

★ The Freeman ★

A MONTHLY CRITICAL JOURNAL OF SOCIAL AND ECONOMIC AFFAIRS

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Whose Chickens?

* IT IS AS foolish to blame John L. Lewis for the recurring crises in the coal industry as to blame the President; as futile to censure the miners as the public at large.

John L. Lewis has been described as lusting for power, a man who has not hesitated to use his labor organization to further his own personal ambitions and to feather his nest, to say nothing of the nests of other members of his family, and who finally has dared to defy the very power and authority of the United States Government itself, and that in a time of national crisis.

All of which is true.

It is also said that John L. Lewis has waged a life-long fight in behalf of one of the most cruelly exploited and depressed of all labor groups; that he has secured concessions for the members of that group in the face of almost insurmountable obstacles by the exercise of generalship of the very highest order, coupled with adamant persistence. It is claimed that no challenge of personal dishonesty has ever been sustained against him, that his individual emoluments have been insignificant as compared with the huge sums that many so-called captains of industry have extorted through monopoly in one form or another, and that if he is driven by ambition for place and power that is only what has possessed practically every occupant and aspirant for the White House since the founding of our republic; and finally that he has exhibited courage almost beyond words in daring to risk the wrath of the American people by what they might well view as an attempt to hamstring the nation's war effort but which he, without doubt, considers only the performance of duty in the fight to protect his underprivileged followers.

All of which is likewise true.

Many will assert that the President and leaders of the Democratic Party were guilty of a low order of political trading when they accepted contributions of hundreds of thousands of dollars from the mine workers, that the Administration has been brazenly partial to organized labor in hundreds of disputes, and that the periodic walkouts of the coal miners, instead of indicating any change in that policy of favoritism, are merely the out-

growth of the personal animosity that has developed between Lewis and the President.

That, too, is true.

In the final analysis it is economic ignorance that is to blame, and of economic ignorance all parties to the dispute, including the public—indeed, *especially* the public—are guilty. By his own speeches and actions, John L. Lewis believes that the machine is an evil, that wages are drawn from capital, and that the Malthusian doctrine that population tends to outrun subsistence is completely true.

By all the evidence at hand the President subscribes to the same beliefs. No president in our history has shown greater concern for "the poor people who have to work"; none has shown more bungling ineptitude in the effort to help them. The miners don't merely believe, they KNOW that their work is hard, dangerous and underpaid. But they believe their only means of relief is to squeeze wage increases out of the operators.

The operators can show that they have had more unprofitable than profitable years, and that taxes, operating costs other than wages, and price ceilings are such as to make it impossible for them to grant further wage increases.

The President, properly pointing out that the coal miners, too, are loyal citizens, is right in declaring that a stoppage in coal production is a threat to our very national existence.

And the public, uncertain, confused, fearful, not knowing what to believe, or where to place the responsibility, much less what caused the trouble, is itself most of all to blame for its colossal ignorance and stupidity. If it is true that the current rash of strikes, in the face of organized labor's no-strike pledge, is merely the Roosevelt chickens coming home to roost, it is much more true that not only the strikes but all the intolerable mess into which the bureaucratic management on the home front has succeeded in involving itself, is the public's chickens coming home to roost—just retribution visited on the people for their pigheaded resistance to learning a few fundamental truths about taxes, land rent, tariffs and the right to produce.

—C. O. STEELE

What Price Eminent Domain?

★ Who is the biggest landowner in the United States? Uncle Sam, of course. Before the war he owned 330,000,000 acres. More than half the land of the western states of Utah, Nevada and Idaho is public domain, and even in New York the Federal government holds 93,000 acres. But this isn't enough for the needs of our rapidly expanding army. Great tracts are required for machine gun and artillery ranges, as well as the huge air training and bombing centers. For Camp Stewart, Ga., alone, 360,000 acres were purchased from private owners. This is only a small part of the 18,000,000 acres recently purchased or contracted for by the War Department. In addition, the Department has obtained 10,864,000 acres of public domain held by the Interior, Agriculture and other departments.

Senator Byrd (D. Va.) and his Committee on Reduction of Nonessential Expenditures regard critically the huge outlays required for the purchase of this 18,000,000 acres, an area equalling the combined acreage of Massachusetts, Connecticut, Rhode Island and New Jersey. The Senator contends these lands should be *leased*, not bought. He foresees a post-war period when putting this property on the market will add to government's problems. Also, he warns, many state tax rolls are dwindling alarmingly as the federal government assumes ownership of large tracts of land. His investigating committee could obtain no satisfactory statements of costs of land from the Justice Department's Land Division. Figures indicated that \$261,000,000 had been deposited for declarations of taking, and approximately \$150,000,000 had been paid already to landowners, but, "nobody can give you the full value of this property," said Mr. Norman Littel of the Justice Department. Urgent need forces acquisition sometimes without time for appraisal. A case cited showed only four days from receipt of requisition to possession. Government land costs, however, have risen sharply in the last three years. In 1939 the average acreage price was \$10.66; in 1941 it was \$24.48; in 1942 it rose to \$99.37; and figures for 1943 so far average \$66.46. Even bearing in mind that the low average in the 1930s was partly due to acquisition of sub-marginal land for soil conservation, and that the purchase of Floyd Bennett Field raised the 1940s average tellingly, we still see land prices, as is

usually the case in inflationary periods, far outstripping wages and commodity prices.

Senator Byrd's argument is sound. Land needed for army training centers should be leased. Taxpayers then would be saddled only with the speculative rent for the duration, and government expense would cease with hostilities. States could continue to collect taxes from private owners of government leased lands. Thus part of the landowners' profits would revert to the states. Under present practices, our government is buying land at speculatively capitalized rent values, paying twenty times, if not more, the speculative rent, and adding this cost to our public debt. Since the citizenry does not understand the perfect solution (collection of economic rent in full) then Senator Byrd's suggestion is the next best thing.

With the return of peace, training centers will become unnecessary; land will decline to pre-war prices. The government will sell its enormous holdings, no longer needed, at tremendously deflated prices. Speculators will buy at these lows and hold on until the time when Uncle Sam and his landless citizens, under the urge of expanding needs, come into the market once more. Then prices will soar again, completing the vicious circle. But we will continue to be taxed to the limit to pay the staggering interest charges on the monumental public debt, a debt made very much larger because of the fancy prices exacted of Uncle Sam in his hour of dire need by the speculative landowners of the country.

Wherein, then, lies the advantage of the people's resuming ownership of the soil if they must buy at exorbitant prices the inalienable rights to the earth which are already theirs, if they must pay speculative rent in perpetuity, since that is what the price of land is? What price Eminent Domain?

—JOSEPHINE BILLINGTON

It is a violation of Natural Law to deprive the individual of his product—Wealth. It is equally a violation of Natural Law to deprive society of its product—Rent. The violation of Natural Law does not remain unpunished.

—OSCAR H. GEIGER

The Problem

★ HOW TO GET a decent living for 2,000,000,000 people out of 4,000,000,000 acres of available productive land in the world is the basic problem which representatives of 43 governments are discussing at the International Food Conference this week. This Conference aims at proving that the Freedom from Want pledge of the Atlantic Charter is no idle boast. There is already indicated an awareness that " 'past surpluses' were not 'surpluses' at all when measured by the world's minimum needs, but that they were usually the result of maldistribution." They will act on such politically delicate topics as the "improvement of consumption of low-income groups" and basic problems of distribution. With such a program, this conference will surely run headlong into the pressure of those vested interests, political and economic, which have a stake in all existing barriers to the freeing of production and the free movement of goods. These courtiers for popular support against those they will call "the impractical dreamers of idealistic planning" should not fool bona fide liberals who keep in mind that "planning" does not necessarily imply regimentation. We can plan for freedom too—as did our own Founding Fathers.

—FREE MARKET FORUM NEWS LETTER

Permission for Victory

★ You did not know that conference would follow conference. Letters—letters. For there was a trust to be protected. All you had known was that you were tired of paying 15 cents for a turnip and 29 cents for 5 small tomatoes. You decided that what you needed was a Victory Garden. What to do about it? There was a quarter of your block in unused land held in trust for an heir in Pensacola. But it was only after the bank and lawyers protecting the trust had yielded to your persuasion that you obtained permission to raise vegetables for victory—and your dinner table.

—ELSIE BALLARD

No primitive people were ever yet so stupid as to suppose that they could increase their wealth by taxing themselves.

—HENRY GEORGE

A Declaration

★ WE ASSERT as our fundamental principles the self-evident truth enunciated in the Declaration of American Independence, that all men are created equal and are endowed by their Creator with certain inalienable rights.

We hold that all men are equally entitled to the use and enjoyment of what God has created and of what is gained by the general growth and improvement of the community of which they are a part.

Therefore, no one should be permitted to hold land or natural opportunities in any form without a fair return to all for any special privilege thus accorded to him, and that that value which the growth and improvement of the community attaches to land should be taken for the use of the community; that each is entitled to all that his labor produces; therefore no tax should be levied upon the products of labor.

To carry out these principles, we are in favor of raising all public revenues for national, state, county and municipal purposes by collection of economic rent (annual site value of land) irrespective of improvements, in lieu of all forms of direct and indirect taxation.

We hold further that all tariffs and trade barriers of every kind, both within our own borders and between our own and other nations should be abolished in order that men everywhere may be free to follow their natural instinct to improve their condition by trading.

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C. O. STEELE, Editor

GEORGE B. BRINGMANN
Assistant Editor

FRIEDA WEHNES
Book Editor

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The Stone That the Builders Rejected

Another penetrating study by that nationally-recognized authority on international trade, STEPHEN BELL, in which is set forth the "winning move" that is open to any nation sincerely desiring peace and prosperity.

* DEVOTEES OF THE game of chess are prone to regard checkers as "baby game," not to be compared with the more complex game of kings with its many pieces of varied powers. They are not justified in so regarding it, for checkers has depths which few have plumbed. There are "problems" in the game which will tax the ingenuity of the ablest chess masters to solve. There is one in particular with which I have had considerable fun showing it to chess players, and never yet found one of them to solve it—"Black to play and win." It looks so easy that most of them think they have solved it after a hasty glance, but their solution is no good—white can beat it and play the game to a draw. The one winning move looks so suicidal, so much like throwing the game away, that it is seldom even considered. So it looked to me when first confronted with the problem, and not until it was played against me to a win could I see its crushing power.

So, it seems to me, is the age-old and world-wide problem of peace on earth and good will among men. There is a way to win it, and a few men in all ages have seen it, but because it looks like national suicide to most men, they have not believed it practicable, and no nation has accepted it.

Though the keenest and most powerful statesmen and politicians in the world have devoted themselves to the solution of this problem of attaining and maintaining the peace of the world, and some of them have considered and even flirted with the one "move" which would reorient civilization and lead the nations to the state when they would have no reason to learn war any more, they have drawn back into their shell of nationalism rather than take the step which, they imagine, would mean national suicide.

Never in all human history has more attention been bestowed on this problem than during and since the first World War, when Germany, sensing acutely that her position in the forefront of civilization was precarious, sought to fortify it by force of arms. Let us therefore consider Germany's position and what she might have done to make it secure.

She was a nation of seventy to seventy-five millions of people, inhabiting a territory about four-fifths the size of our State of Texas. Her territory was not so rich in natural resources, either agricultural or industrial, for the sustenance of so large a population as was that of some of her neighbors—not as rich as Texas, which was and is better able to support a hundred million than Germany to support half that number. What wealth Germany possessed had been made by the hardest of hard work, and no one ever claimed that the Germans were not industrious.

A nation in such a position must of necessity be a manufacturing and trading nation. It needs industrial materials from many or all parts of the earth, and markets in which to sell its own products in order to pay for these materials and supplies of all kinds. She saw abroad the materials and markets she needed, and, being a nation of what Frank Vanderlip called "Economic Illiterates," thought the only way she could acquire them was by the might of her arms. Had not other nations before her done the same?

By strange perversion of right reason all nations seem possessed of a belief that the interests of men and nations are incompatible—even conflicting—antagonistic. God never made the world on so diabolical a plan. They are taught—by implication if not explicitly by their dominant schools of economics that the bringing of goods into a country tends to its impoverishment while the sending of goods abroad enriches it. "Buy at home" is their well-nigh universal slogan. To sell more abroad than they buy abroad is the aim of their commercial policies, and an excess of exports over imports is deemed a "favorable" balance of trade, while an excess of imports over exports is regarded as "unfavorable." In their pursuance of this policy they have erected a maze of mutually exclusive tariff barriers cunningly contrived to keep imports at a minimum and encourage exports. Germany was particularly adept at this game of excluding imports and "dumping" exports. Such were the conditions in which international trade had degenerated into a general game of "beggar my neighbor" in which all nations were more or less impoverished, the "have not" nations suffering most.

