The Freeman

A Monthly Critical Journal of Social and Economic Affairs

Vol. IV. No. 5 March, 1941 Five Cents

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That the energies of the most advanced portion of mankind are everywhere taxed so heavily to pay for preparations for war or the costs of war, is due to two great inventions, that of indirect taxation and that of the public debt. — Henry George in "Social Problems."

How I Lost a Friend

THE other day I ran across an essay in which the writer speculates on the course history might have taken if some of its prominent figures had not been stone broke. And that got me to thinking how poverty caused me to lose a friend.

He was, and is, an exceptionally brilliant young man, possessed of charm in both oral and written expression, with a verve for inspirational thought. His prepossessing appearance enhanced his mental gifts. But the most pleasing and at the same time the most promising of his qualities was an idealism so lofty as to lend him an air of transcendency. He was so utterly sincere that his questioning of an idea in the light of principle became a tortuous intellectual pursuit; he would accept no thought sight unseen.

But he was poor. He could not afford to be poor because, as might be expected, he was an idealist to whom ideals were worth striving to attain. His will to do was frustrated by his destitution. And among his unfulfilled desires was matrimony; quite natural in one so balanced emotionally, and quite commendable in view of the lady of his choice.

The market for rare talent being so thin these days, he turned to government service for a livelihood. Unlike the growing army of competent and incompetent young men who seek this "security," he well knew the implication of the step he was taking: it was a forced flight from reality, the suicide of intellectual integrity, the political mud bath of idealism. But what is a fellow to do when he has a girl and sees no prospect of acquiring even the price of a marriage license? He would take the job, temporarily, to tide him over his pecuniary crisis.

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In spite of popular opinion to the contrary, talent will help to get a fellow ahead in public service, provided the talent is directed toward the assigned job and is unencumbered with preconceived standards of right and wrong. It is easy to see that my friend could not willfully shed his idealism. But he wanted his job. So, without conscious intent, he made the easy adjustment: reading his idealism into the work he was forced by his poverty to do.

The least reprehensible thing about politics is the sordid use of it for private gain. This is no more immoral than any similar practice in private life; racketeering is not indigenous to the political arena. Far worse, from the human point of view, is what politics does to the intellectual integrity of those who become enmeshed in it. And tragic indeed is its effect on the idealist who enlists in public service with the hope that he may thereby serve mankind. To see the almost imperceptible mutation of the idealist into the politician is like seeing a spirited dog become through abuse and association a mangy cur. This breakdown of the moral fiber of those who engage in politics is the first count in the indictment of it.

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The transition is never deliberate; it is a very gradual decadence. The first step is the necessary adjustment to a new order of life. Formerly the standard of the market place was the measure of one's value. Now the pleasure of a higher-up is the determinant. Not how much or how good is my work, but was it done according to regulations and the political necessity of the occasion. One must learn how to live in the world of red tape. It takes time. Ideals must wait.

Eventually the ideal crops out in a chance remark. The cognoscenti smile: "Forget it!" For the time being, perhaps, concession is made to the counsel of these wise ones. Deterioration has begun. One night there is a general discussion, and my idealist friend momentarily revives his old enthusiasm. "That's all right in theory, but see how things are really done." And he is shown that results count, that the way to get results, is laid down by experience, precedent, law.

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Results! Ah, that's the thing. A new objective has supplanted principle. He will "go along" to get results, and he will not question the ethics or purpose of the going along. That's how things get done. Some one suggests that his job depends upon his going along, but he does not admit that as a motivation, even to himself.

The rationalization is not long delayed. At first the zeal of the crusader, the logic of the philosopher will not down. Gradually both the zeal and the logic will bend to the inexorable will of political opportunism, and soon all the power of the human mind will be exerted to give this the aura of an ideal. Then personal expediency takes possession. The soul has perjured itself. Candid human relationship is no longer possible.

That is how I lost a friend.

"The Constitution Is Gone"

WHEN ASSOCIATE JUSTICE James C. McReynolds retired on February 1, he took with him the "reactionary" label which the New Deal centralizers had affixed to his point of view. Yet when Woodrow Wilson appointed him in 1914, Mr. Justice McReynolds carried in to Supreme Court the "liberal tag."

Political terminology has a very fluid dictionary. Words become expressions of approval or disapproval rather than means of communication. Definitions fit what you want them to define. Therefore, political phrases are useful only as instruments of propaganda; their use in expressing thought is negligible and dangerous. We begin to understand the oriental aphorism that the power of speech was given to men in order that they might conceal their thoughts.

Likewise, political instruments are temporary in character. Their purpose is to fix a status quo which at any given time serves the interests of those who fix it. A new group comes into power, or a change of conditions becomes more beneficial to the group in power, and, presto, the status quo is conveniently transformed into a new political set-up. Sometimes the law is changed, sometimes an old law is "interpreted." Expediency decides the method.

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Mr. Justice McReynolds, as Woodrow Wilson's Attorney General, was a "trust-buster." He had invoked the Sherman Act against some of the nation's largest corporations. That was the "liberal" thing to do in those days. In the time of President McKinley, on the other hand, his attitude would have been termed extremely radical.

But, Mr. Justice McReynold's ideas on private enterprises and states' rights—quite in accord with the most liberal thought a quarter century ago—did not jibe with Mr. Roosevelt's ideas of centralized power. (By the way, Mr. Roosevelt's youth centralization was synonomous with the most reactionary toryism.) Therefore, in the current lingo, Mr. Justice Mc.Reynolds became a reactionary.

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So political labels are bandied about. How about the political instrument—the Constitution—which both Mr. McReynolds and Mr. Roosevelt were sworn to uphold? Is that a fixed guide to political thinking? We have the testimony of Mr. McReynolds himself on that point. When the Court overruled him in an early New Deal case, he cried out from the bench: "The Constitution is gone!"

And so it was. But, which Constitution? If we study the history of that political document we find that it was changed, interpreted and re-interpreted so often in its lifetime that very little of it—save the unimportant features dealing with the physical set-up of the government—has had permanence of purpose or even direction.

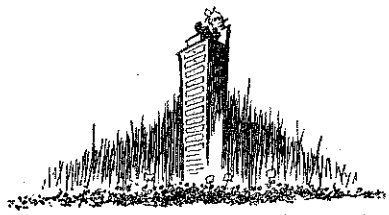
There have been, from this point of view, several constitutions. The decisions of the Supreme Court have always conformed to the political point of view of the people in power, although "old men" have had a tendency to temporary non-conformity. Eventually they capitulate.

Behind all of these changes in the Constitution—changes which, particularly in the past decade, have amounted to complete revisions—is the pressure of new social conditions resulting from economic forces. No constitution, no political form or instrument can withstand the impact of these economic forces. Just as there is no permanence of meaning in political phrases, so there can be no fixity of tenure for political totem-poles. The economy of the people is the only reality; all else is merely its reflection.

Cultivating the Bureaucratic Weed

A PROTAGONIST of the National Labor Relations Board said: This governmental agency is being attacked no more viciously than was the Interstate Commerce Commission during the Theodore Roosevelt administration. Like that and other bureaucracies which were opposed at their inception, the N. L. R. B. will weather the storm and be accepted. In time it will be found so useful that its abolition would be opposed by the very groups which now oppose its existence.

Quite true. And in this adjustment to bureaucracy lies the real threat to the hope for a good society. Whenever, in former times, a bureaucracy showed its head above the horizon, Americans instinctively would take pot shots at it. Even if we did not know how this hobgoblin came to be among us, or what mischief it might do, we felt that its presence was distinctly foreign to our traditional way of living.



Because we do not recognize the root cause of bureaucracies our pot shots are ineffectual. We attack only the effect. For instance, the vituperation against the N. L. R. B. has come mainly from those who would not lift a finger, or even a voice, against the low-wage economy which the N. L. R. B. hopes to at least mitigate. The bureaucrat-minded might say to these opponents: Well, if you don't like our way, what is your way of raising wages, abolishing poverty, stopping depressions? And there the opponents are stuck. They have only recrimination, no argument, in their arsenal, and can only cackle like a bunch of quarrelsome washerwomen.

That is why every bureaucracy weathers the initial storm of criticism. Then, since we are forced to accept its presence, we make our peace with it. It works because we make it work, our compliance becoming cooperation. It may be wrong in principle, costly and inefficacious, evil in its ultimate results; but, as soon as we are reconciled to its presence we become conditioned to its acceptance. In short order we find it beneficial, just as to savages the medicine man seems beneficial.

