sales in interstate commerce are ingeniously called "allocable receipts," and a portion of such receipts, arrived at by means of a complicated calculation, are declared subject to the tax. And so, in addition to its other defects, this levy is another sign of the tendency towards the breakdown of that internal free-trade which once played so great a part in the development of the United States.

There are those who maintain that every form of tax has its adherents—those who benefit by it. Many persons claim that this and similar taxes, calling for complicated calculations and technical knowledge, are beneficial to lawyers, accountants (I am one), and tax experts, whose services thereby become necessary. But such professional advisers are laborers in the economic sense. Their wages also come from production. And the more such taxes interfere with production, the less can the tax experts obtain for their efforts.

Who then are the beneficiaries of such taxes? The answer will readily suggest itself to every reader of *The Freeman* from the fact that the tax under discussion specifically exempts receipts derived from the sale of real estate and from rents.

ISIDORE PLATKIN

The Case Of Dr. McGlynn

HENRY GEORGE



In the collection of a rich lady recently deceased, placed on exhibition last year in this city prior to its sale by auction, there was a little picture by a French artist that brought under the hammer thirty thousand dollars. And for those who can afford to buy great paintings this was none too much for the little picture of perhaps a couple of square feet. It was not merely marvelously drawn and colored, but was one of those paintings at which one can look long and look again, because of the meaning they express.

This painting, which now adorns a railroad millionaire's mansion instead of hanging, as it ought to hang, on the walls of some public art gallery, is entitled "The Missionary's Story." In the magnificent salon of a Roman palace a simple monk of one of the missionary orders is telling a story of hardship and martyrdom in some far off heathen land to two young cardinals seated easily on a couch. In the middle ground another dignitary of the church is helping himself to refreshment from a well-filled table, while a handsome dog, on his hind legs, wistfully begs, and in a corner of the apartment the heads of some of the great orders are gossiping and laughing. The earnestness of the monk on the one side, the abstraction and languor of the two cardinals as they listen to what to them is "a tale of little meaning, though its words be strong," and the utter indifference of the other dignitaries, produce an impression which it is hard to convey fully in words. It is the contrast between the earnestness and devotion of the men who have carried the banner of the Cross throughout all lands and the worldliness of the polished hier-

archical aristocracy, who out of **their** devotion and **their** sacrifice enjoy the sweets of power and the luxuries of wealth.

* * *

Take the history of France and read of princely cardinals, of luxurious bishops and abbots and of supple, cringing abbes, fawning and intriguing in the court of Versailles, and you will understand how the Revolution, stung to madness, decreed the abolition of Christianity and set up the altar of reason. Turn to the pages that tell of the poor priest driving the dead cart in the plague; of Vincent de Paul serving the galley slave; of sisters of charity toiling among the poor like ministering angels, and you will know how Christianity has endured and yet endures.

* * *

So it has always been. Christ was cradled in a manger, and came forth from the home of a working carpenter to preach to the tramp and the outcast. Peter was a fisherman, Paul a tent-maker. It was among the despised and down-trodden and the generous-hearted who felt for the oppressed that the gospel of hope for the poor and of menace to the rich made its way. Christ's declaration was that He came not to destroy the law, but to fulfill it; yet to the high priests of Jerusalem, as to the pontiffs of pagan Rome, the gospel of the common fatherhood of God was rank communism, to be trodden out with anathema, with steel and with fire, because it threatened the privileges of the rich and powerful. Hunted, persecuted, through the toils of its missionaries and the agonies of its martyrs, Christianity made its way, until it had become a power which the greatest of politicians could not despise, and in what is called the "conversion of Constantine," Roman imperialism, with all it represented, was married in form with Christian truth.

* * *

From that time, and in every land where it has

become a dominant religion, the very powers that at first fought so bitterly against Christianity have sought to use it. This has been true of all forms of Christianity. The Catholic Church has been used to bolster the power of tyrants, and to keep the masses quiet under social injustice; the Greek Church to support the absolutism of the Czar. Luther hurled his direct anathemas against German peasants driven into agrarian revolt by the unbearable oppressions of their lords; the English Church has been the staunch supporter of regal tyranny and landlord robbery; and Presbyterian ministers have preached to Scottish lands-men that in resisting eviction from their homes they would be resisting the will of God; while in our own day and place the popular preachers of the great liberal denominations, however careless they may be of the charge of heterodoxy, are careful to temper the gospel to their wealthy sheep.

* * *

There is another thing worth noting. Ireland was never conquered by the Romans, as were England and the Scottish lowlands. The idea that land could be made private property so as to shut out any class of the people from all legal rights to the use of the earth, opposed as it is to ancient Irish law and customs, was only forced upon Ireland in comparatively modern times, by the force of English arms and the treachery of Irish chiefs, bought, as were the Scottish chieftains, to betray their countrymen by the promise of a change of the tribal tenure of land into an individual tenure which would make it absolutely their own. It is only where the English tongue has supplanted the Irish tongue that Irishmen have forgotten their ancient traditions and become accustomed to regard private property in land as a matter of course.

* * *

"God bless you, my son!" said the venerable Bishop Duggan of Clonfert to me when I was in

Ireland five years ago. "In what you say of the equal rights of all men in the soil of their native land there is to me nothing new or startling, nor will there be anything new in it to any man who was held to the breast of an Irish-speaking mother. Your doctrines are the old beliefs of our race. When a little boy, sitting in the evening in the group about a turf fire in the west of Ireland, I heard the same doctrines from the lips of men who never spoke a word of English. Our people have bowed to might; but they never have acknowledged the right of making land private property. In the old tongue they have treasured the old truth, and now in the providence of God the time has come for that truth to be asserted. I am an old man now, and may not see the victory; but I tell you that no matter what may be arrayed against it, there is no earthly power that can stop this movement."

* * *

And this is characteristic of the Gaelic people, as I afterward found it, not only in the west of Ireland. To the thoroughly Anglicized Irishman the doctrine that "God made the land for the people"—the doctrine that property in land cannot have the sanction that attaches to property in things produced by labor—may seem a new-fangled notion; but to the descendants of the men who were driven into the hills and bogs of the west, with the cry of "To Connaught or to hell!" and who with the old language have preserved the old traditions, it comes like a half-forgotten, but still familiar and self-evident truth. The rallying cry of "The land for the people!" with which Michael Davitt raised the banner of the Land League, wakes a quick response in the bosom of the Celt.

This is the stock from which, like Michael Davitt and Patrick Ford, Dr. McGlynn comes.

—From "The Standard," Jan. 8, 1887.



"Lebensraum" - Hitler's Fraud

By Sidney J. Abelson

In the amazing catalogue of historic frauds there is none more beguiling than Hitler's ululant cry for **Lebensraum**—none more persistent nor more hypocritical, and at the same time more capable of being given an air of plausibility. A nation must live, and if her own lands are unfertile or restricting, has she not every right to seek additional "living space" elsewhere?

Do not even the most virtuous men assert they would steal if need be to stave off the starvation of their dear ones? Why then berate Hitler for applying on a national scale those desperate measures seemingly justified in simple morality? Specifically, has not Hitler the right to obtain for his people the basic necessities of life?

The answer to such special pleading is, categorically, that the German people have a right to life; not only to the necessities of life, but to an ever higher standard of living—as have all the other peoples of the earth. And, all the howling of Nazi propaganda to the contrary, Germany, more than almost any other nation, has the power and the opportunity to achieve a high economic standard—with even the allegedly limited resources she had in the past war period, and before the annexation of Austria.