Many centuries ago a man whose name has become a synonym for wisdom wrote: "There is that scattereth, and yet increaseth; and there is that withholdeth more than is meet, but it tendeth to poverty." No saner counsel of liberalism in trade relations was ever uttered, but no nation has ever heeded it—Germany least of all. Had she but used the wit God gave her she would have seen that the true way to get in fullest measure the supplies of materials and the markets that she needed was to tear down the barriers to trade which she had herself erected, *regardless of what other nations did.*

This is the "move" which the nations will not take because they fear the "unfavorable trade balance," and that it leads to national economic suicide. That the truth is the exact contrary is abundantly proved by the world's experience of the past thirty years.

Trade—the exchange of goods and services—is the genesis of civilization, for without trade we would be but solitary savages. The need for evaluating equivalent values in trade has played a large part in developing our sense of justice. Trade is cooperation, and the vast cooperations which lift civilized life above the savage state could not be carried on without trade.

The nation which first arrives at a true realization of the nature of trade and shapes its policies accordingly will reap a rich reward. Trade is a two-way traffic, to

stop which one way stops it both ways. It is the exchange of goods for goods. Money is legal tender and circulates freely only in the land of its origin. It does not go abroad in payment for imports, for it is a medium of exchange only at home. The nation which first abolishes its own tariff barriers and opens its doors to the free importation of goods from all the world need fear no "deluge" of cheap goods from abroad. They will not come unless wanted and can be paid for, and to pay for them will require a corresponding movement of domestic goods abroad. In ridding itself of the high costs of production which "protective" tariffs impose it will gain a tremendous competitive advantage over its fettered competitors which retain their tariffs, from which handicap they can escape only by themselves adopting the same policy.

Talk of "annexing" the territories, resources and markets of other nations! Germany could have practically "annexed" the resources and markets of the world overnight merely by abolishing her own trade barriers, if she had possessed the wit to see it. Because she did not see it, and no voice to which she would listen was raised to tell her about it, she turned pirate, poisoned

the moral atmosphere of the world, wrecked a great portion of it, including herself, and her last state was worse than her first.

That she learned nothing from her experience is evident, since now she is at it again, and has induced Italy and Japan to join her in the same course. Overlooking the move that would win for them and all civilization more than any nation has yet aspired to, they are reducing civilization to wreckage.

Nor has the rest of the world learned adequately the true nature of trade. The "winning move" I have set forth for Germany was and is open to all other nations, but they still fail to see it, and it is still as true as when Isaiah said it: "My people are destroyed because they lack knowledge and understanding."

Commercial and industrial freedom is the stone which the builders of civilization have rejected. When will they take it up and make it the cornerstone thereof? If, like Solomon, their statesmen truly seek "wisdom to govern this great people," they may be sure that not only wisdom but all manner of good things will be their reward.

Henry George

By REV. E. HERBERT SHAW, TH.L.

Whoever reads the open scroll of those
Who, by their teaching, sought to lift Mankind
From toiling misery and needless woes;
The name of Henry George will surely find,
By right with all the greatest there aligned!
One greatly yearning to redress the Wrongs
That vex the Earth to which Mankind belongs!

He looked out on a world of constant strife,
Of great discrepancy 'twixt man and man!
For some had all that makes for fullest life,
Others were scanted since their life began,
With none to care the flame of Hope to fan!
Always, as wealthier became the few,
A deeper poverty the others knew!

No pride of ancestry was in him seen;
His station lowly, 'though his thought was high,
Steeped in the spirit of the Nazarene!
Like sudden moonlight from a cloud-wrack'd sky,
Sheer inspiration showed the reason why
"Man never is, but always to be blessed"
And patient industry supplied the rest!

He searched through all the customs of each race,
O'er all the world, that had some progress made
From utter savag'ry, and every place,
Despite variety of law and trade,
The open wound of rich and poor display'd!
One common factor found on every hand,
The right of private ownership in Land!

Though intricate the problem to be solved,
A problem that has caused much high debate,

A simple method he at last evolved;
That one who used a part of Man's Estate
Should pay Man's common purse without rebate,
The yearly value of the piece so bought,
Compared with other pieces yet unsought!

To everyone, by this so simple deed
His age-long birth-right in the soil restore!
(That soil once given, that each might fill his need,
Drawing at will from Earth and all its store.)
And make all Progress truer than before!
His Owner-share of Earth, Man thus secures,
Dread Poverty no more his soul immures!

To no one thus can wrong be done, for each
Will have his opportunity, and know
Whatever height his common needs may reach.
Or great his calls for common service grow,
A constant stream to common funds will flow
More than enough to meet his calls, in fact
Leaving the product of his toil intact!

Until we see his plan's intrinsic worth,
Within our social life injustice reigns,
Spoiling the joy of all the sons of earth,
Stealing like subtle poison, through our veins,
Making a curse of our material gains,
Hatching out War on foul suspicion's breath,
Sowing the seeds of bitterness and death!

George earn'd a passport to the Halls of Fame,
The flag of Justice to all men unfurl'd,
True Christian he, for in that sacred Name
A challenge to unrighteousness he hurl'd!
So, on the sounding anvil of the World,
The never-ceasing beat of Time shall forge
No nobler name than that of Henry George!

The Answer

"What Must We Do To Improve the Health and Well-Being of the American People?" Such was the question broadcast on the "Town Hall of the Air" program a few months ago. Listeners were invited to write in their answers, the winning papers to be given due recognition and be printed. The following article, by GEORGE L. RUSBY, was one of the proposals submitted in the contest. Needless to say, it was NOT one of the winners; it was far too simple and too sensible.

George L. Rusby is one of the most distinguished of the "elder statesmen" of Georgism today. His activities in behalf of economic freedom date back to the 'nineties, when Henry George was still alive. He was one of the early members of the Fairhope Single Tax Corporation, a supporter of the National Single Tax League, of the Fels Fund, the Manhattan Single Tax Club, the Henry George Lecture Bureau, the Robert Schalkenback Foundation and numerous similar organizations. His booklet, "Smaller Profits, Reduced Salaries and Lower Wages; The Condition, The Cause, The Cure," published in 1900, has been translated into several languages. More than 100,000 copies have been sold. He is the co-author, with his wife, Dr. Elizabeth Bowen, of the current number one work of its kind, "Economics Simplified." Likewise with Dr. Bowen, he was the founder of the New Jersey Branch of the Henry George School of Social Science.

Mr. Rusby makes his home in Towaco, N. J.

★ THE ANSWER to our question depends on the intent back of the question. Is the inquiry intended to centre about the temporary well-being of our people, or their ultimate and permanent interests?

Tolstoy describes the inadequate heating accommodations provided for Czarist political prisoners on their long march to Siberia in sub-zero weather. If the question had been proposed "What must be done to improve the welfare" of those unfortunates, innumerable would have been the recommendations, varying from portable stoves to prayer. The thoughtful few, dubbed as impractical dreamers by press and pulpit, would have denounced as superficial palliatives these efforts, however well intended, to lighten the discom-

forts of the journey, and would have addressed themselves to the problem of supplanting the Czarist regime by one under which the citizen could express his views freely without becoming a political criminal, and under which there would no longer be those cruel and disgraceful processions of political exiles to Siberia.

Of course, this is not intended as an endorsement of the particular kind of a regime which actually did supplant the Czarist.

So, our answer to the question now proposed must depend on whether the aim is to temporarily alleviate a deplorable condition while leaving the cause of the condition in operation, or to eliminate the cause and thus eliminate an otherwise continuing need for palliatives. The first of these alternatives means an effort akin to that of Mrs. Partington, to sweep back the waves of the ocean with a broom; it means, as Paul says, to "fight as one who beateth the air."

It will therefore be assumed that the question is intended to elicit discussion and argument dealing with basic principles rather than superficialities, and it is on this assumption that this reply is based.

The question itself pre-supposes a condition of our people that demands that something be done for their "well-being"—an obvious fact. But "how come?" with a population so sparse (42 to the sq. mile, as compared with, for illustration, 750 in England, 200 in France, 350 in Germany) that our national resources have scarcely begun to be exploited; with invention that has made it possible to produce wealth at a rate undreamed of a century ago; with unlimited and intelligent human energy always ready to use these inventions in the production of wealth; and with a citizenry demanding a standard of living that would make use of all the wealth possible of production by capital and labor—why, why should the crying question of the day be that which is the subject of our present discussion: "What must be done for the health and well-being of our people?" In view of the situation as just described, shouldn't "our people" be competent to protect and advance their own "well-being"? The answer most emphatically is "yes, if—"; if *what*? Answer: if it were not for certain man-made laws and institutions that most effectively prevent.

We hear much these days about "democracy" as a cure for our ills. Democracy is a purely political conception, the conception of the rule of the people by themselves, with the power to make their own laws. America and England have come as near to the realization of this conception as any nation; and yet, we have slowly but inevitably drawn nearer to the day when the paramount question demanding an answer is, "What must we do for the well-being of our people?"

In our answer, let us not lay ourselves open to the charge of dealing, as is the all too common practice, in "glittering generalities," too "general" to be of value. Let us be specific:

1. All wealth is produced from land, by labor, usually using capital.
2. Capital and labor have for division between them, what is left of product, after they have paid the landowner what must be paid for the privilege of exerting their activities on the only thing that can yield wealth—what they pay for this privilege being termed "rent."
3. Basic wages are fixed, not by man-made laws, nor labor unions, or so-called "employers," but by the productivity of the best available free land.

These are basic facts, obvious to any student of natural economic laws. And what are the logical deductions to be drawn from these basic facts—deductions relevant to the question before us? Here are some of the important ones:

- A. That since the land is the sole source of all wealth, it is a denial of equal rights to "life, liberty and the pursuit of happiness" to deny the equal right of all to access to the land.
- B. That any law or institution that denies to all the equal right of access to natural resources must result in inequity and injustice in the production and distribution of wealth.
- C. That for Government to permit the private appropriation of ground-rent is to permit the private appropriation of that which belongs equally to all.
- D. That for Government to permit the private appro-

priation of ground-rent inevitably leads to the holding, unused or but partially used, of our natural resources (land in its various forms) of greater productivity, thereby forcing producers, Capital and Labor, to apply themselves to opportunities that yield a bare and uncertain subsistence.

- E. That for Government to permit the private appropriation of ground-rent inevitably leads to speculation in land, whereby, through the land being withheld from use, opportunities of employment for both Capital and Labor are artificially restricted, wages are forced to a minimum, a condition of "more men than jobs" (using that word "job" to include all the activities of Capital and Labor) arises, and we are face to face with the vital question now before us.

If, recognizing that not to answer this question adequately is to leave in operation a cause that must destroy our civilization as it has destroyed all civilizations of the past, we are ready to give the question the serious consideration that it merits, we must make such changes in our taxation methods as will make it unprofitable to hold land out of use. This would result in opening unlimited opportunities to Capital and Labor, and would automatically bring about a condition in which never again would the question be forced on us—"What must we do for the well-being of our people?"

A QUERY

* The following significant query has been addressed to the Editor of THE FREEMAN. Before replying to the writer, otherwise than to acknowledge receipt of his communication, we should like to ascertain how the readers of THE FREEMAN would answer the question posed.

You are invited, therefore, to mail in your opinion in the matter, affirmative or negative, with supporting argument. Please be brief, and please be prompt. Address your letter to the Editor.

"1. Rent is the landowner's share of product for permission to use the land from which the product comes.

"2. Government, in its effort to maintain equality of opportunity among its citizens

(incidentally, the only logical reason for its being) should require each occupant of land to pay its rental value into a common fund, the payment thus made by the occupant constituting payment to all the other members of the community for the waiving of their equal "right" to occupy the same location.

"3. The aggregate rent fund, in order that the purpose in mind may be attained, must be treated as belonging equally to all, and levy be made on that fund for government expenses (which is the true concept of what the Single Tax is—a tax being "an enforced contribution levied on persons, property or income by the state for government needs") does it or does it not follow that the Single Tax is a per capita tax?"