Every human institution, particularly a bureaucracy, builds around itself an armor of vested interests. The barnacle of all regulation is privilege. Administrators, clerks, private contractors who profit by orders for supplies, hangers-on to whom the crumbs of favor are a means of livelihood,—all these soon find further reason to adjust themselves to a bureaucracy, to espouse it, to proclaim its virtues.

In time each bureaucracy becomes another fixture in the status quo. Since no bureaucracy succeeds in solving the social problem for which it was invented, but succeeds only in keeping itself alive, new ones are formed to attack the same problem or to solve the problems which the bureaucracy itself has brought into being.

For instance, the New Deal agencies have not produced the social benefits they were supposed to produce; but they have become so arrogant in their behavior that even the President, their god-father, appointed a committee to look into the matter after he had vetoed the Walter-Logan bill aimed to reform the reform agencies.

Now this committee, headed by Dean Acheson, recommends the establishment of an Office of Federal Administration Procedure to keep an eye on the agencies. It made a thousand-page report, to be sure, but the important fact is the committee does not urge the abolition of any of the bureaucracies, but rather the creation of a super-bureaucracy. Nor does it tackle the question of whether these agencies have or have not succeeded in doing the social jobs for which they were created.

This new super-bureaucracy (it will be appointed, we may be sure) will meet with some opposition at first, but, like the others, it will soon find its nook in the status quo. Some day we will probably find it necessary to impose on it a super-super bureaucracy.

The end? See Rome. Or, if you don't like ancient history, see Germany.

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Published monthly by The Freeman Corporation, a nonprofit corporation, at 30 East 29th Street, New York, N. Y. Officers and Directors: Lancaster M. Greene, Chairman; Anna George de Mille, President; Otto K. Dorn, Secretary-Treasurer; William H. Quasha, Counsel; Ezra Cohen, Francis Neilson, John C. Lincoln, Leonard T. Recker, Frank Chodorov. Entered as second class matter at the Post Office at New York, N. Y., under the Act of Congress of March 3, 1897. Single subscription, fifty cents a year; five or more, forty cents each. Title registered U. S. Patent Office.

The Thunderer Speaks Out

IT IS A CREDIT to English sanity—or maybe it is the sanity which comes from bitter experience—that in the midst of its life-and-death struggle the country is beginning to express itself on the fundamental cause of war, as well as on the conditions necessary to peace. Nor are the outspoken utterances confined to those who have been abused for their attacks on the status quo. Even from the most conservative quarters come warnings that England must put its internal economic and social life in order, so that recurrences of the present madness may be avoided.

While we in America are being whipped into a jingoistic frenzy by a fascist-minded press, the ultra-conservative London *Times* comes out (December 5, 1940) with a leading article indicating that England, at least, has not gone crazy. The following paragraph from this article almost suggests a familiarity with Book X of "Progress and Poverty":

For those who feel the need to look beyond the end of the present struggle, the abolition of war and the abolition of unemployment are the most urgent and imperative tasks of our civilization . . . To abolish unemployment means to create a social order in which the ideals of the nineteenth century democracy are extended from the political to the social and economic sphere, in which liberty will imply not so much freedom from interference as a chance for all . . .

Such a bold statement of the inadequacy of political democracy in our press would indeed be refreshing. But even more audacious would be the editor who suggested that our war program is the result of ten years of unemployment for ten million men, if not a deliberate make-work scheme. Yet the *Times* says:

The connection between unemployment and war is not fortuitous. Seven million unemployed brought Hitler to power. He rewarded them by finding them employment in preparations for war. To-day millions of workers in more than one country are learning the dangerous lesson that nothing creates regular and well-paid employment, and makes labor a scarce and valued commodity, so certainly as war. So long as it remains true that war, or preparation for war, is the only effective remedy for unemployment, wars will continue, however cunning the machinery devised to prevent them. Any new international order will be still-born so long as this cancer is not eradicated from the social system . . .

The article goes on, albeit rather timorously, to speak of international trade in relation to peace. Even our protectionist patriots should be able to see through this:

No British statesman has hitherto had the courage to oppose a policy advocated by British industrialists or British workers on the ground of the injury which it will inflict on the industries of France or Belgium or Germany, or to reject a measure designed to favor British agriculture because it would spell ruin to the Danish farmer. Yet there is little doubt that we shall fail to achieve any effective international order, or any alternative to the horror of recurrent war, until we witness some fundamental change, generally and reciprocally among the nations . . .

The whole article is worth reading. It somehow suggests that the reading of casualty lists, the sight of property destruction and the burden of war taxes are necessary sobering influences. How otherwise can we explain the reactionary "Thunderer's" call for a new social set-up:

To create the new social order does not, like war, call for sacrifice of life and limb. But it does call for many of those other sacrifices of profits and luxuries, of rights and privileges, which we make unquestioningly in time of war. To formulate a social end, other than war, which will inspire such sacrifices is the cardinal problem of our time.

Spirit of H. R. '76

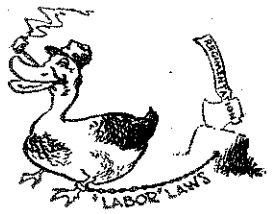
A MEMBER OF THE HOUSE criticizes the State Department for withholding information pertinent to the lease-lend issue, and intimates that, in view of the gravity of the possible consequences, obstacles ought not to be placed in the way of examining the bill on its merits.

The State Department counters that the information referred to is confidential. It looks like Congress will have to get along without it. It can console itself by reflecting that the number of the bill is that of the year in which the United States became a free country.

Labor, First of the Conscripts

ONE DAY it is announced that because the Ford Motor Company refused to accept specifications pledging compliance with labor laws the government had awarded a contract to another, a higher, bidder. Next day an inquiring reporter is told by the President that the government is prepared to take over plants necessary for its armament program—implying that the Ford plant is no exception.

On both days newspapers ran side by side stories of strikes in "defense" plants. There is a parallelism of social importance in the news items that warrants their being so placed before the public.



But capital will not be the first object of State absorption in this country. The premier position is reserved for labor. We do not prognosticate this sequence merely on the basis of historic precedent; the regimentation of labor before capital is a practical necessity. Logically the seizures may be simultaneous, but it is impractical to seize capital first.

For capital is incapable of functioning without labor; plants without men to run them serve no useful purpose. When the State confiscates capital it does so because it needs the production of this capital, and feels that the ousting of the owners would accelerate such production. But labor is at least as essential as capital to that production, and therefore must be made equally and simultaneously responsive to the will of the State.

Theoretically the seizure could be simultaneous. But in practice labor "sticks its neck out" first, and is therefore the first to be socked. Rising living costs and low, sluggish wages create the unrest which manifests itself in strikes. This protest of the workers must antedate any recalcitrance by plant owners, simply because the difficulty of making a living will result in a stoppage of work long before owners of capital will kick over the traces. The problem of wages is more immediate than that of profits.

That is why the regimentation of labor always precedes the confiscation of capital. Labor leaders who are presently using the special privileges accorded their organizations by "labor" legislation are speeding this step. Through the medium of war contracts they hope to force owners of capital to accede to the terms of this legislation; that is, they employ political power to entrench themselves. But they seem to overlook the fact that this same power will be used against their unions first.

However, when that occurs the labor leaders, or the most influential of them, will be the political power. A labor leader in politics acts exactly like any other man in that position.

Isolating Isolationism?

WHEN WORDS ARE USED to insinuate purpose rather than to convey ideas the lexicographer becomes a propagandist, and the dictionary is purely polemical. If the modern tendency toward the perversion of language into an instrument of suasion continues, writers will be forced to annotate their words with definitions, or to tell their readers in what dictionary the desired definitions can be found.

The present use of "isolationism" is illustrative of the tendency. The word seems definitely to mean the habit of keeping clear of one's neighbors; having no intercourse with them, socially or commercially. If one were to kick a neighbor in the shins, and were kicked back, the isolationist relationship would not be altered by this physical contact. Not until normal exchanges in ideas and goods were restored could the isolationism be considered terminated.

But that is not how the word is being used in our newspapers, most of which are trying to editorialize us into war. Those of us who see no sense in war, but who do see sense in carrying on commercial relations with the nations the newspapers want us to fight, are isolationists; and the scribes are putting a sort of scurrilous twist to its meaning.