I propose to prove (1) that Germany's lack of raw materials is grossly exaggerated and that her domestic resources are more than adequate for a high standard of living; (2) that Hitler's demand for colonial territories is based on a perversion of economic facts; (3) that the fundamental economic problems of the German people are the same as those of all other peoples in the world today, of the "have" nations and the "have nots" alike—i. e., lack of free access to domestic resources and artificially impeded domestic and foreign trade; and (4) that if Germany were capable of normal commercial

relations with the rest of the world she could, in a short time, bring prosperity to her people.

Inasmuch as these aspects of the German economic situation are closely interrelated they need not be discussed one by one. The aggregate of facts reveals the correlative nature of German's problems, a correlation, of course, which attaches to the economic problems of all nations.

The Nazi point of view is expressed by Drs. G. K. Johannsen and H. H. Kraft* in "Germany's Colonial Problem": "No country is more dependent upon others for its supply of agricultural and industrial raw materials than Germany."

This bold statement, unsubstantiated by facts, has been repeated so many times in so many different ways that it has come to be looked upon as a truth of almost axiomatic power. Statesmen tremble before the spectre conjured up by this supposition that Germany must expand or explode. Confronted with it, the professional "economists" take on a knowing look and begin to rationalize Nazism, or else seek refuge in Communism as a blood and thunder antidote. After all, "We must be practical and face realities."

What is the truth? Dr. I. Bowman, in his authoritative "The New World," states, "No other country of Europe has so inviting a situation as Germany for conveniently reaching profitable markets or so large an endowment of natural resources. Among a limited number of essential plant foods the rarest are nitrate and potash. The potash deposits of Germany are the largest in the world, the nitrate production through use of lignite as a cheap fuel is the largest in the synthetic field. (1913—91,500 metric tons; 1926—661,500!) Given these two rarest plant foods in abundance, Germany can manage to feed herself while expanding industrially."** (Emphasis mine.)

These antithetical points of view expressed by the German propagandists and by Dr. Bowman represent, largely, conclusions as such; let us see

upon what specific facts these conclusions are based.

The "New York Times" recently commented editorially that the "trouble with statistics is that they tell us what, but often do not tell us why." Statistics are indeed dangerous, and comparisons are often odious, but fortunately the statistics I shall adduce presently are nothing more than simple facts which are too obvious to require mathematical wizardry to unravel; while the comparison I employ is one which is fair and to the point:

Switzerland, like Germany, has no colonial empire. This land-locked democracy has to depend for her well-being upon trade with the outside world. Yet Switzerland has maintained a standard of living comparable in many respects to that of the United States. Her people are relatively well-off and happy. Now it is true that Germany's population per square mile is greater than Switzerland's, but—and here is an example of the dangers of statistics—these gross figures give no idea of the real situation. Actually Germany is vastly "underpopulated" as compared with Switzerland, for the Reich has a population of but 811 for each square mile of arable land, while the cantonal Confederation has to support 2,111 persons on the same basis.

The population of Germany (prior to the unhappy adventures of 1938-1939) was approximately 16 times that of Switzerland. But Germany, in 1938, produced 35 times as much wheat as did Switzerland, 515 times as much barley, 279 times as much oats and 278 times as much rye! Need Germany totter on the verge of starvation? For a highly industrialized nation, capable of producing vast surpluses of manufactured goods for exchange in foreign markets, her domestically produced food supply suffers a ridiculously small deficit. The Foreign Policy Report on "Germany's Controller Economy," dated March 1, 1939, says, "The wheat and rye crop (in 1938)

yielded 13,965,000 tons compared to a consumption of only 10,566,000 tons in 1937-1938. The yield in field grains amounted to 11,886,000 tons—almost equal to the 12,031,000 tons consumed in the previous year.* The livestock census (1937) shows that Germany has 24 times as many horses as Switzerland, 26 times as many sheep, 12 times as many cattle, 25 times as many swine and 12 times as many goats.

While Switzerland is dependent almost entirely on importations for her raw minerals, Germany (in 1937) produced 184,512,000 metric tons of coal, 184,681,000 tons of lignite, 40,896,000 tons of coke, 8,522,000 tons of iron ore and 15,957,000 tons of pig iron—a sizable base on which to build a modern economy.

Why then does Switzerland prosper while Hitler bemoans Germany's fate and cries out for *Lebensraum*? Is the answer that German industry is inferior to Swiss? The question is ridiculous, but I ask it so that no possible clue to Germany's problem shall be overlooked. The New International Year Book for 1939 states, "No less phenomenal (than Hitler's usurpation of Austria and the Sudetenland) was the way in which Germany, by utilizing to the utmost her manpower and natural resources, attained a rank second to the United States in industrial output." Surely the explanation of Germany's plight does not lie in the index of industrial activity. We shall have to look elsewhere.

In the matter of foreign trade Switzerland has had an "unfavorable" balance year after year, so there is no advantage which the Confederation enjoys over the Reich in this respect.

However, it should be remarked that "favorable" or "unfavorable" trade balances may not in themselves reveal the true situation. For example, Switzerland trades abroad under the most advantageous conditions possible, considering present tariff barriers. But "in carrying out its policy of 'buying only from those who buy from us,' the Reich often had to pay higher prices for its raw materials and foodstuffs. Germany could no longer sell in the dearest market and buy in the cheapest," the

Foreign Policy Report states. (Emphasis mine.)

However, it is Germany rather than Switzerland which is favored by unique advantages. "In war," writes Dr. Bowman, "(the Reich) may be 'ringed about by enemies,' but in peace she is ringed about by customers. A short haul and her products are in all the markets of central Europe. Thirteen nations touch her borders. There are 18 cities with a total population of 4,000,000 in a belt of country 300 miles wide outside the German frontier Germany's resources give her a commanding position with respect to many of the vital wants of these cities and their supporting country."

It is obvious that in proportion to natural resources and productive capacity of foodstuffs Germany has, if anything, an advantage over Switzerland. No one familiar with the development of German industry will deny that the Reich is at least equal in this category with Switzerland, on a basis of ratio of population. In technical training, in physical energy, in business talent, the Germans are surely on a par with the Swiss. What explanation, then, is there for Germany's failure to hold her own in the struggle for economic stability?

Apparently there are considerations other than natural resources and technical and commercial advantages which affect economic progress. Somewhere in the monotonous beltline of material production a human element takes its place.

"In Switzerland," says the Statesman's Year Book, "there is complete and absolute liberty of conscience and of creed." Of Germany, however, this same source reports, "A law was promulgated ... giving absolute powers in church matters to the Minister for church affairs." Freedom, in all departments of human belief or faith, is more than an ideal for Utopians; it is an absolute condition of progress. Is Germany's plight explained by her policy of Teutonic chauvinism?

In a deep sense, yes; but arising from this chauvinism come factors which are more meaningful. For one thing, taxation took 33.5% of the national income, in 1937. Here

again the bald statistics do not tell the full story. According to Herr Brinkman, Reich Assistant Minister of Economics, as reported in the New International Year Book of 1938, "if the expenditure of all other public bodies 'which fulfill social tasks and satisfy collective requirements' are added to the amount of taxes and other public levies, public expenditures in the year 1937-1938 reached ... about one-half of the country's national income."

These figures "tell us what, but they do not tell us why." The "why" is rearmament, plus a politico-economic policy which restricts domestic production and stifles foreign trade.

Hitler's tremendous war machine is gobbling up the fruits of production. Switzerland manufactures watch movements and delectable cheeses—coin not merely of the realm but of the universe. Germany, however, is making ordnance, not for the world's exchanges nor for normal domestic consumption; not for production, but for destruction. "Large sums have been spent on land reclamation and improvement, but the acreage affected has been smaller than the area taken for airports, roads, buildings and purposes connected with rearmament." (Foreign Policy Report.)