This Thing Called Capitalism

Put a Socialist, a Communist, a Republican, a Democrat and a New Dealer in a room together and ask them what Capitalism is. You'd get a couple of fist fights and a dozen definitions, fourteen of which would be wrong. JOHN HARRINGTON knows, as you will discover when you read this article. He was started on the way to knowing many years ago when, as a student at the University of Wisconsin, he heard Henry George lecture. His chief impression of George, he now relates, was the man's attractive personality. Mr. Harrington's home is in Oshkosh, Wisconsin, where he has been engaged in the practice of law for more than fifty years. He is the author of that excellent pamphlet, "The People's Land," which was reviewed in THE FREEMAN for February, 1943.

★ THE WORD "CAPITALISM" is much in use in current political and economic discussion in the newspapers, magazines and pamphlets of the day. In the same literature we find the expressions "Free Enterprise," "Rugged Individualism," "The American Way," and like expressions, used as more or less synonymous terms; intended as describing the freedoms, individuality and initiative existing in this country as contrasted with the way of life of the "common man" in other countries. Also as contrasted with the principles and policy known as Socialism.

Capitalism is especially applied to our system of production and distribution of wealth, the product of our labor and enterprise, and physical resources. The term Capitalism is, of course, derived from the word Capital, a word of blessed connotation, the third of the factors of production. Without the invention of capital, man would never have arisen out of the savage state. For capital includes all the buildings, machinery and tools of production from the fish-hook, spear, bow and arrow and canoe of the savage, down to the most complicated machinery of today. Hence the attractiveness of the name Capitalism.

In recent years Capitalism has been taking on a more sinister meaning, especially in certain levels of society. The hungry, ill-clad and ill-housed blank per cent; the dwellers in the slums of our great and medium cities; unemployed labor, sharecroppers, the under-equipped physically and mentally—among these there is growing suspicion that Capitalism is not a blessing to them, but in some way a burden of which they are in some measure the victims.

And they are right—for Capitalism wears a false front in its name. The assets of what is commonly referred to as Capitalism consists chiefly of Capital and

Land. These assets in large part are buildings and machinery, railroads, ships, docks, wharves and other structures. These constitute capital.

The Land element consists of extremely valuable city locations; railroad locations and rights of way, street railway, telephone, telegraph franchises; mines and mineral lands; oil, coal, iron, copper and other metals and minerals; water powers, water fronts, forest and grazing lands, and other natural resources. These lands and rights to land are probably greater in value than all the capital. Capitalism could with equal accuracy be called "Landlordism." And Landlordism throughout the world has anything but a savory reputation.

The procedure necessary to re-establish the good name of Capitalism is to take land out of the present unholy union. This can be accomplished only by educating the people to the knowledge that land belongs to the people. Land is a free gift of nature, the Creator, to the human race. It is governed by a different set of natural laws from those governing capital.

Socialism is not the remedy, for its proposal is to take over all the means of production and distribution, capital and land, to be operated for the equal benefit of all. This makes the state the owner and manager of all, and the people the slaves of the state. It may be a benevolent slavery, but is still slavery. Observation tends to convince us in such case that the state tends to become one man who must be "heiled" with the up-raised palm.

Capital belongs to the man who made it or who paid for the making. This is the natural law. The child who makes a doll or a bow and arrow knows who the owner is. But land belongs to the people. It was here before man. These truths are not yet taught in the schools. Capital is always in demand. It wears out, disappears, and needs to be replaced. The land remains. From the land comes all livelihood; and all are entitled equally to life, and are therefore entitled to free access to land.

When Capitalists are assured of their right to their capital, to its possession and its earned interest; and when they are deprived of their land, except on the condition that the excess value, ground rent, be paid into the public treasuries for the use of all the people, then Capitalism will be a blessed thing, and Landlordism will have disappeared. That will be when children are taught in the schools that the land belongs to the people. That a man shall live by the sweat of his brow implies that he need not pay another for a piece of the earth on which to work. Simple as this truth is it is difficult for men to see it. Such is the power of habit and custom.

What an astounding phenomenon, that producers of wealth are everywhere poor, and continually becoming poorer, while non-producers are continually becoming richer!

—OSCAR H. GEIGER

FAS and the Sharecroppers

The following study of the efforts of one Government agency to alleviate the condition of the Southern sharecropper is by RAYMOND HAMMOND, whose "Challenge to Georgism" was one of the leading articles in THE FREEMAN for June. As an employee of a cotton buyer and shipper in a typical Southern town, Jackson, Tennessee, Mr. Hammond possesses extensive first-hand knowledge of his subject. In addition, the author acknowledges his indebtedness to the "Memphis Press-Scimitar" for many of the figures and other statistical data appearing in this article. The "Press Scimitar," one of the leading newspapers of the South, conducted a thorough survey of the situation early this year. The results were set forth in a series of articles appearing in that newspaper April 15-20.

★ U. S. HIGHWAY 70, the Broadway of America, crosses the Mississippi River at Memphis and for 46 miles an arrow-straight ribbon of concrete stretches out to Forrest City, Arkansas. This is the simon-pure sharecropper country, the Mississippi Delta—richest and ugliest region of America.

From the minute you leave West Memphis, Ark., just beyond the flood line of the Mississippi on the Arkansas side, until you reach Crowley's Ridge, bounding the west side of the Delta, you will find nothing but cotton on one side, corn on the other, and always in the distance a fringe of scrubby second growth timber.

Occasionally this fringe of timber comes close to the highway and the smell of burning wood drifts in through the car windows. Some cropper is clearing a patch of "new groun'." The croppers, grandsons of the men who cleared the wilderness, seem to retain this urge to clear off and burn up timber even when cleared land is lying idle. The aroma of burning wood is perfume in their nostrils. Perhaps the custom of giving the cropper all the ground he clears rent-free for three years has something to do with it.

The town of West Memphis is a curious urban reflection of the suffering land—hot, flat, raw. It is a sprawling litter of gas pumps and liquor stores where Memphis landlords tank up before driving out to their holdings. It seems to epitomize the Delta civilization, the object of which is to turn everything—timber, land, men—into cash in as short a time as possible.

This is the land where the New Deal is trying to solve the problem of poverty amid wealth through an agency known as the Farm Security Administration.

This agency may be abolished by the time this article appears in print as it is now under fire in Congress, being opposed by the powerful farm bloc. The plan of attack seems to be to dismember it by cutting off appropriations for its various functions, item by item, as they are requested.

Regardless of whether the agency is alive or dead, its operation is of interest to all who are interested in the problem it is attacking.

To begin with, its general objective—the alleviation of poverty—must be viewed with sympathy. As to its methods, that is something else.

Like most New Deal projects the main function of the agency is the lending and spending of money. It operates something like this: The busy bureaucrats come into a section such as described. They buy up some large holding, build model homes, find tenants to occupy them and try to start a model farm community. What happens next does not follow a routine pattern. If the colony is blessed with good supervisors, above-average tenants, and good land, a measure of success is possible. Usually, however, a painful period of adjustment must be undergone as the plans of the bureaucrats crack up on the hard rocks of reality. This calls for more subsidies until in some cases the investment per project house runs as high as \$20,000. The planners begin to realize the truth that Henry George wrote down sixty years ago: "Society is an organism, not a machine."

When we recognize that this process, viewed against the immensity of the whole problem, is an attempt to kill the dragon of poverty with a pea-shooter, it is amazing to see the consternation that it creates in the ranks of the landowners. No doubt they know that such efforts will never slay the dragon—what they really fear is that they will awaken it. In other words, they are afraid that the 'cropper will become dissatisfied with continual poverty. Above all they fear the spectre of communism which they sense in the collectivist economies of such projects as the Dyess Colony in Arkansas.

The FSA does not deal only with the project type of rehabilitation. It has funds for loans to private individuals who want to buy a farm but cannot secure the money from a bank. Before releasing the money, however, the officials require that the borrower sign a contract giving the FSA supervision over the manner in which the money is spent. This is to insure repayment of the loan and to disseminate progressive farming information.

This part of the program, at least, appears to be meeting a real need in a realistic manner. Although the paternalistic nature of these loans cannot be approved, in actual practice they are a step up the ladder of independence for the sharecropper, who is trying to escape the extreme paternalism of the old landlord-cropper system. In a fumbling bureaucratic manner they are

giving labor access to land. They are doing this through the medium of loans at low interest rates to poor credit risks. Thus they are fulfilling the Georgist axiom for the production of wealth by uniting land and labor.

On the other hand, there is no reason to suppose that this bureau behaves any differently than does the typical government agency. Its first aim, without a doubt, is self-preservation. According to the findings of the Byrd committee on non-essential federal expenditures, FSA administrative personnel increased from 9,786 in the 1937-38 farm year, to 13,235 the following year. The number climbed to 15,467 the next year; then to 17,281 and it was estimated at 20,452 for the 1941-42 year just closed.

No doubt it is wasteful. In the period April 8, 1935 to December 31, 1941, FSA and its predecessor agencies spent a cool billion dollars, over a quarter of which went for administrative expense. The Byrd committee noted that it cost roughly 50 cents to lend a dollar.

However, it is not so much the maladministration of the agency, but the principles on which it is based, that makes it unacceptable. The path of social salvation does not lie in the direction of governmental supervision and interference. The arguments which Henry George set forth still hold good and they apply to the FSA as though they were written but yesterday. The FSA planners based their hopes for a solution to the problem of rural poverty on: 1. A more general distribution of

land. 2. Cooperation. 3. Governmental direction. One must doubt that they would have been so optimistic had they read George's criticism of these three identical remedies.

Still, there is hope in this agency notwithstanding that its end is being sought by the "farm bloc," the Farm Bureau, and, in general, the old line reactionaries and defenders of the "good old days," such as Senator K. D. McKellar of Tennessee. At least it is operating where the need is greatest and does not, like the AAA, scatter benefits indiscriminately on anything which bears the title "Farmer," (including the Metropolitan Life Insurance Co. which received over a million dollars in subsidies in one farm year).

One of the functions of the FSA is education and that is what gives cause for hope. It is just possible that this education may work both ways. FSA officials were amazed at the record of 95% repayment of loans. They had made what one newspaper investigator termed "the outstanding discovery of the New Deal"—namely, that the average down and out, ever-broke, shiftless, dirt farmer is an honest man at heart. Which proves that even a bureaucrat can learn.

Perhaps it is not too much to expect that this education will continue until it is discovered that all that these farmers really want is land—the plans and projects so dear to the bureaucratic heart are merely unnecessary trimmings.

How to "Reconstruct" the World

Recent addresses by former President Hoover, Under-Secretary of State Sumner Welles, the 1940 candidate for the Presidency Wendell Willkie and others have brought forcefully to the front the futility of attaining an enduring peaceful settlement of the war by merely military means. All of them have dilated over the need of all nations for a free access to the natural resources of the earth by all nations, but none of them have faced the issue squarely, without equivocation or evasion. It is therefore useful to republish the views expressed by a distinguished European economist, HENRI LAMBERT, twenty-eight years ago. The following was translated from the French and published in November, 1914, among the Papers of War Time (Oxford University Press), edited by the Reverend William Temple, new Archbishop of Canterbury. It was also translated into Italian and German and admitted to free circulation and sold in all the belligerent countries.—STEPHEN BELL.

THE ECONOMIC CAUSE AND SOLUTION OF THE EUROPEAN CRISIS

* IN THE present circumstances it is very difficult to lay aside the passions and prejudices that are inseparable from the particular interests of nationalities and to regard the questions at issue solely from the point of view of the general interests of Europe and the world. And yet such a frame of mind is indispensable for one who wishes to find a just and permanent solution of the European problem. Nor is this international attitude any the less necessary if we restrict our aim to the search for a specific adjustment which, by securing the good will of all the parties interested, will invite their careful consideration of the proposal.

The international situation of today is due to a series of circumstances affecting the particular interests of nations and in which national psychological factors have played a part which is neither contested nor contestable. But the real "causes," the original and deep-seated causes, are of a far more general character, connected with the very nature and necessity of things. Any "pacifist" conception that offers, side by side with the theoretic principles of a final and complete human agreement, a practical means of putting an end to the international hostility that threatens European civilization with ruin and extermination must consider these ultimate causes. Standing aloof from all particular national in-

terests, such consideration belongs to the sphere rather of philosophy than of politics.