Any one who disbelieves in embargoes, or in tariffs against "aggressor" nations, or in any other impediment to world contacts is an isolationist. By that use of the word the advocate of protectionism would, of course, be the most international-minded person, while the free trader would be the isolationist par excellence.

However, if you do not believe that war or war measures make for internationalism, do not squirm if you are called an isolationist. Stalin calls himself the apostle of democracy, Hitler speaks of his ideology as freedom, and New Dealers term their collectivistic program liberal. Given the proper dictionary, you can readily prove black is white.

How Broke Is England?

WE HAVE IT on the authority of our Secretary of the Treasury that England is hopelessly busted. In more diplomatic language, she is short of "dollar exchange." She cannot pay on the line for desperately needed war materials; she wants credit.

Mr. Morgenthau's statement has been disputed. The opposition brings up the calculation of the Federal Reserve Board that just prior to the outbreak of war the British Empire had possession of over seven billion dollars of gold and dollar assets; so far they have spent or contracted for less then half of this amount. Where's the rest?

Some people say that shrinking market values have absorbed much of the vanished dollar exchange; dumping securities has the effect of decreasing their price. Others point out that Secretary Morgenthau's figures do not include Britain's dollar possessions in the dominions. The mendacity of figures is notorious; when figures so complicated and astronomical in proportion are bandied about their veracity is indeed suspect.

But, it is quite likely that England is broke, in the sense that she has no ready cash on hand. Any multi-millionaire might find himself similarly embarrassed in a lunch room, until he could assure the cashier that in spite of his lack of a quarter he controlled considerable claims on wealth. In the arguments over England's ability to pay her claims on wealth seem to be largely ignored.

For instance, no one has raised the question of the acreage or present market value of British-owned land in America. It would be interesting, from the social as well as financial viewpoint, to know how much rent we pay to Britons for the privilege of living and working in America. It is said that New Yorkers ship in rent some five million dollars a year to Lord Astor. Rumor has it that the King of England has a claim on Fifth Avenue. A good part of Western Iowa contributes to the income of the British peerage.

Really, a schedule of these British holdings in America would make startling reading, particularly if it included corporate securities covering mineral and railroad lands. And the picture would be more enlightening if it listed in detail the more recent acquisitions of land in Canada, South America, Australia, and elsewhere. For report has it that British landlords are casting an anchor to windward by establishing estates in parts of the world least likely to be affected by Hitler or the British Labor Party.

Mr. Morgenthau must not be censured for failure to bring up these "assets." Neither the government nor the people of America knows much about these things; so, let sleeping dogs lie. Besides, if Britons were forced to unload their h o l d i n g s in order to pay for their war, they would merely regain the capital value of the lands, leaving the rent-collecting privilege in the hands of American landlords. American labor and capital would still have to disgorge.

The United States government (which will be asked to extend credit to England) might become the owner of these lands, the rent going toward the payment for the airplanes and things England so sorely needs. If the immediate rents are not enough, there will be American rentpayers for many years, so that the bill will eventually be liquidated. In fact, that would obviate the necessity for taxing American workers for centuries to meet the cost of present war.

Mr. Morgenthau wouldn't know about that. Maybe he is unaware of the scheme. Maybe there are American landlords who would object to the principle involved: substituting rent for taxes. It wouldn't be surprising if the whole war were called off if that principle of paying for it seemed imminent. Why carry on a war which would end in the abolition of "our" privileges?

But there is another serious objection to transferring British land holdings to other ownership. After the war we will still want to sell our "surplus" products to the English. How will they pay for this stuff? Our protectionist system prohibits them from paying with goods. So, they must get dollars.

There is no easier way of getting dollars into their hands than by sending them rent on American land. It is true that this rent comes out of the production of American labor and capital. What really happens is that we send to the British our production so that they can pay us for the things we export to them. Believe it or no, it's so.

There seems to be no way out of it. We Americans will have to tax ourselves to help England pay her bills.

The Lot of the Indo-Chinese

MAYBE IT WON'T BE LONG before we will be told that our boys in the Navy are fighting and dying in Asia for an ideal. Maybe this ideal will involve the restoration of the glory that was France. One of the jewels in that diadem was Indo-China, being currently pilfered by Japanese gangsters. Maybe we ought to know what being under the democracy of France meant to the Indo-Chinese; perhaps the welfare of these natives is something that deserves consideration. Would they prosper more under French than under Japanese exploitation? And, if we succeed in kicking out the Japanese, as they apparently have kicked out the French, will the people wax rich and live contentedly when our Americon exploiters get control of Indo-China? (Vide, Puerto Rico).

From newsmagazine *Time* we learn something about what it meant to be an Indo-Chinese under the fleur-de-lis. If we succeed in liberating these people from the Japanese, who will most assuredly follow the international pattern of exploitation, we might give some thought also to liberating them from French and American exploiters. But here's the story of Indo-China from the weekly:

"The Indo-Chinese were willing to be liberated. The French were at last reaping the harvest of the particular brand of civilization they had sown in Indo-China. By exploiting 23,000,000 natives, 28,000 Frenchmen had arranged for themselves an attractive existence, including the extraction of a tidy income from 10,000 tons of opium sold annually to the population under Government license. They had built European towns with broad, immaculate avenues, spacious buildings, beautiful squares adorned with statues of the French great. Beyond the exclusive French quarter, in utmost squalor and poverty, lived the native population, including a great number of half-castes, products of frequent matings between French officials and Annamite girls.

"Economically the French kept Indo-China in swaddling clothes. They had done little with the colony's extensive deposits of iron ore, tin, antimony, wolframite, manganese and zinc. But from the concentrated cultivation of rice and rubber and the sale to the natives of manufactured goods made in France, more than three billion francs went to France from Indo-China every year. The native standard of living remained one of the lowest in the world. The harvest of this policy was hate. A recent straw vote taken in a native high school revealed that, of 300 boys, only one preferred French to Japanese rule.

"Indo-China fits into Japanese economy like a key in a keyhole. Japan is hungry, has been since the beginning of the Sino-Japanese war. The annual Indo-Chinese rice surplus of more than one million tons would go far towards filling Japanese bellies. Japan has large stocks of textiles and manufactured gadgets in her warehouses. French Indo-China can buy them. Last week the Indo-Chinese were ready to regard the New Order as something distinctly desirable."

Homeless In Washington

MORE THAN a half million people located in the City of Washington are drawing stipends from the country's producers. Judged either by the average rate of wages in the United States or by the services rendered, these stipends are individually enormous, collectively colossal.

But the recipients of these stipends are no better off, on the whole, than are the taxpayers who make the involuntary contributions. Rents have risen to the point of a petition to the White House for a "rent commission."

Commission or no commission, rent will keep on increasing with the increase of population in the nation's capital. And as the war plans will require even a greater number of "workers" than did ever the New Deal (and none of these henchmen are being laid off), the landlords will reap a real harvest in Washington. Realizing this, they are refusing to give longer than one-year leases on living quarters.

It is reliably reported that the New Deal economists are too busy getting up "vital statistics" to pay any attention to the rent phenomenon in their midst.

To Abolish War Make Peace Profitable.

The War Guilt

By FRANCIS NEILSON

We present herewith the epilogue to "The Tragedy of Europe: A Diary of the Second World War" by Francis Neilson, C. C. Nelson Publishing Co., Appleton, Wis. ($10.00). In times like these, charges and recriminations pass with the time of day. We heard them in 1918, and in 1920 wondered what they had meant. Mr. Neilson's epilogue is a challenge; how many of us dare to meet it?

Fourteen months of war, and England stands alone—the last democratic trench in Europe! What was this Europe which is now passing away? What gave it birth? From what wells of wisdom did it spring?

After the fall of Rome, benighted Europe lay for centuries in the hands of what were called barbarians. But our historians forget, in writing their accounts of what are known as the "Dark Ages" that a spirit lived—in England and in Ireland—which kept aglow the light of Nazareth. That spirit reflected the light of what we call the Christian message. Out of the gloom and despair came men who turned their thoughts to learning. These missionaries of the gospel passed the tradition and legend on to their followers who, again, spread the light wherever they journeyed.