Now the world we live in is a vast market-place. Ours is an exchange economy. Civilization itself is made possible by man's capacity to higggle, to exchange what one does not want for what one does want. Hitler has throttled the conduits of German economic life. He has perverted the purposes of production, setting armaments as the goal, instead of the gratification of human desires.

Of course Germany needs *Lebensraum*. But she already has all the "living space" she requires. Within her borders, given an economy based on production for exchange, not for power, Germany, with her natural resources, her technical and industrial skill, her intellectual energy, could bestow upon her people a cornucopia of economic goods.

*Scientific Assistants to the Hamburg and Bremen Chambers of Industry and Commerce.

**Dr. Bowman's book was published in 1928. Since then Germany's productive facilities have increased considerably.

Our Forests - - Mine Or Crop?

By R. M. Connor

Almost a quarter of our original forests are in the same virgin state as when the Pilgrims landed at Plymouth. These are located almost entirely in the so-called "Inland-Empire" of Washington, Oregon, Montana, Idaho and northern California. This is the belt of the big trees from which comes most of the timber America uses. If wisely managed these forests are capable of supplying America in perpetuity.

They are not being wisely managed but are being "mined" or logged off at a rate that recalls the reckless denuding of our Eastern timber lands. There is nothing wrong in cutting down and using mature trees, any more than in harvesting ripe corn. Trees are meant to be used. But for every board foot of lumber produced, 167 board feet are left in the forest, utter waste. Beyond the mere waste in lumber, the forest itself is being ruined by the methods in use.

When a virgin stand of pine and fir, with a sprinkling of inferior species, is to be logged, the tendency is to harvest the greatest quantity of the best timber in the shortest time possible. The lumber industry is so highly competitive that any other course would spell financial ruin for the lumberman. So, only the largest and most perfect specimens are taken, the defective and smaller trees being disregarded as unprofitable. To protect the younger growth would involve an expense the lumberman cannot well bear. The high speed methods are so destructive that when the logger passes on to a further stand he leaves behind him a wilderness of battered snags and stumps, with here and there a diseased or defective veteran standing watch over the shambles. Fire in due time sweeps over the area and completely denudes the land of all living cover. If they haven't already beaten the fire to its victim, insects finish the job. Nature cannot restore in a century what has been

wiped out by the logger in a few months.

This waste and destruction continue in spite of the realization that a timber famine can be the only end. Sentimental nature lovers blame the lumberman; he should be required "by law" to install forest management plans or to restrain his destructive methods. That is like requiring a poverty stricken farmer to stop working his land so hard and to use fertilizer, while his children starve before his eyes. The lumberman cannot be blamed, even though he is unwittingly destroying his own future livelihood.

Conservationists, with the best of motives, have tried two expedients to stem this wasteful exploitation. First, pressure has been exerted to allocate the forests to community ownership, never again to hear the ring of woodsman's axe. Such a provision has been written into the New York State Constitution, so that no cutting may be made for any purpose on land embraced in the state forest. As a result, the people of New York, living in the very center of a great potential timber producing area, are using lumber cut and sawed on the West Coast.

The second approach to the problem is the tree-planting program. Millions of young trees are being set out annually at great expense while we trample down the young growth which nature has scattered so prolifically in our existing forests. It is interesting to observe that nature invariably brings up young forests where she chooses, and both the process and product are infinitely better than anything man can accomplish. Our logging methods and our conservation policies appear to stalemate each other.

Something more pressing than

competition is driving the industry at the terrific pace it now sets. That is taxation. Let us examine the effect of our tax system on a piece of bare land suitable for forest growth. The assessment is at first nominal; but as trees appear on this land the assessment goes up. Allow those trees to reach maturity and the assessment will be increased to nearly the value of the mature forest. It takes a generation to produce a forest. All those years the owner of the prospective forest has been paying an ever-increasing tax bill, which will more than eat up the value of the lumber when finally cut. This is the principal reason why it is uneconomic to plant and grow trees. The destructive tendency of our policy of taxing production is well demonstrated in this field.

Those who own the forests of the west would prefer to log their holdings carefully by the rotation method. That is, to cut only a portion of the area each year so that fresh cutting could be recommenced when the entire cycle had gone round. That would be more profitable in the end. But the forest is taxed on its current stumpage value and the taxes devour any profit that might be realized from deferred cutting. Thus the owners are forced to cut as much as possible each year and then to permit the cut-over land to become tax delinquent.

This condition could be largely overcome if the owner paid a tax on the value of the land only, until such time as he was ready to cut, and then paid a tax on the timber cut in the form of a "yield tax." It would pay him to protect the forest. The present glut of the lumber market with its attendant cut-throat competitive methods would be curtailed. The nation would be sure of its forests and the people of their lumber supply.

Can this be done in a practical way? It is being done at present by the federal government, as well as by far-seeing state and municipal units. In the far west the federal government retained ownership of



considerable forest areas. It also repurchased at fancy prices other lands from the original grantees when it finally realized the folly of its public land policy. This forest land has been held out of use while the private lands surrounding it have been exploited. The day has now arrived when many of the large timber companies have either exhausted their holdings or sold them in small lots to avoid the heavy tax burden. They must either purchase timber from these government holdings or go out of business.

Here the yield tax principle comes into play. The federal government is not in the logging business and does not do any cutting. It merely leases to the lumber company the timber rights on government land. But it does so with reservations. A price is worked out, based on the cost of removing the timber, market conditions and the expense of reasonable forest management methods. The price of the dominant species to be logged is usually slightly higher than the market price for stumpage, but a very nominal price is placed on the inferior species which the lumber company would not touch if logging on its own land or left to its own devices. All equipment is furnished by the lumber company.

Mary's Little Land

Mary had a little lot—

Its soil was very poor;

But still she paid the taxes and

She struggled to get more.

She kept the lot until one day

The people settled down—

And where a wilderness had been

Grew up a thriving town.

Then Mary rented out her land

(She chose it well, you know)—

And waited patiently about

For prices still to grow.

They grew, as population came,

And Mary raised the rent,

With common food and raiment now,

She could not be content.

The government, working through the Forest Service, stringently supervises the operations. Clearly marked are the trees to be cut, defective trees, inferior species which might dominate the forest if the better species only were removed. Scalars are maintained in the woods to see that a fair estimate is made of the timber cut. The methods to be used are minutely specified. Those involving the least possible damage to young growth are chosen and many of the high speed features of the old wasteful methods are eliminated. Spark arrestors on all machinery are prescribed, as well as strict regulations concerning smoking or the use of fire in the woods. Further, a healthy mature tree to provide future seeding must be left standing on each acre cut. After the logging operations are over, fire lines must be drawn around each twenty acres and the brush and refuse piled for burning. Violation of these provisions entails severe penalties, even to the extent of voiding the contract and confiscating all equipment.

Under this method the lumberman is really paying a yield tax on such timber as he uses. What are its effects? First, the government is paid for the care and maintenance of the forest. Secondly, the forest is

conserved; it is made available for the use of future generations. Three years from the date of cutting an untrained eye could not detect that it was other than a virgin forest. In ten years it will be ready for recutting, using the same process as before. Thirdly, the lumberman is better off. His future source of supply is assured. And last, but not least, are the many collateral benefits derived from a perpetual forest. The soil and water are preserved, flood danger is lessened, wildlife and game are secure in their natural habitat, and man is able to enjoy the recreation that comes from contact with the wilderness.

Obviously, since it is to the lumberman's advantage to pay one yield tax on his cut instead of paying endlessly on the forest itself, the next logical step for him is to cease owning forest land altogether. If he can always buy the right to log his timber, why should he bother with owning the land the timber grows on? Many lumbermen are seeing this point and selling their lands to the government.