The war will of necessity be followed by a peace, but the universal and permanent peace that each of the belligerents declares to be its supreme purpose will not be the achievement of superiority of arms, nor of skilful strategy, nor, alas, of the bravery of soldiers: these forces will be capable only of imposing a temporary peace, consisting in the subjection and oppression of the conquered. A peace worthy of the name, worthy of true civilization, will be the achievement of the thought of those who shall secure the acceptance of a just conception of the mutual rights of nations. Universal and permanent peace will be established upon the basis of justice—or *never at all!*

True justice in international relations is before all and beneath all a policy that favors the economic development of all nations, without excluding any. While the production of wealth is not the supreme aim and object of humanity, and economic prosperity can never complete and consecrate the temple of human progress, it does nevertheless provide its material structure, and the right of every nation to build up this edifice according to its national needs and ideals is inalienable. And, since the growth of the material prosperity of nations is the necessary and fundamental condition of their intellectual and moral advance—for we cannot conceive of true civilization as a product of poverty—their right to the fullest economic development compatible with the wealth of their soil and their own capacity for useful effort is natural and indefeasible—a divine right in the holiest sense of the term. Now the economic development of a nation is inseparable from the constantly extending operations of its exchanges with other nations. Exchange is then seen to be the fundamental fact and the essential right in international relations. Every political hindrance to exchange is a blow dealt to international rights. Freedom of exchange will be the tangible manifestation and the infallible test of a condition of true justice in the relations between different peoples. And in default of this, international right—and peace, which stands or falls with it—will continue to lack a real and solid foundation.

Peace will be assured by law when nations realize and put into practice true international law, fundamentally characterized by freedom of trade, and susceptible of recognition by all because respecting the primary interests of all. As we shall indicate later, freedom of trade will gradually simplify and facilitate, to the extent of making them at last perfectly natural, the solutions of the difficult, and probably otherwise insoluble, problems that arise either from the affinities or from the diversities of nationalities in race, character and language.

Until international law and international justice are thus made one and inseparable, humanity will continue to experience only periods of more or less precarious peace, necessarily dependent upon the will and the interests of those nations that have the greatest force at their disposal*****

Richard Cobden said: "Free trade is the best peace-

maker. We may confidently affirm: "Free trade is *the* peacemaker."

The pacifists have not sufficiently insisted upon this truth, of *primary importance*, that economic interests are, to an ever-increasing extent, the cause and the aim of international politics, and that Protection separates these interests and brings them into mutual opposition, wherever Free Trade would tend to unite and consolidate them.

Harmony of sentiment will not withstand for long the shock of antagonistic interests. Immediately after the War of Independence, the thirteen United States of America indulged themselves in the costly luxury of an intensive tariff war, and at one time war between Vermont, New Hampshire and New York seemed all but inevitable. Rhode Island's controversy with the other states created the same danger. But soon afterward the founders of the American Republic, recognizing the mischievous possibilities of "intercolonial" tariffs, wisely took from the newly-established states of the union the power to levy tariffs against one another's goods. When the Swedes established restrictive tariffs against the products of Norway, the dissolution of the union of the two countries was predicted by Norwegians of high scientific and political standing; ten years later the prediction was confirmed by the event. And some years ago the wine-growers of the Aube determined to declare civil war upon those of Marne because an attempt had been made to establish economic and protective frontiers between these two districts.

Is it conceivable that, in the present industrial epoch, peace should continue, even for so long as one generation, between the English and the Scotch, between the Italians of the north and those of the south, between the Prussians and the southern Germans, between the Austrians and the Hungarians, between the French of the north and the French of the south, between the States of the American union, if tariff frontiers were re-established between those groups?

It is the adoption of free trade within a nation's own borders that, by consolidating and unifying its economic interests, furnishes the real support and solid foundation of national concord and unity; it will be the adoption of free trade between nations that will have to accomplish the same work in the wider international sphere. We must, then, consider as a fatal error the too widely spread idea that free trade can only be the ultimate result of a good understanding between the nations. The truth is that free trade is the indispensable preliminary condition of any good understanding that is to be permanent.

How the old order changeth! Swarms of feminine war workers in slacks everywhere remind one, a little sadly perhaps, that no longer is there truth in the old assertion which so confidently proclaimed: "It's not the coat that makes the man—it's the pants!"

Jerry Simpson of Kansas

The following interesting highlights of the career of one of the most colorful of the many vivid personages that the great state of Kansas has contributed to the National scene were written by HENRY WARE ALLEN, himself a veteran battler in the crusade for economic freedom and occupant of a secure place among the distinguished sons of the Cornflower State. This article appeared originally in The Kansas Magazine; it is reprinted here by permission.

★ JERRY SIMPSON, a native of New Brunswick, was born March 31, 1842, this year being his centenary. At an early age he came with his parents to Illinois. When the Civil War broke out he enlisted in the Union Army serving in Company A, Twelfth Illinois Infantry. For several years he was a sailor on the Great Lakes. In 1878 he came with Mrs. Simpson to Jackson County, Kansas, and afterwards to Medicine Lodge, Barber County. In politics he was first a Republican, then in turn a Greenbacker, a Populist, and then a Single Taxer.

Kansas became the center of a revolution unique in the world's history, for as a rule revolutions occur in large cities only. Corn was bringing only 9c and 10c a bushel and was being used for fuel, while wheat had to be sold for only 40c a bushel. The farmers of the middle west thus impoverished started this rural revolution. Jerry Simpson as a leader in this movement was elected to Congress in 1890 and this event was heralded by Victor Murdock through the press of the nation as a spectacular achievement of "Sockless Jerry Simpson." His advent in Washington had been accordingly anticipated as that of a country bumpkin, a bucolic ignoramus. But it was quickly discovered that this was a mistake, for Jerry Simpson proved himself to be a natural leader of men, well read, at ease in any situation, and remarkably brilliant in repartee. Many years later Col. W. P. Hepburn of Iowa stated to Victor Murdock, "In my time I never knew a man in the House quicker in rejoinder than Jerry Simpson." Jerry Simpson was promptly chosen leader of the small group of Populists in Congress and was afterwards said to be the real leader of the Democrats as well.

In common with Hamlin Garlin, Herbert Quick, and a host of other farm leaders Jerry Simpson had read Henry George's "Progress and Poverty" and had been inspired as by a great light to greater effort for justice in the relations of man to man. Just as there is an intimate relation between the lust for power, despotism, and tyranny, so there is a corresponding affinity between love of justice, regard for human rights, and love of one's fellow man. These virtues were predominantly those of Jerry Simpson. In this respect as

in others he resembled Abraham Lincoln. He belongs in the company of those champions of human rights who are as conspicuous above the level of mankind as are lofty mountain peaks above the level plain, notable among whom have been Thomas Jefferson, Thomas Paine, Robert Burns, William Lloyd Garrison, Abraham Lincoln, Wendell Phillips and Henry George.

At the period when Jerry Simpson was in Congress the tariff was a burning issue. The farmers of the middle west had to pay artificially high prices which prevailed in a protected market on what they had to buy, while the prices on what they sold were fixed in Liverpool and elsewhere in world-wide markets. In Congress Jerry Simpson soon made the acquaintance of Tom L. Johnson, both men being followers of Henry George and consequently advocates of international free trade. Incidentally Grover Cleveland had been elected on a platform of "Tariff Reform." This was essentially a compromise term, an appeasement effort. It was indefinite and was construed to mean all things to all men. The Dingley Tariff Act was passed June 26, 1884, and as might have been expected it raised instead of lowered tariff rates.

Then occurred a most interesting and sensational episode in Congress. Tom L. Johnson of Ohio conceived the idea of getting Henry George's "Protection or Free Trade?" incorporated into the Congressional Record. In substance he said, "Mr. Speaker, I desire to supplement my remarks upon this question by quoting the first five chapters of the book 'Protection or Free Trade?' wherein my own views on this question are presented much better than I can express them myself." Unanimous consent was extended to Tom Johnson as requested and this process on subsequent days was repeated by Jerry Simpson, W. J. Stone of Kentucky, Joseph Washington of Tennessee, John Fithian of Illinois, and Thomas Bowman of Iowa.

The book was then printed at a cost of one cent per copy with a second edition in larger type at two cents per copy. A total of about 1,400,000 copies of this book were printed and circulated, the expense being paid by Tom L. Johnson, the Democratic National Committee, the Reform Club of New York and by Single Tax men throughout the nation. A publication in the City of Mexico, "The Mexican Trader," printed in English and Spanish provided a copy of this edition to its subscribers with an editorial written by a Henry George man who was living in Mexico City at the time.

Jerry Simpson died October 23, 1905, in Wichita. Again, like Lincoln, he was unorthodox as to church affiliation and when the end was approaching he sent for his old friends Victor Murdock and David D. Leahy, who came to his bedside in St. Francis Hospital. The last rites were conducted by the Masonic Order, the funeral address being an eloquent tribute by Victor Murdock.

It's Like This About Monopolies

Reformers, both the phony variety and the real thing, are prone to prate about the evils of monopoly. More often than not, however, they are a little hazy on the subject and it is seldom that one takes an unequivocal position on the question: "Is monopoly itself an evil?" In the following article, ALEXANDER M. GOLDFINGER, Newark lawyer, answers that query in forthright fashion.

Mr. Goldfinger, as assistant to Dr. Elizabeth Bowen and George L. Rusby, was active in the founding of the Henry George School of Social Science of New Jersey a number of years ago, since when he has been a member of the faculty of that live-wire institution for adult education. He boasts of "an understanding" wife who does not object too strenuously to being a "Georgist widow," and a son, 10, who doesn't understand why Henry George is not pictured in his history books along with George Washington.

★ IN A RECENT radio symposium over Station WABC, three prominent men lauded *Progress and Poverty* and recommended its perusal. They took the position, however, that if Henry George were alive today, he would undoubtedly be much concerned about monopolies other than the land monopoly. Perhaps some graduates of the Henry George School feel likewise.

What George, if alive, would be concerned with is only conjecture, arrived at perhaps by consideration of his motivating principle of freedom and equality of opportunity. That he recognized that monopolistic privilege existed in other spheres than land tenure is evidenced by his discussion of such monopolies as patents, money and public utilities.

He advocated abolition of such monopolies, but held that the elimination of the land monopoly would so far correct the economic abuses suffered by society that the other monopolies would be seen to be insignificant and easily remedied.

Monopoly implies the granting of a special privilege by government, or the sufferance by government of the existence of such a privilege in the possession of chosen individuals or classes. In order to determine whether government should "crack down" on any or all monopolies, is it not essential that, first, we must determine the purpose and functions of government? Is government to act as a policeman, judge and prosecutor, delineating for its citizens every act, power and obligation they may possess or enjoy, or is it to follow a policy of letting its citizens do just as they please without limitation, even if it results in some enjoying special privileges not

enjoyed by all? Or is there a third course for government to pursue?

Bowen and Rusby in their book, "Economics Simplified," have clarified the concept of the only proper functions of government, as follows: "While itself refraining from infringing on the person or property of any of its citizens, it (government) also should prevent such infringement by any citizen upon any other; and (2) It should so administer land tenures as to keep economic opportunities open to all—which can be accomplished only by collecting all ground rents, and disbursing same in the interest of all.

"Fundamentally, No. 2 is included in No. 1 stated alone, but No. 1 stated alone might seem to imply that the only proper function of government is the exercise of its police power, while really, No. 2 is of greater importance, for if land tenures were properly administered there probably would be little need for the exercise of police power.

"Government cannot do less than those two things without permitting some individuals to infringe upon the person, property or opportunity of others; on the other hand, if the State does more than those two things, then the government itself is guilty of infringement. Jefferson recognized this, when, in his first inaugural address, he said, 'Restrain men from injuring each other, but leave them otherwise free to follow their own pursuits of industry and employment.'

"If the government properly performed these two simple functions, a condition would not arise in society which seemed to call for the activity of government in many fields which are really none of its concern."

If government properly regulated land tenures by collecting the ground rent, it would be necessary to grant a monopolistic privilege to each user of land to the exclusive right to such use. Such grant would not be improper. In fact, it would be necessary. Monopoly is not an evil; the evil lies not in monopoly, but in the failure of those enjoying monopolistic privilege to pay to all others, whose right similarly to enjoy the use of the land is given up, the full value of the privilege.

So in determining whether government should abolish monopolies, we must give due consideration to the fact that to insure freedom and equality, government must grant an exclusive monopoly to the use of land, with the condition that the user pay society for the privilege enjoyed. As to other monopolies—if such exist and enable some persons to infringe on the rights of others, then a proper exercise of the police power of government may be invoked to eliminate the abuse. But today, even more than in Henry George's day, the infringement of equality of opportunity caused by monopolistic privileges other than the land tenure monopoly, is insignificant as compared with the infringement resulting from the land tenure monopoly. Thus George's belief that the elimination of the greater monopoly would leave little to contend with in the correction of other abuses is seen to be thoroughly well founded.