The great revival which came to England in the days of Alfred and to France in the days of Charlemagne, though suffering many vicissitudes and heart-breaking setbacks, struggled on until the glory of Gothic culture was founded. This was no movement initiated by any government; it was the work of individual souls. Men, not officials, made Europe the cultural center of the world.

That Europe has been destroyed in fourteen months. It took many centuries to build. This is what war can do and does do. No one can read the histories of the great empires of the past and fail to be impressed with the utter recklessness of politicians who commit their peoples to war.

No matter whether we are pro-this or pro-that, we must now look with clear eyes upon the ruin and desolation. Empires pass, but the deeds of their makers live on. Persepolis, Luxor, Babylon are remains of glories which their builders imagined would never end.

What now for Europe? We must think of the days to come because men go on, though politicians fail. Will the new Europe be without spirit? Is the new order to be based upon a crass materialism enslaving the producers of wealth? Only the future can tell—but the man who cannot use his spirit might as well be dead, for the slave cannot find a channel through which he may exercise the impulses of his soul. The shackled man never did anything for himself or his fellows. What brought Europe, in the days gone by, out of the night of barbarian gloom was the freedom of the spirit. This light in the darkness gave man courage to meet great adventure, to suffer hardship, to front the horned hand of authority with valiant calm.

Where must we look for this opportunity that made Europe a glory? With all her sins of politics and war, of social upheavals, of disease and famine, during at least fifteen centuries, Europe gave to the world the master builders of religion, science and the arts. Her contribution to culture permeates every quarter of the globe.

It may be that new order which is spoken of by the totalitarian Powers is a phase through which we have to pass, so that our souls may be tried by the iron of adversity. Such periods have been endured many times before our day, and man has emerged from them stronger because of the test. It is the way with those who miss the path to wander into marshes or jungles. Undoubtedly, we of this period have taken the wrong road, but there is no going back directly to the right one. We are obliged to take the punishment for our carelessness and endure the pains of our folly.

Every prophet has been wrong, and this should remind us that it is time for us to think things out for ourselves. Even Hitler, himself, cannot plan a war. This war was not planned by him any more than it was planned by Chamberlain or Daladier or Mussolini. Everything has gone wrong. We are reminded by the partisans that not one of these men wanted war. Yet they blame one another for having started it. The English say Hitler must take full responsibility; the Germans say Chamberlain is to blame, and Churchill must bear the responsibility for prolonging the conflict. Many Frenchmen blame Daladier; and, here in America, Mussolini is not spared by millions who believe that his attack on Abyssinia was the initial step. No partisan realizes for a moment his own responsibility.

The pragmatists of the political schools of democracy have come to the end of their tether. Their shallow slogans are demolished. Even their feeble attempts to camouflage their defeats by the use of concepts alien to their actions no longer deceive anyone who thinks.

Recently I read a tract published in the "Times" by a religious society at Oxford: "Why Does Not God Intervene?" I wish it could be circulated widely in this country, for we have nothing like it here. This tract, read by the thousands, brings the matter of war-guilt straight to the individual. It is solely his affair. This expresses the attitude I have taken and opinion I have cultivated for over forty years, in connection with national affairs.

The individual is to blame. At every turn he has shirked his manly obligations, ignored his duties, and permitted the politicians to use him for their purposes. In no other way can it be explained how people are committed to war. I firmly believe that this tragedy of Europe could have been averted if men had kept the light burning and had realized their duties to the full.

Doing Business Under Fascism

By HELEN BERNSTEIN

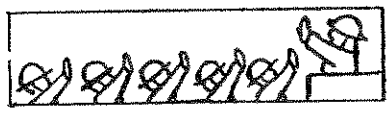
German business men in the twenties made heavy financial contributions to the National Socialist movement, hoping that its rise to power would free them from the grip of the trade unions. The tragic consequences of this piece of folly have impressed many sober minds. Our financial journals have repeatedly cautioned American business men against similar steps and Guenter Reimann's "Vampire Economy" provides concrete evidence of the results.

German enterprisers conduct their affairs in an atmosphere of terror, corruption and official caprice. They can never be sure that yesterday's decree has not become today's prohibition, nor that some ukase the violation of which was almost universal and tolerated by the state, might not suddenly be enforced with terrible consequences for the transgressor. Their business success or failure depends ultimately upon their standing with Party officials who usually have little sympathy with and less understanding of their needs. Their relation with them is tenuous and expensive, dependent upon constant bribery and repeated affirmation of National Socialist fervor. The most important and best paid functionary on the payroll of every German firm is the "contact man," who is hired for his acquaintance with officialdom and his ability to secure occasional favors for his employer.

Raw materials in Germany cannot be obtained without a certificate from a distributing board. For each material there is a special board with its own unique procedure. Thus, at least half the working day is consumed in making application for these goods with no assurance of ever getting them. Since so much of the basic materials is consumed by the military, the allocation of the residue must be made upon the grounds of "urgent" need. Vast armies of government clerks sift through innumerable requests, each claiming "urgency." The sum total requested of course far exceeds the available supply. Consequently, business men deliberately ask for more than they need hoping at least an adequate minimum will be forthcoming. Ultimately, after bribery and special privilege have effected some distribution, the rest is allocated in irrational fashion among firms who have not yet offended the bureaucracy. These shipments of raw material often arrive late, holding up production. The accompanying diagram illustrates the point.

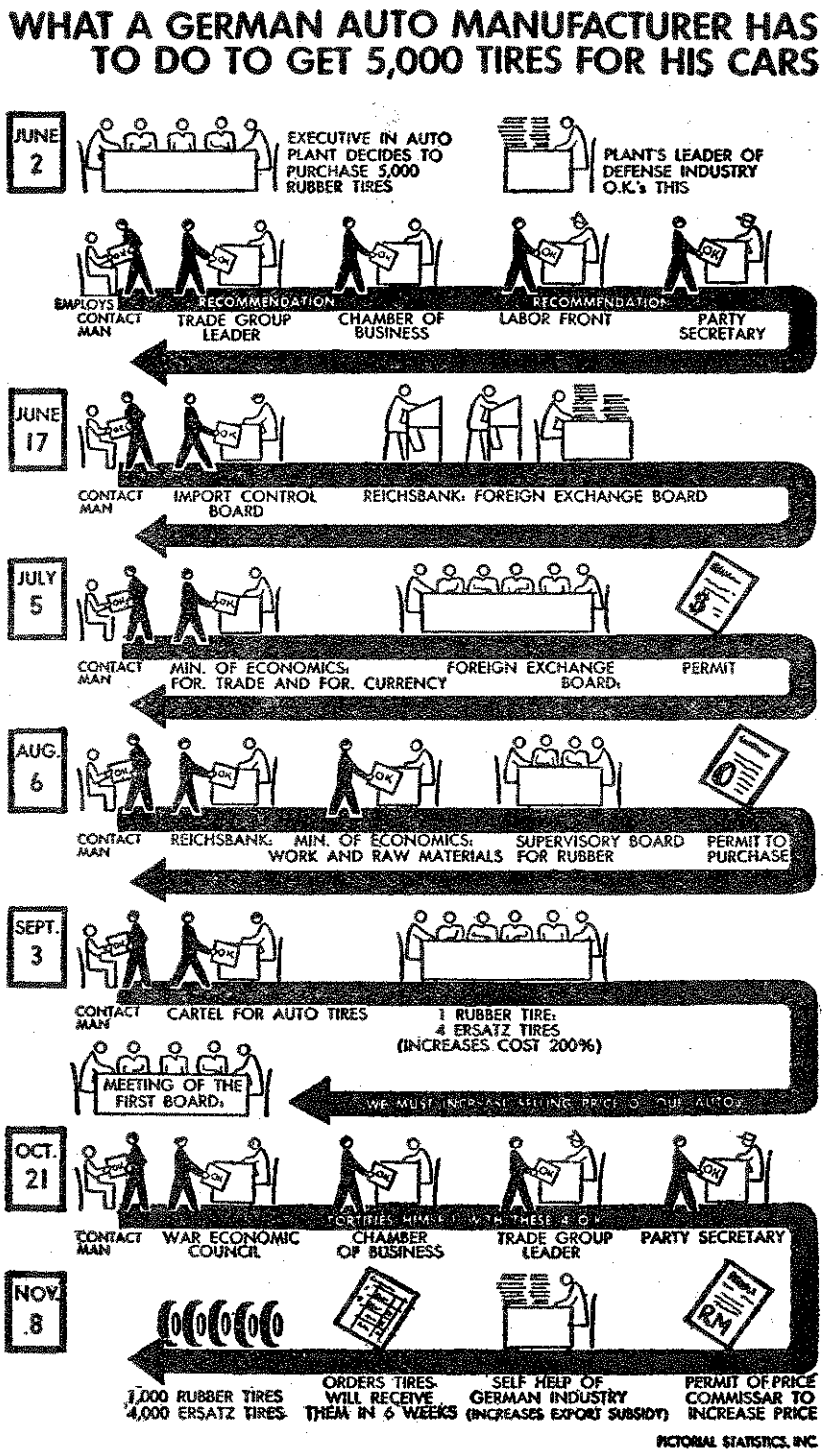
The story about Herr A., the wool importer, typifies the essential irrationality of every bureaucracy. Wishing to order a shipment from London, he obtained the necessary permission from the proper supervisory board and from the Administration of Foreign Currency. When the wool arrived the needed foreign exchange had not yet been released. The cargo lay in the "free port" piling up storage charges. When the money finally arrived, Herr A. was requested by his creditors to pay the storage fee as well. This necessitated application for more foreign currency to cover this sum. Until this became available the storage charge would have increased. Yet he could not request more than he needed at the moment. In despair, Herr A. set out for Berlin with plenty of cash on hand to line the pocket of a friend's friend who knew an official in the Reichsbank who had some connection with the Administration of Foreign Currency.