Until this taxing problem is solved, the nation's forests will continue to be exploited. It is in the interest of all that the forests be restored to the ownership of the community.

Her agent wanted her to sell

Which was against her rule—

Which made the agent laugh and shout

Because he was a fool.

Her tenants built her mansions fine—

And made a splendid store,

And every time improvements rose

She raised the rent some more.

"What makes the lots keep Mary so?"

The lower classes cry—

"Why, Mary keeps the lots, you know,"

The wealthy would reply.

For, so each one of you might be—

"Wealthy, refined and wise"—

If you had wisely grabbed some land

And held it for the rise.

BOLTON HALL.

They Know Their Air

For some time I have been occupied with the idea of inventing a machine which would enable me to monopolize air, since air is comparable to soil in its importance to the life of every human being. But the landlords have beaten me to the draw—they have invented a most efficient machine which requires no upkeep and only the merest attention—the private collection of economic rent.

For witness, see the ad for office space appearing in the New York "Times" on March 15, 1939 which is headed:

"Rent A Layer of Sunshine And Fresh Air."

These two gifts of the Creator are now being dispensed at so much per!

Landlords don't have to read "Progress and Poverty"—they know their fundamentals already!

Wallace Plan? Bees Know Better

By W. D. Hoffman

What Senator Farmbloc feared most in this world, next to his pressure-group constituents, was the Crop Surplus. A bee in his bonnet, he voted for the billion-plus handout to "agriculture," announced himself enthusiastically for Wallace for President, and proclaimed staunch support for increasing domestic tariffs for landlords on a straight Plough-'er-Under platform.

Senator Farmbloc's only agricultural activity for years had been the farming of farmers, but often he poked around in his apiary, the honeybee fascinating him. Hurrying home to his tenant-farmed empire to collect his rents, his New Deal benefits and to order reductions in acreage, he hived a couple of booming swarms and lay back exhausted, his rotund face scarlet with exertion, muttering about the Curse of the Surplus even in Beedom. And he had a dream. . .

He found himself pushing his way into a great city populated by honeybees, and, lo, when he glanced at his lower extremities he found he too had taken on the form of a giant Drone bee. Passing the Soldier Guards, he saw towering skyscrapers, vast honeycombs of Nature's most skillful engineers reaching tier on tier above him.

"Welcome, Senator Drone," greeted an idling male. "Fortunately it is the season of the Mating of Virgins, or you would be thrown out on your ear."

"Tut, tut," said the Senator, "the swarming nuisance brought me here. I bear credentials from the Department of Agriculture to institute the Wallace Plan and abolish the Curse of the Surplus. Where will I find the Queen?"

"This way, Sir." The big fellow escorted the Senator along the corridors past the Wing-Fanners. "Our air-conditioning here is the best in the world," he explained with pride. He pointed out the fat condition of Hive City, cells bursting with wealth,

Workers ripening nectar with wing movements, Nurses feeding larvae like baby birds, Young Bees bustling by with baskets of yellow pollen, Fielders crowding in with nectar, Comb-Builders hanging in long festoons fashioning cells, the strongest light unit of construction known to science.

"See 'em work their fool heads off," chuckled the Guide. "Only us Drones have it soft in this town. Nothing to do but the love-making. It's fun while it lasts, but it's sad to think how soon we'll be kicked out to starve."

"That, too, I intend to correct," Senator Farmbloc affirmed gravely. "A new deal for Drones is at hand, under the Wallace Plan."

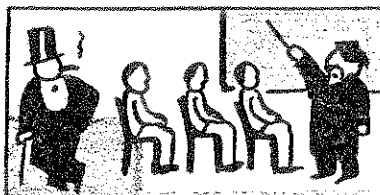
"Indeed!" ejaculated the Drone Guide. "That sounds too good to be true. Hello, here's Her Majesty now!"

The long-bodied Queen Bee was backing out of a cell where she had deposited an egg.

"Your Highness," intoned the Senator pompously, "I have an order from Secretary Wallace, backed by a billion just voted, to halt this swarming, institute parity, curtail production and end the overburdening Surplus that is the cause of all the troubles of agriculture."

The Queen in her excitement at these brusque words dropped an egg on the Drone Senator's shiny bald head, then backed shyly away. "I do not understand," she said timidly. "It is the Surplus that enriches us here in Hive City, and brings prosperity both to us and the Beekeeper."

"Ah, there is the rub," the Senator insisted. "You are being robbed by the Beekeeper. Under a scarcity-economy that will be ended forever."



Her Queenship fluttered her short wings in confusion. "But long before Man gave us boxes and wax-foundations for homes we enjoyed the blessings of the Surplus, dividing by swarming, thus continuing the species in spite of Foulbrood, moths and fires in the forests. You know, Man has not changed bee-economy one whit; he has merely adapted himself to our ways, thus earning him an income for his extra equipment. The Beekeeper pays for his share of the honey by feeding us syrup over the lean years. Before Man came our Surplus tided us over without syrup."

"When there's a Surplus, there is bound to be unemployment," the Senator said impressively.

"Indeed no. The more nectar we receive, the more eggs I lay, the more Workers are hatched—and the more Workers, the more wealth. It is the strong colonies of many Workers that make us all rich, Senator Drone."

"But the Surplus always spells low prices and ruin to the industry. Now the government intends to subsidize you. Under scarcity-economy the Wallace Plan will pay you benefits."

"Benefits? You mean in money? Honey is money here, you know, Senator."

"That's all right, Your Majesty. The government will pay you in honey."

"But where will it get the honey? Not by taking it from other bees, surely—robbing them to pay us?"

"The idea," said the Senator impatiently, "is to increase farm purchasing power—I mean, bee purchasing power."

"Through scarcity?" buzzed the Queen softly.

"Listen, insect! Can't you see, the government is going to give you the purchasing power—more honey for reducing production."

"But where is that honey coming from, unless the government steals it from other bees—?"

"Purchasing power," the Senator

Yellowed, "must equal the Cost of Production. Can't you get it through your insect head that there is a Great Depression, vast unemployment, farm mortgages in jeopardy, land prices sagging, with banks, railroads, investment interests and the republic itself in danger, because there is a Surplus that nobody can buy?"

"Oh, Senator." Her Queenship blushed deeply. "Really, we have no such troubles here, because we have no vast interests that control the source of our wealth. The flowers are free."

"The flowers? Free? Well, what the—?"

"No banks own the honey plants, no corporations hold mortgages on them, no real estate investments are based on them. The flowers have not been monopolized by the few, hence overcapitalized, as I understand Man uses that word. Here we all have access to Nature."

"That's Communism!" shrieked Senator Farmbloc, his large Drone body stiffening. "It's against the American form of government! The very first thing that must be done here is to institute private property, a system of land tenure under which the flowers will be a good sound investment, yielding rent, capitalized, bought and sold in the American Way."

"Really? But the Workers already own an equal share in all the flowers now," the puzzled Queen insisted. "Under your plan, you would have to give title to the flowers to the Drones. Of course, you wouldn't think of that—?"

"You've got to get on a solid American basis," snapped Senator Farmbloc. "Why, your whole bee-economy is haywire. Hive government is communistic, totalitarian, a dictatorship. Everything is done for the state and the individual counts for nothing. You are the dictator. This is America and we must insist on freedom, the right of the individual."

"The right of individual Drones to rob the Workers? By a dictatorship from the Agriculture Department?"

"No! By sane compliance, the

government rewarding those who cooperate."

"Not by offering bribes to comply?"