The Australian Experiment

It is sometimes asked: "If the economic reform proposed by Henry George would do away with slums and other evidence of poverty, how does it happen that in the several Australian cities which have, to a limited extent at least, put into practice the principles of land-value taxation, unemployment and widespread economic insecurity are still to be found?" HENRY THORSTEN TIDEMAN, young Chicago businessman and teacher in the Chicago Extension of the Henry George School, gives the answer in the following comprehensive review of the manner in which the collection of economic rent operates when practiced on a limited scale.

★ Americans now in Australia with the army who know that the practical proposals of Henry George have been adopted in large measure by many Australian cities will be surprised to find that those same communities continue to harbor their slums and crime, their underpaid and downtrodden masses. They will be surprised to find that the adoption of enlightened tax measures has not had greater effects, has not succeeded in raising even the very poorest above the level of want. Yet such is the case.

And since, as George said, in the sequence of phenomena there is no accident; since effect must follow cause; must there not be some underlying error in the unthinking assumption often made, that an area as small as a city, by adopting George's proposal, in whole or in part, can raise wages within its borders above the general level of wages?

Let us examine the case without prejudice.

By increasing the taxes on land, a city can discourage speculation in land and, by thus forcing land into use, encourage local industry and increase production. By a concurrent lowering of the taxes on industry and the products of industry, it can further encourage local industry and increase production. To raise wages, however, (and it is to a rise in wages that we must look for any improvement in the condition of the laborer) it is not enough to "encourage industry" and increase production. An increase in production does not assure higher wages. All production on any given piece of land, beyond the amount which can be secured with equal labor from marginal land, represents the advantage to be had from possession of that land, and can be demanded and will be paid in rent. Wages are determined by the amount of production left after rent is subtracted; in other words wages are fixed by the productivity of marginal land. To raise wages permanently we must raise the margin of production by making more productive land available for a nominal rent.

There is little marginal land in a city, and to en-

courage local industry (though it may lead to the growth of the city and to an increase in gross land rent) can have little effect on wages, which are determined by the quality of marginal land, land mainly outside the city gates.

Any permanent rise in wages following a city's adoption of George's proposal, comes chiefly as a result of raising the quality of this marginal land outside the city, due to the abandonment of marginal land made possible by the flow of labor into the city. The resulting rise in wages is small and widespread, showing itself not only in the city, but in surrounding areas as well. There is a definite effect, but it can not be localized. If we throw a bucketfull of water into the sea, we must not expect to see a high place where it fell; but all the sea is higher none the less.

So far as Australian cities alone are concerned, however, the observable effect has been that the adoption of the Georgist proposals has led to a more rapid growth in population than would otherwise have been the case. Land has been forced into use—and men have come in to use it. Industries flourish which otherwise would have been small, or would not exist.

Had the program been initiated in political subdivisions in which there was a considerable quantity of marginal land—the equivalent, say of states in this country—the effect would be more clearly visible. The land newly forced into use and the greater part of the land pushed out of use would be in the same area (instead of the first being in the city which made the change and the second in the surrounding countryside). The rise in wages would be much greater, because the area which must be overrun by incoming labor before the demand for land would so extend its use as to once again depress the quality of marginal land, would be correspondingly greater.

This is not to criticize what has been done in Australia, or in Pittsburgh, where similar tax measures have been adopted. These cities are to be commended for having taken a step in the right direction. Let us hope that it will not be long until other communities are following their example.

FOOLS AND THEIR MONEY

How many know how Hetty got so rich—
The "richest woman in the world," they said?
She never milked a cow or sewed a stitch
In all her life, nor baked a loaf of bread.
But she had foresight—bought up Texas land
Which must increase in value when
The rising generation would demand
More room to live in, being landless men.
The acre that had cost her fifty CENTS
She sells for fifty DOLLARS! What a gain
For doing nothing. Unearned Increments
Like these should public treasuries sustain
Without a cent of taxes. Puck was right—
The sons of Adam are not over bright!

—HORATIO



The BOOK TRAIL

FASCINATING ECONOMICS

"The God of the Machine," by Isabel Patterson. G. P. Putnam's Sons, New York, 1943. 292 pp. \$2.75

This book is described as "a study of the flow of energy and the nature of government as mechanism." Its author is Isabel Patterson, whose "Turns With a Bookworm" in *The New York Herald-Tribune* Weekly Book Review has delighted hosts of readers by the skill and dexterity with which she flattens professional do-gooders, shiny-eared lifter-uppers, members of the state-can-do-it-better persuasion and other phonies. Mrs. Patterson has produced a near masterpiece, as different from the usual conglomeration of bunk, crap, hoakum, baloney and politics that masquerades under the guise of economics as Thomas Jefferson is different from a New Deal democrat—than which few things could be different.

In tracing what she terms "The long circuit of energy," the author begins in the fourth century B.C., when the Phoenicians were the master traders of the world, and "tin from Cornwall, furs and amber from the Baltic were staple cargo, delivered to the markets of the East for the profit of Carthage." Things weren't so different in those days. "The series of wars which run through the story of the Phoenicians makes a geographical pattern resembling the track of a hurricane, a cyclonic flow of energy continuing for almost a thousand years, and moving irresistibly along the midland waterway between the great continents of classical antiquity, Asia, Africa and Europe."

The government of ancient Rome, the Rome that ruled the world, was in the beginning "the first demonstration of the axiom that the country which is least governed is best governed," but later "The functions of the bureaucracy increased and the number of officials multiplied. More and more of the flow was converted from production into the political mechanism." The bureaucrats came down on the producers—with a planned economy. "Farmers were bound to the soil; craftsmen to their workbenches; tradesmen were ordered to continue in business although the taxes and regulations did not permit them to make a living. The currency was debased; prices and wages fixed." Still not so different from today.

As to government planning, we are told that "Only the most meager economy—coarse diet, manual labor, the minimum of comfort, convenience and pleasure—can be adjusted to a planned economy; for a planned economy cannot even be imagined except under po-

litical subjection. . . The imposition of political power over production instantly begins to reduce the economy to primitive methods."

The highly interesting chapter, "The Fallacy of Anarchism," is strewn with gems for the student of government. "Anarchy is practicable only to savagery . . . The essence of self-government consists in keeping promises . . . Government by force is a contradiction in terms and an impossibility in physics. Force is what is governed. Government originates in the moral faculty . . . Force cannot compel obedience in the social order . . . What it can effect is death, whether of subject or king. Where force is arbiter, government ceases."

The leadership principle evokes the author's heartfelt and enthusiastic disapproval. "In a settled and productive society," she writes, "leadership is completely impracticable . . ." When leadership is attempted, "what can happen is a degenerate and temporary manifestation, the rule of popularity, by which the permanent institutions are subverted to make the leader irremovable." We are warned that "When the word leader, or leadership, returns to current use, it connotes a relapse into barbarism. For a civilized people, it is the most ominous word in any language."

Mrs. Patterson holds that "Government is solely the instrument or mechanism of appropriation, prohibition, compulsion and extinction; in the nature of things it can be nothing else," a view which will bring howls of derision from certain quarters in Washington, where plans for extension of office and expansion of government functions through a fourth term are well under way. But while the bureaucrats won't like it, they will have a whale of a time refuting the argument.

The oft-quoted declaration of Proudhon, 19th century Socialist, that "All property is theft," is called "the most senseless phrase ever coined by a collectivist . . . in four words it confuses objects, acts, attributes, moral values and relations, as if they were interchangeable. Theft presupposes rightful ownership. An object must be property before it can be stolen."

Still on the socialist theme, she adds: "There is no collective good. Strictly speaking there is not even any common good . . . the greatest good of the greatest number is a vicious phrase . . . Misuse of language is the means by which the Marxist cult of Communism has done the most serious injury to intelligence . . . The confusion and vagueness of terms always found in collectivist theories is not accidental; it is a reversion to the mental and verbal limitations of the primitive it advocates, the inability to think in abstract terms . . . The phrase 'dictatorship of the proletariat' is a contradiction in terms. It has no meaning . . . the theory of 'dialectical materialism' is a misuse of terms . . . Marx was a fool with a large vocabulary of long words . . . Marx's theory of class war is utter nonsense by its own definition; it has no reference to either class or war, if it relates to 'capital' and 'labor.'"

Seldom have I read a book so filled with thought-provoking passages. For instance, "It may be said that at any time when finance is under attack through the

political authority, it is an infallible sign that the political authority is already exercising too much power over the economic life of the nation through manipulation of finance, whether by exorbitant taxation, uncontrolled expenditure, unlimited borrowing or currency depreciation." And here is one that Congress might note: "Neither does increased taxation of the rich lower the rate of taxation on the poor; it is bound to cause an increase in all taxation, reaching down inchmeal until it expropriates a portion, not merely of the last dollar of a poor man, but of the first dollar he can earn." Calling the present tax on wages the "Social Security Swindle," the author claims that "There is no means by which 'the rich' can be taxed without ultimately taxing the poor far more heavily."

Anti-trust laws are called freak legislation; no one knows what they forbid, and it is impossible for the citizen to know beforehand whether he is committing a crime. "If government is morally competent to prohibit the sale of intoxicating liquor, it must have power to prescribe every item of diet to citizens."

Of today we are told: "Once again it is deemed a crime to work, a crime to produce . . . Already the primary right of human beings to mere existence has been denied; since farm quotas, priorities, and ration cards cover all the processes of production and exchange, by which existence is supported, life is made to depend upon daily and hourly permission."

The chapters on Money, Credit and Depressions, and Our Japanese Educational System—wait till our public school officials read that one!—are worth a review each. Mrs. Patterson enjoys the rare faculty of being able to think through to a conclusion with admirable logic. And she exercises that faculty beautifully—most of the time. But occasionally she nods. She poses the question: "But is it true that the unemployed are in this condition because they are denied access to land?" Then she proceeds with an answer that outdoes Proudhon.

She writes: "But in the United States there never was a day in 'hard times' when the unemployed could not have had 'access' to wild land, or even to owned land which the owner would have let them use for production. Yet in hard times men did not go into the wilderness. The statement that the land frontier took up the slack of unemployment during industrial depressions is a wholecloth falsehood. On the contrary, the frontier was settled from the capitalistic production overflow of good times. During hard times men withdrew from the frontier, even abandoning homesteads, and turned back toward the area of more advanced development, the town and industrial regions. They looked for wage jobs."

The fact is, of course, that there is no longer any "wild" land of use and fertility in the United States, and hasn't been for years. As to access to "owned land," that could only have happened so infrequently as to have no place in the argument. It means nothing that a farmer here and there—presumably farm land is meant since "production" is mentioned—found the going so tough that he was willing to let some other

Henry George was a master of English, one of the greatest that ever used a pen. His was a wonderful mind; he saw a question from every side; his philosophy appealed to every school. Henry George wrote a profound book, the first book on political economy that people may read; the first, and perhaps the last, that was readable by plain ordinary men.

CLARENCE DARROW

fellow step in and have a try at it for a while. During the glorious 'thirties tens of thousands of unemployed furriers walked the streets of New York City and never heard of such a farm, and wouldn't have known how to get there or what to do if they had. Did they have "access to land?" Was a single one of them offered a rent-free lot right in New York City where he could set up in business for himself? You may be sure that he was not.

It is not true that "In hard times men did not go into the wilderness." From the landing of the Mayflower on, men never ceased to go into the wilderness—as long as there was a wilderness—in good times and bad, always hoping to better themselves and usually doing it. A forebear of my own, Captain Ninian Steele, left the Jamestown settlement in Virginia many years before the Revolution, and struck out west into the wilderness. He didn't go because he was out of a job; no one was out of a job in those days. Life was hard; every one had to work and no one was very rich. But neither was any one very poor, and no one had to run around begging for work, while such a thing as an able-bodied man having to stand idly by and see his family suffer because he could not get a job was simply unknown. Thanks to the accessibility of land, there were jobs for everybody.

One of Captain Ninian Steele's sons followed the example of his father; he went over the mountains with Daniel Boone. And his sons and his sons' sons followed suit. They kept on going into the wilderness until one of them hit California—that was my own father. If they weren't always seeking free land, they were at least heading for territory where land was freer and—the invariable accompaniment—work was more plentiful and wages higher. And my folks didn't go alone; there were countless thousands of others.