The experiences of the inflation have left a deep mark in the German memory. The Nazi state wished, above all, to avoid its repetition. So it appointed a Price Commissar charged with keeping the price level from rising. This was at a time when huge governmental expenditures for munitions had created an artificial boom while on the other hand, consumer's goods grew scarcer daily. Prices found their own way of circumventing the official maximum. For example, a cunning peasant, when approached by a buyer, asked no more than the official price for his pig. However, in order to obtain the pig, the purchaser had also to buy the peasant's worthless dog for which no maximum price had been set. The combined price more than compensated him for the real value of the two animals. Such supplementary articles as this dog, often produced solely for the purpose of effecting exchange despite impossible price regulation, are a total economic waste.



Manufacturers frequently alter products slightly so as to be able to maintain they are new commodities and hence not subject to current price restrictions. They are also forced to adulterate their goods so that the decree price may cover their costs. The State itself tries to manipulate demand by propagandizing against the use of the scarcer commodities. When it does grant a price increase, it usually gives it to a favored and influential group and compels other groups to bear the cost.

Those who still doubt the complete hegemony of the Nazi bureaucracy over all classes, monopolist, competitive business man, worker and farmer, will be impressed by what happened to Krupp whose family had enjoyed an enviable position under Kaiser and Republic alike. When Hitler came to power, the Krupp munition interests continued to prosper greatly. Yet when a direct conflict arose between Krupp and Goering, Krupp was forced to bow. The clash came over the question of investment policies. Krupp wished to follow the prudent course of setting aside reserves for the days after the armament boom and tried to avoid risky investments. Goering hinted that Krupp's profits were needed to finance a new plant for the production of "Buna," ersatz rubber. Despite Krupp's refusal, the government



Reproduced from "The Vampire Economy" by Guenter Reimann (Vanguard Press: $3.00) by special permission of the publishers.

organized the new company with Krupp's funds and invited him to send a representative. I. G. Farbenindustrie, Germany's greatest chemical trust, was forced to finance the erection of two giant synthetic gasoline plants, whose high production costs made them completely dependent on government subsidies. Similarly when Thyssen and other steel magnates refused to finance plants for extracting iron from low-grade domestic ore, the State formed the Goering Iron Works with heavy forced contributions from these industrialists.

In spite of this forced investment, Germany's capital plant has not appreciably increased over the last decade. Firms have been unable to replace outworn machinery because they may not use their liquid assets for this purpose. On the other hand, plants are put to day-and-night use so that depreciation proceeds at an accelerated rate. Much liquid capital is diverted to completely unproductive use, such as the maintenance of the bureaucracy, and the rest invested in the production of synthetic products.

Though the "ersatz" program has accomplished many technical miracles, it has done no more in the economic field than turn out inferior goods at high prices and at the expense of huge investments. Despite the liberal subsidies the price of synthetic gasoline is four times the world price of the natural product. The production of "Buna" has made Germany 25% self-sufficient in rubber, but at what a cost! A 100% ad valorem duty was imposed on rubber imports, yet Buna still costs 60% more than natural rubber and nearly four times what it costs abroad.

Although profits can still be made under Nazism (a grudging admission of their superiority as an economic incentive over the Soviet system) their ownership is a constant danger. Continual business success and "conspicuous consumption" (except for high Party bureaucrats) frequently result in a visit from the local Party leader threatening drastic penalties unless a substantial contribution to Party funds or projects is forthcoming.

This system of legalized extortion is an inevitable consequence of the highly respectable State Socialism advocated by all major German universities from Bismarck to Hitler. This theory postulated a hierarchy of permanently fixed classes with income distrbiuted according to rank

in the hierarchy. The private enterpriser would become a virtual agent for the State, holding his "property" in trust for the State and receiving an income rigidly controlled by the State. Hitler has made the German producer accept this scheme of social and economic organization only through the Gestapo.

Hitlerism is the theory of State Socialism brought into the world of practice. It is the culmination of a movement which has developed in Germany during more than a century. Its chief spokesmen, whose writings have profoundly shaped European history as well as German policy were Fichte, Hegel, Friedrich List, Bismarck, Marx and Rathenau. The great Anglo-American tradition of economic liberalism as expressed by Adam Smith, Jefferson, Ricardo, J. S. Mill, Cobden, Bright and Henry George, was never accepted in Germany to the extent of influencing its state policy. These two traditions represent on the one hand the complete subordination of the individual to the State and on the other, freedom of the individual to attain his ends in his own way. Between them the conflict is forever irreconcilable.

A Needle in the Haystack

By BOGGER ARMSTRONG

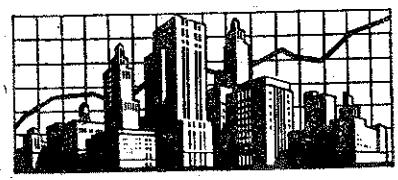
Many present day economists and statisticians assert that rent is a negligible element in distribution, and accounts for only a small proportion of all wealth produced—say five per cent. If this is true, it calls into serious question many of the theories which connect depressions with land speculation. It seems worth while to trace this elusive five per cent to its lair, if we can, and get what information we can about it.

Just how much of the wealth produced actually goes to rent? This question is often asked by students at the Henry George School of Social Science, and in general no answer can be given, because the usual statistical reports pay no attention to the true economic categories of distribution. But the United States Department of Agriculture, in a bulletin on "Farm Business and Related Statistics" provides data which make possible an approximate evaluation of the proportion of four major farm crops taken by rent—cotton, oats, corn and wheat.

This bulletin gives "cost of production" for these crops during the year 1937. During that year two-thirds of all farms in the United States made a profit of less than $1,000, and one-sixth operated at a loss. When we set against the "profit" the value of the labor of members of the family, the so-called profit vanishes and in its place we have a wretchedly low wage and interest return. It therefore does no violence to the facts if we assume, within the admittedly wide errors inherent in the data themselves, that the cost of production represents approximately the value of the product. Actually, the product value was sometimes less than cost; in such cases the following analysis still holds, but the share of rent becomes somewhat larger.

Cost of production is analyzed by the Department of Agriculture under nine heads: (1) Prepare and Plant; (2) Cultivate and Hoe; (3) Harvest; (4) Freight; (5) Fertilizer and Manure; (6) Seed; (7) Ginning (cotton); (8) Miscellaneous, and (9) Land Rent. The "Miscellaneous" item includes charges for water and irrigation, twine and sacks, crop insurance, use of implements and storage buildings, overhead, a small amount of miscellaneous labor, and a charge incurred on acreage abandoned because of crop failure. Here are the figures, showing land rent and total cost per acre for the four crops studied; the figures represent dollars.