"Your dictatorship has got to end! All this regimentation here in Hive City must go—"

"To give way to Wallace Plan regimentation, Senator?" Her Queenship shook with gentle laughter. "Is shovel-leaning, perchance, your substitute for the individual initiative and enterprise you see all about you? Is millions on relief the substitute you offer for the fully employed Workers buzzing in and out of this community?"

"Anything is better than dictatorship!" thundered the Senator.

The Queen preened her wings. "Really, Senator, you have been misinformed. What you see here is not dictatorship. Your early students of the Honeybee believed a King Bee was dictator-boss. Then they said it was a Queen Bee who ruled. All were wrong, as modern students of bee-economy know. We are not a dictatorship, but a democracy—"

"You're crazy!" broke in Farmbloc. "Everybody knows you're the whole show here."

"On the contrary, I am merely the Breeder. I take all my orders from the bees. They instruct me when to lay many eggs, when to desist. It is the colony spirit that decides—the great voice of the mass, the democracy. When nectar comes in freely, the bee-people communicate the fact to me and feed me concentrated food to stimulate my egg-laying. Listen, my friend, to the commotion—a Town Meeting is being called because I have stopped work to listen to a Drone!"

"Democracy your eye," railed the Senator. "Under democracy the individual has the right of private property—"

"Private property in the planet? In the land, the rain, the sunshine

and the flowers? In the common heritage of all?"

"The devil! Why, some of our richest Earth-owners were once poor men, proving how opportunity flourishes in America."

Her Queenship smiled. "I am beginning to see, Senator Drone. You have talked about the Cost of Production and purchasing power. Here we have no Cost of Production except labor, combs and box-hive, because there is no investment in flowers—no monopoly of Nature. Hence production and purchasing power always strike an exact balance."

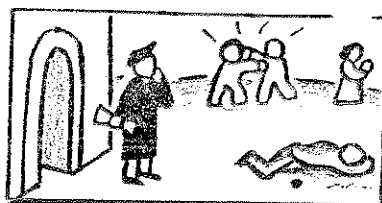
"You've got overproduction right now!" exploded Farmbloc.

"Indeed no. All the Surplus you see is Security Insurance, for us and the Beekeeper. After we swarm, the Surplus will go into more happy population of bees in new Hives. Individuals are an asset in our economy. They are a liability in yours. Yet you give lip service to individualism. Here, the more individuals, the more relative production, the more wealth. We are not struggling with a problem of indigents and jobless Workers. And you are even talking of moving some of your unemployed to South America!"

"I never heard such fool ideas," declared the Senator, in disgust. "How can more individuals be an asset when there are 12 million without jobs now?"

"Do you see any bee Workers unemployed, Senator Drone? How could they be jobless so long as honey plants are available without price or rent? Shame on your American Way, if it means the right of a handful of Drones to put 'No Trespass' on the Earth and lock out your people from the source of wealth! You ought to do far better than the Honeybee, because we are limited by the fixed supply of bloom, given by the season and the weather. Man, on the other hand, is able to expand production at will, to create new forms of plant and animal food according to his needs. There should never be a hungry individual among you."

"But the damn Surplus!" puffed Farmbloc. "It's still the Great Political Issue, and the Wallace Plan of scarcity is the only solution."



The Queen shook her dainty head sadly. "I suppose you Earth-owners are completely hopeless, since you insist on a Cost of Production that includes tribute in the form of rent for Nature. You decline to shake out the water from overcapitalized lands and special privileges—"

"We want no Communism in ours," snapped Farmbloc.

"Nor democracy, either, if it involves letting the Workers have equal access to the planet on which they were born," the Queen said, mildly. "Our sort of democracy is permanent, by the way, and not threatened by Communism and Fascism because of millions of unemployed." Her Queenship turned about in great agitation. "It seems the Hive City Town Meeting is protesting at Drone Regimentation as ordained in the Wallace Plan!"

A great hubbub had arisen, a loud humming, a buzz of thousands of wings all about the Queen. Quickly she responded by turning back to her work of laying eggs, leaving Senator Farmbloc crouching in a cell, hiding from the wrath of the multitude.

"Down with the Flower-Grabbers!" rose the cry. "Down with Wallace-Regimenters, the Scarcity-Mongers and the Drone-Monopolists! Down with Destroyer Farmbloc! Hurrah for Free Land, Free Flowers, Free Earth and Free Workers!"

There was a mighty rush. In a moment the Senator was seized from behind and a Worker mounted his back. Quickly he was rushed out of Hive City into the cold drizzling rain. In a panic, the Senator lay down in the grass to starve and die, the ultimate fate of all his kind in Beedom.

Suddenly he gave a great start, sat up, rubbed his eyes. A dream! Lordy, what a relief. He got to his feet, scanned his vast empire of rich lands, going increasingly out of production. "By Henry George!" he sputtered. "If I'd been awake I'd have had better sense than try to put over a drone-economy in a hive of bees!"

"All things come to those who own land in the right quantities."

— "The Golden Earth"

The BOOK TRAIL

SIDNEY J. ABELSON

Everything that any reasonable person could want to know about what was what, who was who, the when, where and why of all significant events in America these past ten years is summed up most agreeably in "America in Midpassage," by the famous Beards, Charles A. and Mary R., (Macmillan Company, \$3.50). Nine hundred and forty-nine pages of solid text, every one thoroughly readable, comprise an achievement in reporting that deserves a very special citation. If I were writing the advertisements for this book I would picture it as an engrossing post-graduate course in the important popular facts of science, the arts, entertainment, political movements, labor organization, the Supreme Court, congressional investigations, and, indeed, many other subjects too numerous to mention. I would call it a work that is encyclopedic in scope but not in style. I would say that for numerous practical purposes it was far better than most encyclopedias costing many times its price. I would recommend it as a source of self-education that could very easily prove superior to four years in college as a means for developing the grace of informed conversation with all the social advantages such an acquirement brings. But I would not recommend it as a source of intelligent information on the subject of economics.

In a long chapter devoted to "Frames of Social Thought" the Beards review the dominant economic theories and theoretical tendencies during the decade, turning back, as they do throughout the entire volume, to sketch in contributing backgrounds. Pursuing their task in the capacity of reporters rather than commentators or analysts, they avoid deliberate bias; yet they cannot completely escape revealing their prejudices. Thus I find a generous-sized section devoted to Veblen, the professor whose engaging deviations from economic realities served only to contribute to the fatuous confusion in contemporary thought.

The Beards tell us that "in all the history of American thought, few, if any, had been as well equipped as Veblen by acquaintance with foreign languages, by training in philosophy, by study in cultural anthropology, and by scientific detachment from the prestige of office, for dealing with economics in its social affiliations as a phase of culture, rather than as a hypothetical mechanism."

Now it may be that the law of gravity is only "a hypothetical mechanism" and that physicists make a great mistake in dealing with their subject as such instead of treating it "in its social affiliations as a phase of culture"; but if this

were the case, I am afraid there would be no science of physics. Nor without a "hypothetical mechanism," i.e., an observable natural law, could there be a science of economics; and if there is no such science, nature better invent one in a hurry or mankind will soon be in a very bad way.

According to Webster's Dictionary, economics is "the science of the material means of satisfying human desires." If this is so then economists should look for their facts (and the framework or mechanism into which those facts fit) in the places where men make their livings. Veblen, of course, was above this. He had the advantages of knowing "philosophy, foreign languages and cultural anthropology." His researches were done on a higher plane and when he was through, the Beards tell us, "little was left of the delusion that the axioms of economic science were inescapable deductions drawn from the observed phenomena of the twentieth-century marketplace."