The author's statement that "The frontier was settled from the capitalistic production overflow of good times," means exactly and precisely nothing. Production is wealth; it results from the application, directly or indirectly, of labor on land, assisted practically always by capital in the shape of tools, machinery, plant equipment, etc. To say that this inanimate thing called wealth settled a frontier is childish. Men settled the frontier, seeking to escape unemployment or to find better jobs

than they had at home, just as they would be doing today if there were any frontier.

"During hard times men withdrew from the frontier . . . they looked for wage jobs." Of course they did, just as men, seeking to gratify their desires with the least effort, have always hopped around, hoping to better their condition. When things get tough a man looks for a better spot. Many a man has found himself in a position for which he was not fitted. Without a doubt there were always some men, in good times and bad, withdrawing from the frontier for one reason or another. But Mrs. Patterson completely refutes her own argument when she says, "They looked for wage jobs." That is merely another way of saying that *they did not retire to idleness in preference to remaining on the frontier*; "They looked for wage jobs," which knocks the implication that they preferred unemployment to life "in the wilderness" into a cocked hat.

Even so, the recitation of individual experiences means little. The full significance of the statement that unemployment results from the denial of access to land will become clearer when it is realized that if economic rent—the annual site value of land, whether urban or rural—were collected in lieu of taxes of every kind, land would no longer be held idle in the hope of speculative gain. No one would pay \$1,000 a year, say, to hold in idleness a lot or a farm which formerly might have been valued around \$20,000 if he knew that he would never be able to sell it at any price, much less at an advance over \$20,000.

All unused land would therefore come onto the market, available for the mere payment of economic rent. To say that men would sit down and starve rather than make use of the land for the production of food, clothing and shelter, when it might be had merely for the payment of economic rent, is to predict the occurrence of something that has never happened in all history. That widespread unemployment could persist while opportunities for profitable employment abounded on every hand just isn't in the cards, the brilliant Mrs. Patterson to the contrary notwithstanding.

But "The God of the Machine" is still a magnificent book!

—C. O. STEELE

GOOD—EXCEPT FOR THE SPLIT INFINITIVES

"Out of Debt, Out of Danger," by Jerry Voorhis. Devin-Adair Company, New York, 1943. \$3

If there is any subject in which that mythical being "the man in the street" needs instruction it is in money and banking and, if we can judge by the confusion and conflict of opinion of alleged experts, enlightenment is quite as necessary among those in academic circles—yes, and even among bankers and financiers!

Congressman Jerry Voorhis has given us something in "Out of Debt, Out of Danger." We may go along with him in his argument or we may wrangle and disagree but at least we shall think, for the book is stimulating and provocative. From it your reviewer has learned much, even at the cost of chucking some long-entrenched opinions.

We might sum up the central argument in this fashion. The issuance of money is, by our Constitution, the exclusive prerogative of the Federal Government but, in complete disregard of this limitation, we delegate this privilege, of enormous worth and of far-reaching effect, to privately owned banks, notably to the Federal Reserve System. To them we grant the privilege of issuing paper money, secured by interest-bearing Government bonds, bought not with money of any kind but only by book-keeping entries of credits. Then, collecting interest on the bonds, the banks can loan the bank-notes and thus reap interest again, all without the outlay of any real money. All this is very nice for the banks but not so hot for the government, which appears to derive nothing from the roundabout process except the privilege of paying out billions in interest every year.

It all seems to be a process of exchanging credits, and it works apparently only in the interest of the banks, all of which are privately owned. It looks a bit "Alice-in-Wonderlandish"; the government borrows from the banks, giving its IOU in the form of a bond, and the bank pays for this IOU by giving another IOU to the Government in credit on its books. The Government checks against this credit and is paid in more IOU's—the bank-notes issued by the Federal Reserve, secured by the bonds, the first IOU in the mixed-up transaction—and everybody is rich and happy without the passing of even a lead nickel. It has the old idea of supporting ourselves by taking in each others' washing beaten to a frazzle, for we all make ourselves rich by loaning what we have not got to the other fellow who pays his loan by lending us something he hasn't got. We all get a good living by trading on each other's credit, until something cracks, as it did in 1930 and as it may do again. But, until the cogs begin to slip, the banks sit pretty, with interest tumbling into their laps like sugar-plums, first from bonds bought without parting with a penny and then from loans of money issued on credit, and there is not enough real money involved in the whole complicated transaction to buy a stick of chewing-gum!

Mr. Voorhis makes out an excellent case for the facts, and attacks the system with vigor and, we must say, convincingly. We tremble at the very thought of "printing-press money" but are facts altered greatly by the circumlocution of a roundabout sale of bonds on credit, and then the printing of banknotes secured by nothing but these promises? And apparently the net result is that the banks profit and the Government—and that means all of us—loses, for we shall soon be paying out some five billions a year in interest, as the price of the system. Mr. Voorhis would have the Government buy the Federal Reserve Banks, thereby recapturing the prerogative of issuing money, but there is a great deal more to his argument than just this—too much to discuss in this limited space. His argument sounds convincing but we still have our fingers crossed, and there may be a catch in it which we are not bright enough to see.

Although the basic argument rings sound, there are many and serious flaws in the book. Apparently Mr.

Voorhis is at heart something of a New Dealer. He urges broad extension of the so-called social security plan; he advocates "the use of publicly-owned 'yardsticks' to break the grip of monopoly," ignoring completely the slippery—or shall we say the dishonest?—yardstick set up by the T.V.A. And one can not quite see how downright money inflation will be avoided under his plan, but perhaps the answer to that knotty question is simply that we already have it today in essential substance.

To the readers of *THE FREEMAN* the book will be full of sins of omission. The author says much about monopoly but nothing about the great, underlying and all-important monopoly inherent in our present system of land tenure. He condemns "laissez-faire," ignoring the fact that we can never have a free economy under such a system of handling our common heritage of land, especially since the disappearance of the last frontier. In his discussion of inflation, Mr. Voorhis says nothing about the means by which production can be increased, with a balancing of supply and demand, by simply untaxing productive labor—and, also, he seems to take an actual delight in splitting his infinitives! That, of course, is not a matter of economic consequence, but to this old-fashioned reviewer it is an irritant none the less. But the book deserves wide reading and discussion for the author has something worth pondering, whether we accept or reject his program.

—GILBERT M. TUCKER

RULE BY HIERARCHY

"The Menace of the Herd" or "Procrustes at Large," by Francis Stuart Campbell. The Bruce Publishing Co., Milwaukee, Wisconsin. 1943. \$4.00.

"This book is dedicated to all those who defend our freedom in all five continents of the earth, with the sword, not the pen." So writes the author, and to those of philosophic bent this dedication suggests his approach to the subject.

The Procrustes alluded to in the subtitle, you may recall, was the legendary highwayman of Attica who tied his victims upon an iron bed and, as the case required, either stretched or cut off their legs to adapt them to its length—whence the phrase "the bed of Procrustes." Francis Stuart Campbell seeks to draw a parallel between Procrustes' inclination toward "fittingness" and the tendency of "democratic" governments and their citizens to adjust the legs of their first principles to the iron bed of expediency. This habit he calls Herdism. He attributes Herdism, in part, to the desire for security on the part of the majority who, by their circumspection, hope for a fifty-fifty chance to weather the storms over the political, economic, and psychological horizons.

As have many writers before him, author Campbell points out that these United States were united as a republic and not as a democracy. Democracy, as he defines it, is herd rule. He doesn't like it. It is the "Menace" of the herd in the title of the book. With more than a little nostalgia, and with a great deal more than dilettante

bias, Mr. Campbell presents interesting, if unconvincing, arguments for a return to power of a government of monarchical elite loyal to The Catholic Hierarchy. His reasoning runs somewhat as follows: Rule of the Herd (majority) is impractical, unjust, materialistic and morally bad; rule by a monarchical elite, that in turn is ruled benevolently by a Catholic Hierarchy, is practical, just, intellectual, spiritual, and morally good. The choice as between two such alternatives, is obvious. Were there no other choice, author Campbell would win his point hands down. Certainly the Hapsburgs of Austria and the royal house of Spain should derive satisfaction from the championship of ambitions such as theirs.

Most *FREEMAN* readers will share Mr. Campbell's antipathy to mass or majority rule—the theory of government which finds justice in numbers. Possibly a few will favor the single alternative presented by the author—a hierarchy. Social philosophers equal in mental stature to Mr. Campbell will be quick to recognize that, despite the plea for individualism and freedom contained in his volume, it carries the implication that where there is a controlling body (be it the herd or the spiritual elite) there must be a controlled.

Mr. Campbell's attitude toward the herd resembles somewhat that of one Osmund, a character in Hugh Walpole's novel "Above the Dark Tumult." It's been over a decade since we first met Osmund, but we remember having much in common with him despite his hopelessness and sense of futility. The reviewer's feelings toward the writer of "The Menace of The Herd" are much the same. Certainly we may challenge many of Mr. Campbell's statements and interpretations as arbitrary. Often we were irritated to the point of putting aside the volume but the challenge did not permit dismissal. The author's reading and research have been voluminous, and while this alone might not demand respect, there are not infrequent evidences of real understanding of age-old problems. A technical fault is the vocabulary of the author. The same thoughts could have been said more simply. Even owners of better than average vocabularies will be compelled time and again to resort to printed lexicons, dictionaries—as it were.

Francis Stuart Campbell's book aims to convince us of the fitness for rule of the monarchical and hierarchial elite. While that fact will condemn it for believers in the American form of government, it is none the less a thought-provoking work of more than a little interest.

—GEORGE B. BRINGMANN

NOW YOU'RE TALKIN'

"Power With Words," by Norman Lewis. Thomas Y. Crowell Company, New York, 1943. 346 pp. \$2

George Barnard Shaw once offered the disheartening observation that "fine art of any sort is either easy or impossible," which leaves those of us who have scant reason for believing that we are geniuses in a rather out-on-the-limb position. But even if the acidulous and bewhiskered philosopher is correct in his assertion—and it is distinctly possible that he isn't—it still does

not follow that we of the non-genius stripe cannot do a little something, by earnest endeavor, to lift ourselves to at least a slightly higher level of mediocrity.

For such purpose—unless, perchance, one's ambition is to become a champion tiddledwinks shooter, where only cuss words are needed—no better tools can be found than words. In her grand book, "The God of the Machine," Isabel Patterson, herself a word juggler of no mean order, notes that "As language is the faculty which distinguishes man from the lower animals, it is also a ready index to the intellectual level of cultures and persons."

Such being the case, if we want to make ourselves more readily distinguished from the lower animals, or just more distinguished, period, we might well have recourse to Norman Lewis' new book "Power With Words." This reviewer, who has sort of a feeling for words, a weakness for putting them together end to end to see what happens, has, man and boy, pored over a good many "word" books. He is not going to be backward about stepping forward to offer a few remarks concerning this Lewis book; it's one of the best, without a doubt.

If you would be a little more effective when you write and when you talk; a little more discerning when you read and when you listen; if you would develop several other skills which, if they won't make you a Shaw or a Patterson, will make you a little less of the nonentity you sometimes feel you are, then you will want this book.

—C. O. STEELE

NEITHER ECONOMICS NOR EXACT

"Economics Is an Exact Science," by Jerome Levy. New Economic Library, New York, 1943. 500 pp.

The contents of the book belie the title, lacking any semblance of exactness to the science of political economy. The scientific approach is completely ignored and the solution to the failure of the so-called Capitalistic System is placed, bag and baggage, in the hands of Government Boards. Unless, of course, you are prepared to agree to the generalities and assumptions resorted to to explain what are just wages, interest, profits, rents and taxes; how the government shall arrive at the rates and the methods to be used to assure them. You would have to assume at the same time that the yardsticks decided upon by the government would be accurate beyond question and that they would be applied without discrimination or favoritism.

The author believes in free enterprise and lays our present troubles to our failure to understand how an equitable distribution of wealth can be assured. Actually, however, he denies the feasibility of such a system when he recommends governmental supervision and control of all the intricate details of the modern-day economic picture. The only supporting material is an enumeration of statements which suggest fairness, to come about through arbitrary rule. For Mr. Levy foresees a period when the money needed annually for improvements will decline. Therefore, he reasons, profits and employment will decline correspondingly. To meet

this condition, the government will have gradually to take over various privately owned enterprises and operate them at cost.