	Rent	Total
Cotton	4.88	31.26
Corn	4.46	20.15
Oats	4.09	15.27
Wheat	3.38	14.87



The cotton cost includes ginning, and the wheat and oats costs include threshing. Ginning gives rise to a valuable by-product, cotton seed; the other crops also yield by-products, less valuable than for cotton. The values are given in the Report, and if we credit cost-of-production with the value of by-products we obtain new figures:

	Rent	Total
Cotton	4.88	26.73
Corn	4.46	19.05
Oats	4.09	13.94
Wheat	3.38	14.15

The next step in analyzing these figures involves a recognition of the fact that mere replacement of capital is no part of distribution, because a process which merely replaces its own capital is not a productive process; it does not add to wealth. It is thus necessary to deduct from these costs that portion which can be identified as a replacement expense; in particular, expenditure for seed and fertilizer. Only that part of the product which remained over and above an amount equivalent in value to the seed and fertilizer used can be regarded as available for distribution in the three economic categories of rent, wages and interest. After we have made this deduction we have a new set of figures:

	Rent	Total
Cotton	4.88	23.64
Corn	4.46	16.72
Oats	4.09	11.72
Wheat	3.38	11.99

As yet we have made no deduction

for taxes. Now, such a deduction must fall to some extent upon the rent, for the owner must pay the land taxes—he cannot shift them—and therefore only the residue of his income after land taxes are paid can be properly called net rent. A workable approximation to such tax figures is available, but only an approximation. We shall not be far out if we allow 30c per acre for land taxation in the cotton states, and 60c in the corn-wheat belt.

The other taxes cannot be estimated with anything like as good precision. We know that taxation falls to a large extent upon labor products. We know that its economic effect is as if the boll-weevil or the corn-borer had destroyed a portion of the crop. We know that much of our taxation is regressive—that is, it bears more heavily upon the poor than upon the rich. And we know that in 1937 taxes consumed approximately one-sixth of the national income. These considerations give us little choice but to deduct one-sixth from each of the product figures. If we make all these deductions for taxes, we obtain:

	Rent	Total
Cotton	4.58	19.70
Corn	3.86	13.93
Oats	3.49	9.77
Wheat	2.78	9.99

On the basis of these results we may strike a preliminary average. We find that for the four crops studied, rent appears as a percentage of the total as follows:

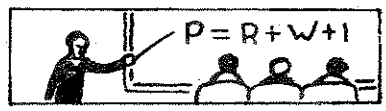
Cotton	23.3%
Corn	27.7%
Oats	35.7%
Wheat	27.8%
Average*	28.6%

Considering the questionable significance of the data and the doubtful nature of the necessary assumptions, these figures agree surprisingly well. But we are not yet finished. The payment of rent is not finished when mere farm acreage has been provided. From every dollar of so-called wages there is a rent deduction, and in each item of so-called capital expense there is concealed a rent charge. If we assume that this charge is of the same magnitude as the other rent charge we must deduct a proportionate share from the laborer's wage and the capitalist's interest. Even here we are not yet done, for every transaction involving either the crop itself or the ordinary activities of the producers and those who minister to their wants contains an element of rent. If we sum the geometric series with a rate of .286 we obtain almost exactly 40 per cent. This is our final estimate of the proportion of the product on farms in the categories studied which goes ultimately to the owners of land.

This estimate agrees fairly well with another estimate arrived at in a totally different way. We know (PROGRESS AND POVERTY, Book 6, Chapter 1) that economy in government or reduced taxes would not better the condition of the poor, because the saving would all go to increase rent. Now, we already take some economic rent; an estimate of one-third is sometimes made, but this is probably very high if we take the United States as a whole. It is important to remember, however, that when wages and interest are marginal, an increase of taxes must ultimately operate to diminish rent, just as a decrease in taxes must operate to increase rent. It thus becomes evident that even when taxes are not levied directly against rent, they nevertheless operate to reduce rent by reducing the fund from which rent is paid. Our national tax bill in 1937 was about 12 billion dollars, against a total production of about 70 billions. If we assume that the economic rent actually received by landowners was two-thirds of the potential rent in a tax-free economy on the same production basis, we arrive at an estimate of 24 billion dollars actual economic rent for 1937. This is 34 per cent of 70 billions, a tolerably close check with our other estimate of 40 per cent.

It is of interest to note that in a tax-free economy, in which the 12 billions collected in taxes would have gone instead to landlords, economic rent would have accounted for just about half of the total product. And this answers another question often asked: would the collection of economic rent raise enough revenue? In 1937, assuming the margin to have remained where it was, it would have yielded something like 30 to 40 billion dollars.

For the sake of scientific honesty, it may be as well to repeat the caution already given, that the precision of these estimates is not very good. When statistics are used to arrive at approximations of unknown parameters, the variance of the statistics themselves is a matter of great importance. When the original figures have a great dispersion, or when, in common parlance, they are more or less "all over the lot," there is a loss of value in the conclusions. But to say that the conclusions are weakened is not to say that none can be drawn. The figures adduced here are intended to suggest, not exact amounts, but orders of magnitude. Readers who use them will do well to remember their limitations. When, as and if it becomes customary to recognize in accounting practice the three fundamental avenues in which wealth is distributed, then a better estimate will become possible, and the present figures will cease to have any usefulness. In the meantime, they will do until we can get something better.



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The Freeman

A Monthly Critical Journal of Social and Economic Affairs

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Selling the Super - State

By PAUL E. MUELLER

In the spring of 1939 Clarence Streit published a book called "Union Now." This book was a proposal that the fifteen democracies then existing—the United States, the Five Nations of the British Commonwealth, Eire, the four Scandinavian countries, the Low Countries, France, and Switzerland — should band together in an international federal government which should bear to the individual nations a relationship similar to that of the Federal Government of the United States to the individual states. Since Mr. Streit's book appeared, the number of democratic nations free to join such a federation has been considerably diminished, but the idea has attracted many supporters. The present proposal is that those nations who are able to join—for practical purposes, the United States and the British Commonwealth — should do so, with a view to inviting others into the group when circumstances are more propitious.

It causes us no surprise when individuals preoccupied with one pursuit come to believe that the subject of their attention is the most important in the world. Without anything like a thorough analysis, they incline to feel that if they can only find solutions for their own problems, all other problems will solve themselves as a consequence.

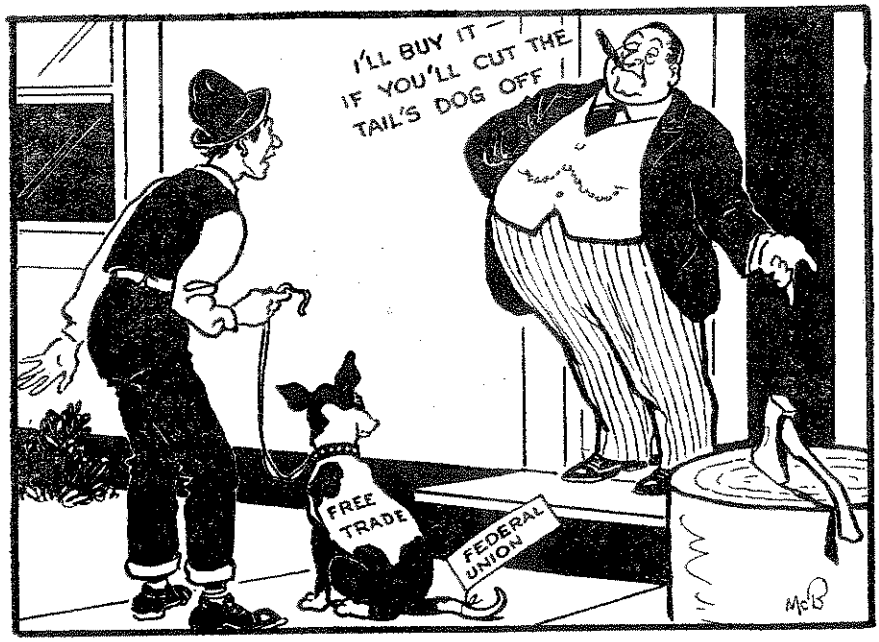
Thus, in the eighteenth century men's minds were focussed upon the subject of political reform. To the social and economic abuses against which they rebelled, they ascribed political causes; they reasoned that if they suffered from the king's exercise of power, relief must be sought by means of a transfer of power to a Congress or Parliament. They were not prepared to do away with the State; indeed, they were not even prepared to question their need for a State. Essentially legistic in their philosophy, they felt that any wrong could be remedied by suitable legislative methods, and naturally sought their escape from the tyranny of a Royal State in a Parliamentary State which should, presumably, assure them the liberty they desired.