Veblen pointed out, and with some qualifications, rightly so, that "the interest of modern business enterprise was essentially pecuniary, as distinguished from the craftsman, the manager, or the directing industrialist as owner in a strict sense." He was also off sound factual ground when he concluded, as the Beards express it, that "a large number of business enterprisers were not engaged in production at all." (Holding companies, excessive stock manipulations, etc.)

But he might have said, with the same significance, that our society suffers from many personal crimes bred by poverty, for both shady and unnecessary business activities and a large proportion of our crimes are the results of an economic system which deprives men of "the material means for satisfying human desires." Veblen, the Beards, the "tendrists" and the "institutionalists" of whom they write with subtle approval, all start their investigations from a false vantage point. Business is not economics, though it is one of the instruments facilitating the fulfillment of man's economic needs. The derelictions of big business, even though they are "a striking, persistent and persuasive characteristic," are not any more the determinants of fundamental theory than are the innumerable mistakes made say, in chemical research, determinants of chemical law. We cannot prove a natural law by human mistakes, but we can utilize those mistakes as guides in searching out natural law. The "institutionalist" approach pursued by contemporary economists and politicians is almost entirely divorced from fundamental theory, and in this unintegrated state expresses itself finally in such ill-fated "noble experiments" as the NRA.

The distortions of economic life begin not at the top, despite the devil-theory of human action, but at the bottom, at the natural sources of wealth. Economic frustration at the land compels a resort to trickery; factitious business enter-

prises and innumerable wasteful activities, in the same way that psychological frustrations drive people insane. Is it all too simple? I invite the Beards to call upon their vast historical knowledge for a single instance of involuntary poverty (barring natural catastrophes) in a period when the land was freely open to all the people.

*Even Veblen's supporters agree that his theories defy exact interpretation. Professor Paul Homan, a sympathetic

biographer, writes: "In proceeding to an exposition of Veblen's work one has necessarily to protect himself with a word of warning. It is at times very difficult to break through his curious rhetoric into the true import of his meaning. He is for one thing, addicted to the use of words and phrases far removed from their customary uses." (Page 239, section on Veblen in "American Masters of Social Science.") And here is an example of Veblen's writing of the type

to which Homan refers: "But what does all this signify? If we are getting restless under the taxonomy of a monocytyledonous wage-system and crytogenic theory of interest, with involute, loculicidal, tomentous and monofom variants, what is the cytoplasm, centrosome, or karyokinetic process to which we may turn, and in which we may find surcease from the metaphysics of normality and controlling principles?"

NEWS OF THE CRUSADE FOR ECONOMIC ENLIGHTENMENT

Edited by Margery Warriner

900 Summer Students

NEW YORK—For the summer adult classes starting during the week of June 26, the total enrollment as we go to press is a few over five hundred, reports Miss Meyers, registrar. This number should during the last week reach the seven hundred mark. These adult classes will take the usual ten week course in Fundamental Economics.

One hundred and fifty high school seniors have thus far enrolled in the six week summer course, starting July 10. These classes will meet twice a week.

The only advanced course given during the summer will be the Teacher Training course. Thirty graduate students who have accepted invitations will be divided into two groups, meeting Monday and Wednesday evenings.

Special courses, offered only to graduates who have completed the study of the Science of Political Economy, will be Public Speaking and Principles of Writing.

Argentine Centenary

BUENOS AIRES, Argentina—Senior Juan B. Bellagamba, president of the "National Commission to Honor Henry George on the Centenary of His Birth," writes that this organization plans a public convention on September 2.

It is hoped that a short wave broadcast between the New York and Buenos Aires gatherings can be effected, as well as one between New York and Denmark, where a notable celebration will also be held.

Senor Enrique de Bie is secretary of the Argentine Commission. The address is Peru 313, Buenos Aires.

From Australia

ADELAIDE, Australia—Dr. Paul G. Dane of Melbourne plans to attend the Henry George Centenary in New York, according to T. E. Craigie, assistant secretary of the Henry George League of South Australia. Mr. Craigie reports also that a class in Fundamental Economics is being conducted in Woodville, under R. M. Smyth, and that a course in the study of the Science of Political Economy is in session in Adelaide.

Man Bites Dog

CHICAGO—May twenty-second marked the close of forty weeks of study of the philosophy of Henry George for 15 students under the tutelage of Henry L. T. Tideman. At the class commencement, instead of certificates for the students, the students issued a certificate to their instructor. It read:

"Whereas: Henry L. T. Tideman, long associated with the Henry George movement, well and favorably known as a lecturer and instructor of the HGSSS, having graduated many classes; we the undersigned graduates of his advanced classes, believing turn about to be fair play, do hereby graduate the said HENRY L. T. TIDEMAN, Summa Cum Laude, and tender this certificate as a token of our appreciation of his ability as an instructor, and of his fine qualities as a gentleman and a scholar."

The certificate was signed by Barbara Bogard, Gustave K. Carus, John A. Harney, Lulu Perle Holstein, Olga A. Hoppe, John A. Johnson, Paul Kantrowitz, Patrick Kelliher, Edith Belle Matts, Adrian Rezny, Richard L. Schindler, N. D. Shaw, Edward Therrio, R. H. Vrooman, and A. Wilberforce Williams.

East Bay Extension

BERKELEY, Calif.—Mr. J. Rupert Mason was the main speaker at the graduation dinner, held at Zerikote's Boat House Restaurant, on June 16. Miss Grace A. Johnston, extension secretary, reports a total of thirty-four graduates from the spring classes.

McCarthy in Chicago

CHICAGO—Teachers and trustees of the Chicago extension, HGSSS, met with Miss Teresa McCarthy, secretary of the HGSSS, New York, at lunch and at dinner on June 9. Miss McCarthy, enroute to San Francisco, spoke before the Single Tax League that evening on "Education for Democracy."

On Racial Discrimination

June 15—Henry Lowenberg addressed the Knights of Pythias, Fidelity Lodge, at Proctor Hall in New York, on "Economic Causes of Racial Discrimination," at an open meeting.

Chicago Commencement

CHICAGO—Commencement exercises for graduates of twenty beginners' classes and eight advanced classes of the Chicago extension of the HGSSS will be held in the West Exhibit Room of the La Salle Hotel on Wednesday, June 28, at 8 o'clock. Admission will be by ticket, without charge. Master-in-Chancery Max M. Korshak, treasurer of the Chicago extension, will preside. Speakers will include John Z. White and representatives of the advanced classes.

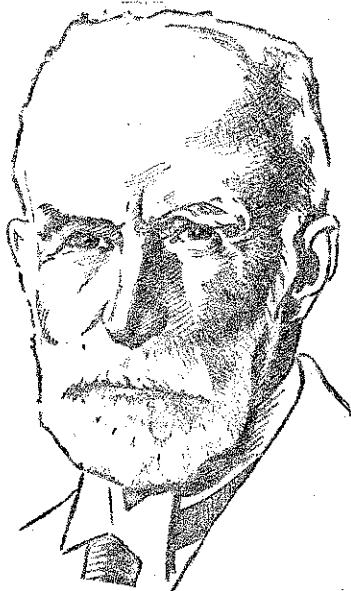
Chicago Teaches H. S. Seniors

CHICAGO, Ill.—Seventy-five high school seniors throughout Chicago have registered for the five weeks summer course beginning July 10. Classes will meet twice a week from 10 to 12 a.m. at the Lincoln-Belmont Y.M.C.A., Tuesday and Friday; the Sears-Roebuck Y.M.C.A., Monday and Thursday; and the Hyde Park Y.M.C.A., Monday and Thursday. Evening sessions also are in preparation. Teachers in the social science departments have cooperated by placing a total of 2000 announcements in the hands of graduating seniors. In several high schools a representative of the HGSSS was invited to make the announcement to the graduating classes in assembly, as well as to conduct various social science classes for a period. Hiram B. Loomis, retired principal of Hyde Park High School, is president of the board of trustees of the Chicago extension.