In discussing fair wages, for example, the author alludes to a basic wage and hints it might be that paid to one of the least skilled occupations, such as that of a porter, and then multiplying the basic wage by the value the Government Board would give the respective values of labor, including skill, courage, personality and ability, involved in the various occupations of the country. Do you suspect anything? Certainly. This is the Karl Marx Theory of Surplus Value rearing its battered head again. Further on this subject he writes, "that the investor class has the obligation of paying the worker a wage that measures the value of his work," and that "the government, to assure just wages, should create a demand for workers in excess of the supply." Assuming that technological improvements will displace workers he suggests a Government Board be established for the purpose of having jobs available and where this fails a reduction in hours of labor sufficient to offset the unemployment created by the new improvements. The wage scale would not be changed.

Amazingly enough, the private ownership of land is condemned and the collection of the rent by the government is recommended in seven short pages. That rent depends on the margin does not, however, enter into the analysis. The government would determine the rent by comparing it to land being used for similar purposes, although no mention is made as to how the rent was determined on the piece of land originally put to the specific use. More importantly, the government would be sole judge as to the type of production to be conducted on any given piece of land. Be that as it may, it is certain that although Mr. Levy saw the immorality of the private ownership of the land, he somehow missed entirely its serious economic implications or effect.

A sizeable portion of his book deals with the Government as Part of the Economic Machine. The author gives you the feeling that without complete governmental supervision and enforcement, man would be incapable of the co-operation necessary for adequate production. It did not occur to him that the body economic was formed and developed without government direction and that it has done as good a job as it has, despite government interference. Nor did it occur to him that his suggestions for government-created jobs to reduce the number of laborers seeking jobs in private industry, for curtailing production to increase profits, for limiting returns to capital by taxation, for reduction of the working day, minimum wage laws, etc., are only what the New Deal has been advocating and practising for the past ten years.

To say simply that just wages and equitable working conditions are desirable is certainly not enough. And when it is suggested that the government shall determine and assure them that is not an argument for a free economy but for State Control or a system of Planned Economy, which is a far cry from being scientific however exact it may be.

—JOHN E. FASANO

NEWS of the Crusade for Economic Enlightenment

Announces Prize Winners

EASTON, PA.—President William Lewis of Lafayette College has announced the names of six students of its Economic Department who have been awarded cash prizes for Essays on the subject of Economic Rent based on the book, "Progress and Poverty" by Henry George.

The Essay Contest was under the direction of Professor Frank R. Hunt of the Department of Economics of Lafayette College.

The Essays were judged by a committee appointed by the President of the college whose decisions were final.

The Contest was open to all students of the college and the essays were judged on the basis of the scholarly merit of the essays, the breadth of study and the grasp of the subject shown by the student.

The prizes were offered by The John and Emma Allen Foundation, Inc., an educational institution organized by John H. Allen, who is the President of the Chamber of Commerce of Jersey City, N. J., and is also President of the Everlasting Valve Company of that city.

FIRST PRIZE \$100
Divided equally between
Robert H. Yahraes and
Duane Beeson

SECOND PRIZE 50
Divided equally between
Ben James and
William I. Matthews

HONORABLE MENTION PRIZES
were awarded to:

Maxwell M. Brown \$10
Daniel Monace 10

20

Total Awards \$170

Inquiry discloses the fact that four of the young men who received prizes are now serving in the armed forces of their country.

Omaha Activities

OMAHA—The Rev. Laurence P. McHattie, S.J., of Creighton University, spoke at the annual dinner-meeting of the Omaha Chapter of the Henry George Fellowship May 18 at the Y.W.C.A. Father McHattie's subject was "Financing This War." The forty members and guests present participated in the discussion following the talk.

L. S. Herron was re-elected President of the Fellowship. New officers for the coming year are: W. P. Carpender and H. D. Curry, vice-presidents; Stephen Ayer, secretary; Mrs. George B. Greene, treasurer.

The Omaha Fellowship sponsors the Extension classes of the Henry George School of Social Science in Omaha, and an expansion of activities for the next year is planned.

History Class Baccalaureate

NEW YORK—The highly successful ten-weeks course in American History, conducted by Mr. Philip Kodner, member of the faculty of the Henry George School, was brought to a fitting conclusion on the evening of May 27, when Mr. Kodner addressed a large and enthusiastic audience in the School Auditorium on the subject of "American History—Principles of Growth." The formal address was followed by a question and answer period which brought forth many spirited exchanges.

Speakers Bureau Report

NEW YORK—Miss Dorothy Sara, Secretary of Speakers Bureau, reports a series of three talks, given to a group of enlisted men in the Signal Corps at Fort Monmouth, Red Bank, N. J. where a class in "Social Outlooks" is being conducted, as follows:

June 2—Philip Kodner

June 9—J. R. Callaway Brown, Jr.

June 16—Josephine Billington

The three speakers, all faculty members of the Henry George School in New York, discussed the problems of peace and war planning, with special stress on the outlook for enlisted men on their return to civilian life. Another feature emphasized was the relationship between private business and government. A member of this study group is PFC Otto Merzbach, a recent graduate of the Henry George School.

During the winter and spring lecture season just closing, a total of forty-four talks were delivered to business, social and educational groups by faculty speakers.

Bon Voyage!

NEW YORK—A tall, clean cut young man walked into the Henry George School recently and said that he wanted three things: he wanted a full set of Henry George's works, he wanted information about the school's correspondence courses, and he wanted to make a contribution. He said that a friend in New Hampshire had given him a copy of "Progress and Poverty," which he had read three times while on voyages to India, China and Africa aboard an American merchant ship.

"I found this book a profoundly correct analysis of the conditions I saw in countries all over the world," he told Registrar Doris Le Baron, "and the merchant marine has taken me everywhere. I wonder if you would accept a contribution for your educational work?"

"Yes," Mrs. Le Baron told him, "but perhaps you would rather wait until you have gone over these other books before deciding to help us."

"No need to wait," the young man replied, and laid down a bill. The Registrar started to make out a receipt for ten dol-

lars, and then gasped with astonishment—it was a hundred dollar bill!

The young man smiled. "I know what I am doing, I understand George and I want to make that contribution now. I don't know that I may even have another chance; I may not come back. I'm making big money, I can afford it, and I'm not drunk. I want to make this donation now and I don't need any receipt. I'm off to New Hampshire to see my family before leaving port for another long voyage."

The young man left with all of George's works, "Economics Simplified," copies of The Freeman, a generous supply of pamphlets, and hearty thanks and bon voyage from the office staff.

Faculty Discussion

NEW YORK—"Post War Ideas—The New Education," was the subject considered by the teachers attending the June 11 meeting of the Faculty of the Henry George School of Social Science. The discussion was led by Miss Margaret Harkins who presented contemporary ideas and approaches, particularly with regard to recent findings in connection with electronic waves and atomic theories.

Lt. Gants in the Pulpit

FORT KNOX, KENTUCKY—"How My Religion Was Affected By Single Tax," was the subject of a sermon delivered by Lieutenant Albert Gants at the Services for Jewish Personnel of this post May 28. Lieutenant Gants was formerly Publicity Director and member of the faculty of the Henry George School of Social Science in New York.

Salute to Corp. Rich

I enclose check for \$10 for the work of the Henry George School of Social Science. As I get around the world with the army I see the soundness of George's analyses of economic principles everywhere. The lesson sheets of the Fundamental Economics course provide questions which the men around me find really fundamental and vital for discussions which develops much new evidence and plenty of heat. More power to the school and THE FREEMAN.

Canal Zone —CORPORAL JAMES P. RICH

Religion and George

Have you ever considered what the words "justice" and "freedom" mean from a Christian point of view? As I interpret Jesus' teachings, instead of justice we should seek generosity (Luke 12:13-15) and the only freedom we should desire, as Thomas Huxley said, is the freedom to do right.

Both Jesus and George taught fundamental truths, we believe. How we can live up to one or both of their ideals, how they conflict or supplement each other, presents an absorbing problem.

Chicago —RICHARD SMALL

Letters to



the Editor

Nope—He's Still Here

Presumably THE FREEMAN research department has gone to war. If so this constitutes a minor tragedy because it has deprived your readers of those powerful arguments in the form of factual and statistical articles which gave the physical and financial background of various industries. Copper mining, manganese, the railroads, American Woolen Co. were a few which come to mind. Now that the perennial sore spot of American industry, coal mining, is again in the news such an article would be most timely.

We are told that the coal mining industry as a whole has been bankrupt for years. On the other hand the \$35 a week the miners get when they work would not seem to put them exactly in the pampered class. So where are we? History repeats itself so I judge that a fact finding investigation into the coal mining business would disclose the same conditions as were brought out in your examination of other basic industries. Coal mines so favorably located and richly seamed as to provide adequate compensation for both labor and capital are under monopoly control and held out of use, thus compelling resort to sub-marginal mines where neither labor nor capital can survive.

I can pretend to no special knowledge on the subject but it would be indeed a strange thing if the evil at the root of our economic life generally was not a fundamental factor in the coal mining muddle.

Briarcliff, N. Y.

—HERBERT THOMSON

Mr. Mason Would Like to Know

Who will be the first to get out a sequel to Willkie's "One World," and call it "One World—but Whose?" Hope you can interest some one in tackling the opportunity. Isn't it a "natural"?

San Francisco

J. RUPERT MASON

Communism NEVER Scientific

"Scientific Communism Disproved," your leading caption for June, looks like a concession that communism could have been scientific until a "disproof" was developed. It seems to me that the caption, without reference to the Oppenheimer text, invites a brief analysis from the Georgian standpoint perhaps as an offset to the usual Marxian confusion. Communism could never have been scientific since it proposes community expropriation of privately owned wealth, whereas science, being the formulation of natural

law, demands that ownership shall follow production or creation.

On the other hand, if communism could rid itself of the Marxian fallacy it could become scientific by taking on the Georgian interpretation of *application to community values only*. And then no "disproof" would be needed. So communism is in the position of being disproved in its own house; and by yielding to the common trait of overreaching, in demanding all when only half is due.

Communism is entitled to the epithet it has coined for individualism, for the word "rugged" applies equally. Each wants all when only half is due. Rugged communism will yield nothing substantial to the individual, while the same type of individualist—the Bourbon standpatter—does not know the word "social."

The drawing in of these extremes is the work of *Economic Democracy*; and, referring to the Oppenheimer writings in general, of which "Scientific Communism Disproved" is typical, there seems so much to do to make this obvious reconciliation, that going over Marxian ground in such finetooth detail seems a sabotage of time and opportunity. The reason why we need to entertain such fallacy as communism in its many forms and degrees, from the New Deal to the Commintern, is our modern "riddle of the Sphinx." The answer is that our system has broken down because our rugged element dominated and "social" was taboo. This brings a protest vote of 27,000,000 who, not knowing causes, back frank experiments—say \$300 billion dollars worth—including another world war. The breakdown also opens the doors to real communism using its two great weapons of unionism and New Dealism.

If there is anything in the Oppenheimer type of discussion that trends towards waking communism up to its opportunity of divesting itself of its "ruggedness" or unscientific demand for private property and wealth, it should be fostered. The opportunity is there, and I have not rid myself of the hope that some day some collectivist leader like Thomas or Sinclair will see the obvious and make communism valid, and thus put its hosts behind a valid individualism, since they will then be equals.

New York

CHARLES H. INGERSOLL

Paradox

This is a funny world,
Its wonders never cease;
All "civilized" people are at war,
All savages are at peace.

—Christian Herald

As She Is Taught

A high school student came to me for a recommendation. I asked her if she had studied Social Science and she said, "Yes." I asked her to define "land" and "money." Her answers: "Land is the title to wealth, and money represents wealth."

From high school they go to college. Confusion worse confounded! The Henry George School has a tough job ahead with all this educational nonsense to overcome.

Your column, "It Strikes Me," is full of wit and wisdom, and I get a laugh; also your editorials contain substance. Irvington, N. J.

—ROBERT J. BLACKLOCK

A Difference of Opinion in Illinois

You publish a wonderful paper along lines on which no other publication that I know of can compete. I want you to know that the article, "Education in a Free Society," in the May issue is the best I have ever read, and I am advising some of my friends who are outstanding educators—especially Angelo Patri, the columnist—to get the magazine and read it. Quincy, Ill.