A similar view was held by many people in the Nineteenth Century with respect to economic evils. According to Malthus, mankind was forever condemned to poverty simply because of the surplus population. With the advances of science and technology which marked their age, many hoped to circumvent the Malthusian law: enough machines, enough production, and poverty must surely disappear merely from an excess of good things. Just as it never occurred to them that even a Parliamentary State might fail to conserve human rights, so they never dreamed that there could be poverty in the midst of plenty. O sweet illusion! O bitter disappointment!

Despite our republican form of government, despite our technological gains, the sufferings of mankind continue, and the tendency of the present time seems to be irresistibly toward some catastrophe. Men continue to try to halt this suicidal rush by solving immediate problems, essentially superficial, without probing into fundamentals for clues to first causes. Such an attempt is the proposal for Federal Union.

Mr. Streit is a newspaper man, and was formerly correspondent at Geneva during the life of the League of Nations. In its early days Mr. Streit had great faith in the League as an institution which would bring international strife to an end. With warfare abolished, he hoped that the internal problems of the various nations would clear themselves up more or less automatically.

But the League failed. Mr. Streit's faith never wavered; that is, he still retained his confidence in the efficacy of international agreement to rid the world of conflict. Of course, he had had ocular demonstration of the futility of an organization such as the League. At this point in his reasoning, he remembered the League of Friends, the organization of the original Thirteen Colonies under the Articles of Confederation, which was as complete a failure as the Wilsonian League. An obvious analogy suggested itself. The Colonies had found a solution; it worked once, and would work again.



When the weaknesses of the colonial League of Friends became so apparent as to defeat all attempts to conceal them, Union saved the day. Thirteen independent colonies became one nation. Money was standardized, interstate commerce brought under Federal control, the army was nationalized, tariffs between the states were outlawed. And, as far as Mr. Streit can perceive, Union has been a success right up to the present day.

In the meantime, however, the world has become smaller. Just as the thirteen colonies could not get along together within the narrow limits of their world, even though they had formed a League, so, and within as narrow limits, do the nations today generate friction which leads eventually to eruption. They challenge and burden one another with different currency systems, tariffs, citizenship and immigration restrictions, and huge hostile armies. Union ended the strife in 1789, and it will do so again if we give it the chance. And with international strife forever banished, internal troubles should either disappear or yield more readily to attempts at reform.

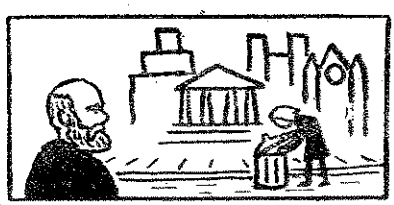
Accordingly, Mr. Streit advanced his proposal for a Federal Union among the democratic nations of the world, and submitted a tentative constitution incorporating what he felt were the best features of the British and the American systems. He realized, of course, that the dictator countries would have no part of any such plan, and reasoned that in any case "the best nucleus will be composed of those peoples who already have strong natural bonds drawing them together and enough material power to provide them, as soon as they unite, with overwhelming world power in every important field."

From this latter statement we infer that Mr. Streit continually thinks of our ills as being international. They exist in every nation, therefore they must have an international origin. That there could exist something fundamentally wrong within and common to each nation never occurs to the author of this world-wide plan, for he states that "the Union promises to reduce unemployment to where it would be no grave problem, where it could be handled like other predictable accidents through normal insurance methods. The Union would do this by freeing trade, stabilizing money, eliminating the war danger, diverting into healthy channels the billions now being wasted, cheapening and speeding communications and making the worker and his product far more mobile, restoring confidence and opening vast new enterprises. **If the problem of unemployment cannot be solved along these lines, it would seem indeed insoluble."** (Emphasis ours.)

Here in a nutshell are the powers which it is proposed to delegate to the Federal Government. First, it is felt that there must be a uniform international money. Mr. Streit realizes that in troubled times money is manipulated by national governments in order to obtain some financial advantage over other nations. It therefore seems to him that stable money should bring about stable conditions. What he does not realize is that, in a large degree, it is the unstable conditions which result in unstable money. Monetary disequilibrium is an effect rather than a cause.

A similar line of reasoning may be followed with respect to communications. Impediments to communications are characteristic of periods of stress, not of normalcy. Indeed, men tend naturally to disregard national boundaries, and remember them only when forcibly reminded by the police. Censorship, the last impediment to communication short of complete strangulation, is always associated with a period of war or economic unrest.

Mr. Streit's proposal for free trade among the members of the new Federal Union is the most important detail of his work. Unfortunately, it is this very aspect which is being presently soft-pedalled by Federal Unionists. The movement needs to attract supporters — in particular, supporters who can and will finance expensive publicity campaigns. Unqualified endorsement of the principle of free trade is not a tactic calculated to win support in those regions where the population has been educated to look upon a tariff as the very staff of their lives. Nevertheless, though his followers may compromise on this vital principle, Mr. Streit in "Union Now" recognizes the necessity for free trade and incorporates it into his plan for a World Union.



But once again Mr. Streit overlooks something. He believes in free trade, but does not realize that free trade alone would accomplish nearly all the reforms he proposes, and render most of his plan superfluous. Free trade might not immediately induce nations to accept a uniform currency system, but it would give them powerful inducements for doing so. Free trade might not cause nations to abandon war, but it would remove one of the chief causes of international friction. Free trade would make comparatively unimportant the differences of citizenship and sovereignty which Mr. Streit hopes to correct by Union. And if transportation and communications are to be unshackled, what more likely to advance their cause than free trade? And for free trade we need no Federal Union, no International Parliament, no Super-State. We need only a clear understanding of economic fundamentals and the courage to act according to our own reason. But stay: we need one thing more—the courage to do what Mr. Streit's followers have been afraid to do: to oppose protectionism, to beard privilege openly, and defy it, and overcome it.

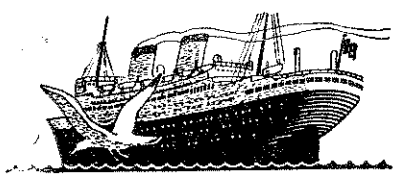
Mr. Streit believes with Thoreau that "that government is best which governs least" and that "government is at best but an expedient" and yet he proposes to create more government. He asserts, "We create Union to free ourselves from some fourteen governmental barriers to our selling dear and buying cheap, to reduce the expense of booming bureau-

cracy and monstrous armaments, to cut our way out of government gone jungle." With the creation of a new government on top of those already existing he insists that government will decrease. This will happen because there will be needed less taxes and less bureaucracy for a Union army than for fifteen armies, and less also for a centralized Post Office. He blithely ignores all the lessons history teaches us about the appetites of congressmen and their families, and the dangers of tremendous centralized power in the hands of an executive. (Mr. Streit's suggestion of a five-man executive board, rather than a single President or Prime Minister, may well remind us that both Caesar and Napoleon were at first but members of a triumvirate.) Indeed, it is by the historical standard that we may finally reject Federal Union: the example which inspired Mr. Streit will not bear examination. The experience of the Thirteen Colonies does not support the Federal Unionist's argument; instead, it refutes it.

If Federal Union could succeed at all, it could do so when it had fewest obstacles in its path. Differences in race, in language, in traditions, in culture—all these are obstacles to association: not indeed insurmountable obstacles, but merely difficulties which must be overcome. Federal Union among the world's nations must overcome them. But no such necessity existed among the Thirteen Colonies; on the contrary, the colonists enjoyed a common language and a common heritage. Even with such advantages, Federal Union could not compose the economic disagreements which arose from slavery; it could not maintain internal peace (witness the Civil War); it could not assure economic democracy; its governmental machinery was more often used to exploit the people than to protect them; and though during the existence of the American Union there has been some extension of democratic liberties, this extension has been in spite of the State and not because of it. Freedom of trade among the states was maintained until the economic strain became too great, and then the best lawyers of forty-eight states set about the task of evading the spirit of the constitution and conforming to the letter—a task in which they have met with considerable success. How can you force free trade down the throats of a protection-minded people?