Chicago Speaks

CHICAGO—Willis E. Shipley and Gordon A. White, instructors of the HGSSS, addressed the Little Flower of the Community Church, 2431 W. Lake St. Sunday evening, June 11.

Henry L. T. Tideman, director of the Chicago extension, took the affirmative in a debate on the program of Henry George before the Adult Education Forum at 1145 N. Spaulding Ave., May 31. He took the negative in a debate at the Adult Education Forum, 1543 N. Larrabee St., June 11. The subject was: Resolved, that the problems of America cannot be solved under the present forms of democratic government.



A. C. Campbell was born in Shannonville, Ontario, September 26, 1857, of Scotch parents, who migrated to Canada as children. The family was sometimes poor, never wealthy.

His formal education was limited to a short term at high school, which ended when at fourteen years of age he became office boy in an insurance office. He served part of an apprenticeship as a printer, and at twenty became a reporter on *The Gazette*, a morning daily of Montreal. Within a year he went to *The Globe* in Toronto, where he became "Parliamentary Man," member of the Press Gallery, House of Commons, Ottawa. Other newspaper work followed. In 1895

he became official reporter for *Hansard*—Canada's "Congressional Record," Editor in 1921.

Since retirement in 1926, Mr. Campbell has devoted his journalistic talents to the program of *Plenty* as outlined in "Progress and Poverty." He is a frequent contributor to leading Canadian papers and is active in support of the Liberal Party.

Mr. Campbell thus tells *The Freeman* of his first meeting with Henry George:

"I was assigned by *The Globe* to go to Hamilton, and interview Henry George, who was to speak there under the auspices of the Knights of Labor. I took George's speech in shorthand; then interviewed him at his hotel. He was ready to talk, but I quite un-prepared to hear. I had not understood the speech I had written in shorthand, and naturally and in consequence I completely misunderstood what he said in conversation. We tended to argue, for I had all the brashness of the young reporter with a little learning. But George saved us both. He put his hand on my knee and said, with a smile, 'Well, that's a big subject; let's go and have a cigar.'"

Sometime after this, Mr. Campbell, going on a trip, asked his father for a book that would help him to sleep on the train. He was given George's "The Land Question." When he reached his destination he was ready to foment rebellion. A subsequent reading of "Progress and Poverty," plus association in the Anti-Poverty Society of Toronto, however, showed him a more effective method of abolishing "Landlordism" and achieving *Plenty*.

Mr. Campbell was married in 1894, has three children, nine grandchildren. His home is in Ottawa.

Quiz at Graduation

MOUNTAIN LAKES, N. J.—Twelve graduates from the Spring class held here and fourteen from the class in Pequannock, Dr. E. E. Bowen reports, held a joint commencement meeting at the High School in Mountain Lakes on May 23. A feature of the evening was an economic quiz, each member offering a question regarding some phase of the subject not yet quite clear to him or her. Each pupil was called on for his question, answer to which was assigned to a pupil of the other class. After the quiz, Mr. Green L. Rusby, President of the HGSSS of Newark, N. J., gave a talk and distributed the certificates.

Odell Shepard at Hartford

HARTFORD, Conn.—Professor Odell Shepard, head of the English Department, at Trinity College, Pulitzer prize winner for best non-fiction book of 1938, addressed the Spring graduating classes on June 21, at the Morgan Memorial. Mr. M. B. Thomson, of New York, and the following members of the Hartford faculty also spoke: Mrs. Winifred Chamberlain, Mrs. Augusta L. Byron, L. E. Wood-

mansee, Allan R. Meyers. Mr. Nathan Hillman, extension secretary, was master of ceremonies. Fifty graduates and their friends attended.

The Hartford Fellowship, which will be well represented at the Centenary, has been conducting a number of talks before P. T. associations, labor and church groups. The opening date for fall classes will be September 25.

Boston Garden Party

BOSTON, Mass.—Commencement exercises of the Spring classes in this area were held at the country estate of John S. Codman, dean of the Boston faculty, at West Roxbury, June 22. The principal speaker at this garden party was Lancaster M. Greene, a trustee of the New York School. Ten classes were conducted this spring.

Waldauer Custom Collector

MEMPHIS, Tenn.—Mr. Abe D. Waldauer, veteran Georgist, has been appointed Collector of Customs for the 43rd District, which embraces the States of Arkansas and Tennessee. His headquarters will remain in Memphis.

600 at N. Y. Commencement

NEW YORK—Six hundred graduates and friends attended the exercises at the Engineering Auditorium, June 6. After the opening address of welcome by Mrs. Anna George de Mille, Lloyd Buchman, Chairman, called upon present pupils of the School, Ira Weiss, Frieda K. Wehnes, Joseph J. Ferrini, Mrs. Erna Nash, and B. J. Hoffman, Jr., in the order named, for a short speech. Mrs. Signe Bjorner, who had arrived in New York from Denmark only a few days before, answered the Chairman's invitation to speak of the progress being made in Denmark. Michael J. Bernstein, Member of the HGSSS faculty, read a masterly paper on "Socialism versus Democracy," which appears in this month's issue of *The Freeman*. Francis G. Goodale of the Boston faculty spoke on "The Way Toward Freedom." Indisposition caused Mr. Albert Jay Nock to curtail his talk on "The State," but his short address was characteristically thought-provoking.

Refreshments were served upstairs upon completion of the speeches, and a chorus of "Georgettes" provided a surprise song and dance originated by Miss Dorothy Sara, illustrating Fundamental Economics.

Henry George Woman's Club

CHICAGO—The Henry George Woman's Club, meeting for dinner in the Sherman Hotel on June 3, heard Mrs. John P. Welling on "Why Arm Japan?"

The Club became affiliated with the Illinois Federation of Women's Clubs on May 4. The purposes of the Club were outlined as those of an educational organization searching for the cause of social and economic evils through the study of economics.

The officers are: Mrs. Edith Siebenmann, president; Mrs. Dorothy Enders, vice president; Mrs. Clyde Bassler, corresponding secretary; Mrs. Hildegard Hanniwell, recording secretary; Mrs. Ralph Mancinelli, treasurer. All are graduates of the HGSSS. Honorary president is Mrs. Henry H. Hardinge.

Philadelphia High Jinks

PHILADELPHIA, Pa.—On Sunday, June 18, the "Georgists" held a picnic at Arden, Del., reports Lucia Cipollini, secretary. Plans for a Henry George centenary on September 2 include a graduation dinner for the Spring classes.

Speaks to A L A

June 9—Reginald Zalles, instructor, spoke on "An Economist's View of World Trends" at the American Labor Party, 235 Havemeyer Street, Brooklyn, followed by a discussion forum.

Kiwanis Talk by Wallis

KEW GARDENS, L. I.—"Lopsided Taxation" was the subject of a talk by Louis Wallis before the Gardens-Richmond Hill Club luncheon meeting, June 22.

CANADIAN APPLICATION FOR SCHOOL CHARTER RUNS INTO BUREAUCRACY

One of the present-day tendencies in Canada is, paraphrasing Tennyson, to make the bounds of freedom narrower. More and more types of business are being subjected to licenses, more and more individuals are required to pay an annual tax (misnamed a fee) before they can exercise their God-given right to earn a living.