—M. E. BEATTY

I have just read Margaret Harkins' article, "Education in a Free Society," in the May FREEMAN. It is the poorest hodge-podge of Georgist economics, phoney philosophy, erroneous theology and ignorant treatment of Holy Scripture I have ever seen. Obviously Miss Harkins knows nothing about the Fall of our first parents, Adam and Eve, and, through them, of the whole human race... one is led to believe that no one on the staff of your journal knows any better. You cannot gain intelligent converts to Georgism by printing the type of balderdash in Miss Harkins' article. The only way to advance the cause of Georgism is to stick to economics and leave theology to the theologians. Chicago

—JOHN T. KILBRIDGE

A Message From Down Under

Through the kindness of Capt. W. H. Quasha, whom I met recently in Sydney, I am now in receipt of your excellent publication, upon which accept my heartiest congratulations. Henry George appealed strongly to me when in my early twenties I heard him lecture in Adelaide. I have never wavered in my allegiance since then, and have never ceased to endeavor to rouse the Christian Churches to a realization of the consonance of Georgism with the teachings of Christ. Only in the last five or six years have I been listened to at all, but in those five or six years the logic of events has worked a change, and many who scoffed are asking for details.

This is an agricultural and pastoral area that I am living in, and it is astonishing how difficult it is to interest the very people who have most to gain materially by Georgism, since as primary producers all taxation must filter down to them. However, I have good prospects of form-

ing a school, and it may grow into something worth while.

It is very heartening to me to have such evidence as *THE FREEMAN* affords that the "Cause" is alive and growing. I feel that NOW is the time to get work in—while the old economic system is reaping the harvest of war and misery and horror that are the inevitable fruits of injustice, and the privilege through which it works is suspect in the minds of the dispossessed.

Good luck to you, and may you live to see some good results from your labors. I can only hope to do so—my 70 years make the hope a rather slender one.

Yours fraternally in the Cause of Justice and Equality between Man and Man!
The Vicarage, —E. HERBERT SHAW, T.H.L.
Legrunda, N.S.W.

They're Waking Up

Free World, "a monthly magazine devoted to Democracy and World Affairs" I have taken and read carefully since its first number. The "Round Table" discussions are especially interesting, as in large part they deal with what should be done when "unconditional surrender" of the fascist forces, headed by Hitler, Mussolini and Hirohito, has been consummated.

The Round Table in the June, 1943, number is particularly interesting as it is the first time, I believe, that any of the participants has come out openly for a changed land policy in some of the now enslaved states. Three of those in this discussion were Pierre Cot, former Under Secretary for Foreign Affairs of France; Feliks Gross, Secretary-General of Central and Eastern European Planning Board; and Count Carlo Sforza, former Minister of Foreign Affairs, Italy, unable to be present but supplying an interesting paper.

Pierre Cot was insistent that a collectivism which he calls "socialism" must follow the war in making the peace.

Feliks Gross, following an exchange of thoughts between Norman Angell and Josef Hanc regarding the restoration to private ownership of properties confiscated by the German Nazis, said: "I should like to add something concerning the landed estates. There is no party which will not support proposals made by the Polish socialist and peasant movement before this war. It is quite clear to all that land reform is a necessity for Poland. It is one of the elements basic to confederation, because it is impossible to confederate two countries, one of which has big landed estates whereas the land of the other is owned by small farmers or peasants."

This quotation from Count Carlo Sforza's paper is still more encouraging: "For my part I deeply believe that what is mainly needed—in Italy, for example—is a wide and generous agrarian reform giving land to the peasants. That is the essential basis for safety of democratic regimes and for absolute certainty against any new attempt of fascist or plutocratic adventurers. When we speak of social problems, we think too much of capital and workers and too little of land and peasants. What

I think for Italy—an essentially democratic nation, in spite of the fascist fraud—I think for other nations which may be saved from the excesses of pseudopatriotism and from the dangers of blind reaction only by wide agrarian reforms: Spain, Poland, and—more than any other country—Hungary, which always has been the victim of big landowners who boasted of being the custodians of national honor while they were mainly thinking of their estates.

"Let us not forget," he continued, "that if grave social problems had actually been solved in Czechoslovakia, it was because of the far-seeing agrarian reforms introduced by Masaryk and Benes."

Lincoln, Nebraska CHARLES Q. DE FRANCE

Soothing Syrup

The June issue of *THE FREEMAN* WAS excellent, especially your own articles.

MRS. ADELAIDE W. BORDONCK
Wellesley, Mass.

I have just seen a copy of *THE FREEMAN* and I like it very much. Oppenheimer's article is particularly good.

New York DAVID SCHWARTZ

THE FREEMAN is rapidly coming to rank with the best in magazines in America. Mr. Steele's editorials and book reviews are outstanding.

Brooklyn J. P. HERNDON

Nothing Wrong With YOUR Writing, Mr. Farkas

You "son-of-a-gun!" The back pack page of the May *FREEMAN* induced me to send you a check for subscriptions for six friends, besides renewing my own. Your selling ability is very good. I wish I could write as well as you fellows. . . .

Boston —SANFORD FARKAS

Bright Fellow, This Chap Greene

You should be commended for the last few numbers of *THE FREEMAN*; it seems to improve with every issue. I always enjoy your own stuff particularly, even when I can't see eye to eye with you! I am not sure when my subscription runs out, but I am sure you will accept the enclosed dollar for my renewal. I don't want to miss a copy!

Omaha —GEORGE B. GREENE

Bless You For Them Kind Words, Mr. Finnerty

This is not intended as applesauce—I want to congratulate you, Mr. Steele, on the racy way you write. The new *FREEMAN* is so much more readable than the old.

Please thank Miss Sara for both of her recent articles, first on New Zealand, which was a revelation, and second, on her treatment of the "Absenteeism" subject. I found that one to be particularly enlightened inasmuch as I am in a Defense factory—which, as I know, she is

not—yet I can say to her, "How right you are!"

New Haven —JOHN P. FINNERTY

Attaboy!

THE FREEMAN is not only a luxury, it is a necessity. I can't do without it, so I enclose dollar for renewal.

Denver —JOHN A. BICKEL

He Aims High

(Excerpt from a letter from Lieut. Sydney Mayers, former teacher in the Henry George School of Social Science.)

For the record, I have been an instructor at the Air Corps Officer Candidate School here since my graduation from that worthy institution last October. My experience at the Henry George School trying to impress the Law of Rent upon eager students has stood me in good stead during past months. My major subject (about which I knew nothing when I arrived) is the Identification of Aircraft, and I've also taught a few others on occasion.

This is not a bad locale and I am quite content as long as it lasts. My associates are congenial, the atmosphere is one of discipline without stiff militarization, and I truly get a kick out of my contact with the lads at the school—though I'd much rather be teaching them something more constructive.

Apologies to Corp. Alper

Every issue of *THE FREEMAN* produces the happiness of hope revived for the near approach of the day when humans will have horse sense enough to collect Land Rent for Revenue, but it must come from the bottom up.

May I mention an omission of one of our best and bravest from the list of Georgists in service for whom you ask letters in the June issue. I refer to Corporal N. D. Alper, Battery "F", 263 Coast Artillery, Fort Moultrieville, S. C. Mr. Alper conducted the California Ralston Salestax Repeal campaign. He has recently on several occasions had good educational material in papers where he has been located.

I also wish to assure correspondent Leon Caminez, that Tom L. Johnson's mind was clear as to our individual responsibility for the iniquities of monopoly. If he will have a Librarian give him the bound volumes of Congressional Record, when Mr. Johnson was in Congress and Henry George was his Secretary, about 1890, he will enjoy his crystal clear comments on the problems of that day and the present.

Our personal responsibility is stated by one writer: "The imbecility of the masses invites the impudence of power. The impudence of power invites the rage of the masses." That, of course, grows out of our being taught to live by faith instead of by reason. Ingersoll defined faith as a combination of ignorance and insanity.

In past wars civilians suffered mostly from hunger, taxes and disease epidemics. In this one their homes are wrecked and

they are machine-gun strafed as they flee. They allowed war conditions to grow up by permitting war's three causes, land monopoly, tariff monopoly and munition makers' profits. These things could have been abolished in peace times. The present suffering is a just reward. That rule covers all the countries involved.
Modesto, Cal. GEO. CARTWRIGHT

Mr. Siegel Airs His Views

Although there can be no logical disagreement with George's analysis of the nature of rent and with his solution of taxing its full value, my own views on such different issues as the justification of other types of taxes, the necessity of social control of capital, and the desirability of labor unions are completely at variance with yours.

A few examples of the fundamental difference of opinion between us should explain why I am deriving little knowledge or inspiration from your articles. Your ridicule of social security plans would leave helpless those individuals caught in the mill of social changes due to no fault of their own. The temporary suffering of unemployment caused by the introduction of a new machine, the loss of livelihood during industrial changes such as the replacement of cotton by synthetic fibres, the terrible results of industrial accidents and disease, the suffering of the older worker made economically useless by high-speed precision machinery—surely these are legitimate charges against society as a whole.

Has not the development of mass production made your laissez-faire policy obsolete? While land ownership, patents

and tariffs are, as you rightly point out, important props of monopoly power, the mere concentration of capital in large-scale corporations also affords sufficient control over production to regulate output and control prices. This absence of free competition necessitates such social control as consumer protection laws, graduated income taxes, and strong labor unions to counterbalance the economic power that goes with ownership of great masses of capital.

I wonder if the intense individualism of some of your contributors does not lead to shocking contradictions. If "man's normal instinct to gratify his desires with the least effort" is a valid guide for social policy, why have compulsory fire escape laws, military conscription in the face of a dictator's aggression, or even the public appropriation of ground rent? Do not each of these interferences with freedom prevent someone from satisfying his desires with the least effort? Were Mr. Bringmann's criterion applied to the supply-demand situation today, the rich would eat and the poor starve—certainly the quickest path to destruction in this hour of the nation's peril. Social restrictions are justifiable when democratically enacted in the public interest even though they restrain individual selfishness.
New York SOL SIEGEL

To Captain Rickenbacker

(The following letter is printed in *THE FREEMAN* by permission of the writer, a teacher in the New Jersey Extension of the Henry George School.—THE EDITOR)
My Dear Captain Rickenbacker:

In your address to the New York State Legislature in February, 1943, you said: "What better BONUS could we give our service men than the elimination of their having to buy the right to work in their own country on their discharge from the service? Why should they have to pay the exorbitant membership fees demanded by unions?"

These are interesting questions. The "exorbitant" fees which our returned service men may have to pay when they again join the ranks of labor are a negligible matter, compared with another immediate, greater, continuous, inescapable fee which they will have to pay "to buy the right to work in their own country," in the shape of economic (land) rent to others of their own countrymen!

This great social immorality hangs around the necks of all labor.

Don't you think that a fine BONUS for our returned soldiers would be to exempt them from this vastly greater injustice? If so, can it be done without exempting all labor? To free our returned service men from union gouging is good; to free them from the ghastly gouging to which they will be subjected again through the necessity of having to pay economic rent to private "owners" of "their" land, to "again join the Union of Americanism" (your own phrase) would be the noblest aim of any and all Americans.

This would truly be to establish justice and to emancipate all labor. Do you care enough about our returned soldiers to go the whole way?

Sincerely,

UNA E. MILLER

... with their heads in the clouds and clouds in their heads

The huge sign recently displayed on Madison Avenue, which at first glance appeared to bear the caption, "Useless Gas," did not, as might reasonably have been suspected, refer to the vocal outpourings of those eager souls who would guarantee us uninterrupted bliss from the cradle to the grave. Indeed, those unerudite lads and lasses, with their heads in the clouds and clouds in their heads, like the flowers that bloom in the spring tra la la, have nothing to do with the case. The sign was simply a plea by the gas company to its patrons to be as sparing as possible in their use of gas for cooking, heating and other purposes. The sign painter, being a little careless, had failed to leave the proper space between the words "Use" and "less," with the result that even this keen editorial eye was, for the moment at least, deceived.

Which merely shows that things are not always what they seem. For instance, this might not be recognized as a *FREEMAN* ad. But that's what it is, none the less, Gentle Reader. The "Six-for-five" offer, which appeared on this page of the May *FREEMAN*, brought gratifying results. But not quite enough; we still need subscribers. Not

many, of course—ten or fifteen thousand will do. And there is no hurry about it—any time today will be satisfactory.

Use the form below, and remember, we'll furnish the names if you wish us to—Libraries, Colleges, and such institutions where *THE FREEMAN* would encounter the largest number of readers.

THE FREEMAN
30 East 29th Street
New York, N. Y.

I ENCLOSE \$5 for which you will please enter six subscriptions to *THE FREEMAN* as per attached list.

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