We have run foul of this tendency in our efforts to secure a charter for our Henry George School. Education is a matter for provincial jurisdiction in our constitutional set-up, so our negotiations are with the Province of Ontario. Last year's session of the Legislature passed an Act to regulate trade and vocational schools. Any organization offering educational courses relating to trades or vocations must be approved by the Department of Education, must pay an annual fee of \$50 for its basic subject, plus \$10 for each additional course offered, and must put up a security of \$1,000 with the Minister. All of its advertising literature must be O.K.'d by the Department. Because there have been numerous rackets in educational courses, the state must save the fool from his folly; the good enterprise suffers with the bad.

The application for the School charter was duly made by our solicitors. I had

an interview with the official who administers the Trade Schools Act; he told me that he had once won a debate in which some arguments taken from "Progress and Poverty" prevailed. I assumed we had a friend at court.

But, "the days grew into weeks, the weeks to months," and no charter was forthcoming. I spent some time around the government offices, where I learned that our supposed friend had put something like this into the report to his chief: "I do not see why this long-advocated theory should receive an incorporation." So this was the trouble. I wrote a letter to the Deputy Minister pointing out the progress that this "long-advocated theory" had made in the British Empire, quoting chapter and verse, and especially how it had been up in the British House of Commons as recently as February 15, 1939.

A few days later our solicitor reported: "We've just had word that the Department of Education has passed the application, so we can now file the necessary papers." Before long we should receive a document with the royal seal, and the "College of Economic Science" will be launched. We hope for a smooth voyage.

HERBERT T. OWENS.

News Items from Canada

OTTAWA—The federal budget calls for a revenue of \$490,000,000 for the fiscal year 1939-40, of which \$425,300,000 is to come from taxation, the difference being non-tax and special revenue. In addition, \$25,000,000 is likely to be required to finance the 1938 wheat crop at the guaranteed price of \$.80 per bushel. Income tax with \$140,000,000 is the main source of income, with customs and excise next at \$130,500,000; sales tax at \$125,000,000 being the third highest source. A strong effort was made by the Sales Tax Repeal Association to have a federal land value tax imposed instead of the sales tax, but the Finance Minister held that in Canada taxes on land were "traditionally reserved" for municipal taxation.

TORONTO—The Ontario legislature increased the gasoline tax from \$.06 an Imperial gallon to \$.08, which is expected to yield \$25,000,000 this fiscal year, an increase of \$7,000,000 over last year. Incidentally, the tourist is expected to pay a considerable part of it. Premier Hepburn has just reported that the yield of gas tax for April, the first month of the higher impost, is \$45,000 behind last year's receipts. In reality, it is about \$500,000 behind what the government budgeted for. The Premier ruefully talks now about the law of diminishing returns in taxation. Nevertheless, he deliberately raised the gas tax in the face of evidence submitted to him, showing that in

the USA the consumption of gas per capita goes down as the tax goes up. While motorists are penalized in the price of gas, landowners are pocketing the extra values which the construction of highways confers on land along their routes.

TORONTO—On May 31st, Secretary Herbert Owens was guest speaker at the luncheon of the West Toronto Progress Club.

WINNIPEG—One of the unwise recommendations of the royal commission which looked into the affairs of the city of Winnipeg was to drop the present one-third exemption on improvements, which would relieve land owners correspondingly. Land values taxable per capita are down in Winnipeg. In 1893, with a population of 32,000, they were \$373; in 1914, when the population was 203,000, they were \$979 per capita; in 1933, with a population of 223,000, they are \$309, which is less than they were in 1893. Land speculation and premature development tell the sorry story. The royal commission recommends that some subdivisions be ploughed back to agricultural status.

CANADA—Since the extensions of the HGSSS were launched in Canada, some 330 have received diplomas in Ontario and Quebec. Montreal has awarded 150, Hamilton 35, Oshawa 24, Ottawa 12, and Toronto 109. Some classes were held in Alberta, but statistics are lacking.

TORONTO—A. I. Mackay has accepted the position of secretary of the New De-

mocracy Organizing Committee for Toronto. This is a new political movement launched by Hon. W. D. Herridge, formerly Canadian Minister to Washington, D.C. It is a movement to preserve democracy against the assaults of Fascism, and to bring about social security.

MONTREAL, Que.—Miss Strehel Walton reports the starting of a Teacher Training class consisting of fourteen members, chosen from former students. A few of these are already forming their classes themselves for a fall term among their friends.

MONTREAL, Que.—Quite a large delegation is expecting to be present in New York for the Centennial International Congress, when it is also planned to visit the School and see it in operation.

Write Your Congressman

The possibility of having a commemorative Henry George stamp issued by the Post Office Department will be greater if you write your Congressman, today, asking him to use his influence for this purpose. House Resolution 178, providing for such a stamp, is now in the Committee of Post Office and Post Roads. Your letter will help get it out of committee. Write now. Congress will adjourn soon.

To understand the world's present war-like preparations—and the apparent cross purposes of diplomacy as reported in the press—a knowledge of the "behind the scenes" acts preceding 1914 is necessary.

Duty to Civilization

By Francis Neilson

This 104 page book, by a member of the British parliament during the World War, is revealing in its information. Replete with documentary evidence, it indicates how wars are fomented. Through the generosity of the author, the School is able to supply copies for the cost of postage and handling, ten cents. Send stamps or coin.

The Henry George School of Social Science Announces Publication of a New Edition of

DEMOCRACY VERSUS SOCIALISM

A CRITICAL EXAMINATION OF SOCIALISM AS A REMEDY FOR SOCIAL INJUSTICE AND AN EXPOSITION OF THE SINGLE TAX DOCTRINE

By MAX HIRSCH

This book is indispensable to everyone who wishes to learn the basic distinction between societies built on the principles of individualism and freedom, and those whose conceptions are totalitarian and anti-individualistic.

1. **What Socialism Really Is.** Out of the conflicting and frequently indefinite programs of the various Socialist groups, Hirsch isolates the essential factors, and tells you what Socialism really is, and what Socialists really want.

2. **Marxist Value Theories.** Hirsch explains Marx's theories of value and surplus value, and demonstrates both their lack of logic and their complete inconsistency with actual facts.

3. **Confusion Explained.** Hirsch demonstrates the confusion which lies at the bottom of Socialist thinking about the factors of "competition and monopoly."

4. **Socialism Unscientific.** Hirsch shows us that Socialism, denying both natural law and natural rights in the social sciences, is unscientific and hence incapable of either the prediction of future economic consequences or of describing the actual workings of a Socialist economy. This explains why, despite the thousands of books advocating Socialism, not one of them has ever attempted to describe the working mechanism of a Socialist Society.

5. **Individual the Basic Unit.** Hirsch proves why it is necessary to consider the individual as the real and basic unit on which all societies are built and from which all social analysis must begin.

6. **Prediction Based on Fundamentals.** He gives a picture of the social, economic, and political consequences of a Socialist state, using as his starting point the Socialist program, and the picture he drew in 1901 looks like a photograph of

any of the modern totalitarian states—Italy, Germany or Russia.

7. **George's Just Society.** Hirsch then demonstrates that the proposals of Henry George are the only basis for a just society, and considers and refutes some of the well-known objections made to George's analysis.

When Hirsch was in London in the early days of this century, I saw him frequently and discussed at great length the labor that he had put into his work. The wide reading of Socialist literature, in the original language of the authors, the patience and the care expended in his search for sources of evidence of the causes of poverty, his zeal in producing a work without animus or rancor are to be considered as the rich qualities of a singularly fine mind.

FRANCIS NEILSON.

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The School is preparing a syllabus of Democracy Versus Socialism for the use of teachers. It will be found helpful in reading the book. The syllabus will be issued about September 1—but every order for the book received before publication date (August 1) will entitle the purchaser to a syllabus, when issued, without charge.

Publication date—August 1st.—Advance Orders Taken Now

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