Although Mr. Streit's plan cannot do for the world what its author hopes, it carries a powerful emotional appeal. The movement has gained a wide following, in spite of the fact that most of the original democracies have slipped down the Nazi gullet. Instead of less effort, Mr. Streit and his followers are putting forth more. In January, 1940, a Gallup poll reported that at least 2,000,000 American favored Federal Union. In July, 1940, full-page advertisements "paid for out of the funds contributed by many American citizens" appeared in the New York Times and Herald Tribune, advocating the formation at once of "a Federal Union among at least the United States, Canada, the United Kingdom, Eire, Australia, New Zealand, and the Union of South Africa." The late Lord Lothian, British Ambassador to the United States, gave his support to the plan. In January, 1941, the movement sponsored a dinner at the Waldorf, which was attended by many notables. There is even a weekly radio program. Some of the present support of the movement comes from those who wish to involve us in the war, and see in Federal Union a ready instrument fit for their purpose; but most of the Federal Unionists are unquestionably sincere in their belief that Mr. Streit's plan is meritorious and practical.

It is not probable that their theories will be put to the test. Indeed, the Streit proposals in their pure form are at present politically impossible; no legislature exists which would delegate any of its power to an international Parliament, and no major electorate would approve such action. That some emasculated version of the proposals may be adopted, perhaps after the war, is possible. If Mr. Streit has not yet learned what happens to movements which accept compromises of principle, he will then. In the meantime, he may yet come to realize that only that remedy which seeks out the individual and ennobles and dignifies him can suffice in the end. Manhood is from God. The State cannot confer it; the State can only take it way. Even an international Super-State can do no more than that.



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FAITH FOR LIVING
By Lewis Mumford
Harcourt, Brace & Co. $2.00

Recent events have shocked many American intellectuals into a mood of somber introspection. In Mr. Lewis Mumford's most recent work, this self-analysis has given birth to many perspicacious and fruitful observations. It seems to him that in the present catastrophe, the guilt of the "active barbarians" (the Fascists—Communists) is not greater than that of the "passive barbarians" (the socially slothful and morally unconcerned.)

It is the latter, he nevertheless hopes, who will eventually save "our civilization and the institutions and habits of free men," by the renascence of the great Christian virtues —love, charity, loyalty, self-sacrifice, devotion, etc. Upon these buttresses will rest "a collective ideal that embodies itself in a concrete program." While this "collective ideal" of Mr. Mumford's is always poorly defined, there can be little doubt that he expects it to be realized in a planned social order.

It is unfortunate that Mr. Mumford, in spite of his admirable social disquiet, must again offer us this poor crumb. But he will never have anything better until he turns his intelligence to the question of justice without which a tolerable existence cannot be. If he will ask of his "collective ideal," not "Is it humane?" "Is it generous?" or even "Is it aesthetic?" but "It it just?" he will forever reject collectivism as a possible way of life.

HELEN BERNSTEIN

All Out for Vitamin B

By FRANK CHODOROV

Propaganda theory undoubtedly takes into account the inertia of the human brain. Only on that assumption can we explain the use of ear-soothing phrases to induce acceptance of unpalatable ideas. If these phrases were thought out to their logical consequences, people might reject the phrases and the implied ideas.

"All out" is a current propaganda slogan. The Nazis used it as descriptive of their aerial war on England. Now it is being employed in the United States to accelerate the sending of war materials to Britain. Its connotation in America is this: quit questioning cost or consequence and act. The alliteration implies the giving of "all" without reservation, and the giving of it "out" without any thought of return.

Perhaps the exigency of the situation requires such a policy. Still, in view of experience, one cannot refrain from asking: "Who is to do the giving, labor or the privilege groups who profit from war efforts?" It is to avoid any such reflective attitude that propagandists concentrate on the repetition of the tom-tom phrase.

Soon the all out acceptance of this "all out" phrase will permit its use for other purposes. Propaganda profits by its own momentum. It will not be long before the all out attitude of an unthinking people will be utilized to implement the tendency toward some fascist form of society.

In the literature of the day the insinuation that collectivization has its points is being subtly put. Newspapers which for years had opposed the New Deal have changed since Mr. Roosevelt's re-election, and are now more than tolerant toward this American apotheosis of Statism. Maybe it's the prospect of profits that has conciliated the financial pages of conservative and reactionary organs: even Wall Street news columns, which a short while ago spewed vitriol into every Washington item, have adjusted themselves to centralization and apparently see how it can be used to advantage.

New Dealism is practically done with its controversial stage; we are being insinuated into an all out attitude toward it. But the metamorphosis of the nation from a sort of democracy to a sort of collectivism is not yet in the all out stage. In reading current articles and editorials one must have the tendency in mind, to evaluate their direction.

For instance, a few weeks ago a metropolitan newspaper which prides itself on the absence of editorialization in its news columns headlined on its first page a story that by its own standards is not news. It is the kind of stuff used to fill up space on an inside page on a day when news is scarce. What is reported did not happen the day before or even the week before. Here are the first three paragraphs.

"The housewives of the United States are soon to receive the most thorough education in how to feed their families ever provided by any nation in the world.

"They are going to get the instruction because the country is on the verge of its full defense effort, and experts here are agreed that a really all-out job of defense is impossible unless the physical health of Americans is considerably stepped up. The scientists say that you cannot put into heavy industry a man who has been subsisting on a deficient diet for ten years and get anything out of him. They hope that, as a result of the war effort the nation will learn a permanent lesson, so that never again will American families have to get along on insufficient food in a land of plenty.

"The official concern is not merely with the defense worker. They see total war and total war effort as a force placing demands on civilian population as great or greater than those put on soldiers and sailors. And they know that along with national unity and national faith in democracy there is another most potent morale builder, the name of which is Vitamin B."

Thus for a full front-page column, plus a run-over, we are told that the Good Father is preparing to look after the nutrition of his people, in war and in peace. Allah be praised!

For years such propaganda pap from Washington has been pouring down on editorial desks, toward ubiquitous waste baskets. Why now give it front page space? We know that this editor can tell a newspaper from a propaganda sheet. We also know that the editorial columns of his paper are less critical of bureaucracies than they used to be.

But this is merely a sample of what we are being fed by newspapers and magazines. The inference is plain: that we are being prepared for an "all out" signal for an "all out" acceptance of the great and glorious "all out" State.

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THE AMERICAN AGRICULTURAL PRESS, 1819-1860
By Albert Lowther Demaree
Columbia University Press, $4.00

This is the eighth of a series of monographs on the history of American agriculture, sponsored by Columbia University. It presents a summary of what the publishers conceive to be "one of the earliest and most important vehicles of public opinion" which "as a source for social, economic, and cultural history, has hardly been touched."

Professor Demaree's book is really an illustrated index; he has descriptions of all the features of the old rural press, with generous samples. While the book contains much to attract the student, the casual reader will probably enjoy most the lighter portions. Here are two representative quotations, the first, a joke of guaranteed antiquity (1828). "Why are ladies like stage drivers? Because they generally s e c u r e the mails."

The second is part of a poem:

"Oh, father, won't you sign the pledge,
And never drink again;
And let us go to that dear home,
From whence we long since came." (1847)

The Book Trail

THE ANATOMY OF AMERICAN WEALTH
By Robert Doane
Harper & Bros., $2.50

Many statisticians have endeavored in the past to discover just what wealth and natural resources exist in these United States. Many have become high government officials. But their statistics have confused rather than clarified the situation. The reason is, of course, that they lump all sorts of categories into one category, and make no attempt to distinguish wealth from land.

Finally a realist has appeared who gets down to fundamentals. In spite of the fact that he avoids Georgist definitions his material falls fairly well into line with Georgist ideas of land and capital. He never confuses wealth with land. Here are official figures presented in a refreshing way so that they really mean something. The publisher and the author are to be congratulated; we can use more books like this one.

PAUL E. MUELLER

THE BOTTLENECKS OF BUSINESS
By Thurman W. Arnold
Reynal & Hitchock, $2.50

"Bottlenecks" in these days of national defense are generally thought of as technological difficulties besetting the production of airplane motors, tools, and so forth. But for Thurman Arnold, "bottlenecks" are privileges in the form of toll gates thrown across the channels of trade. His book is a plea for wider understanding of the Sherman Anti-trust Act.

In passages reminiscent of Lippman's great work "The Good Society," Professor Arnold insists on the necessity of a free, competitive economy and scoffs at the claims of collectivists. "They (the totalitarian collectivist states) arise only in times when the energies of a free people who oppose them are frustrated. They fall because war cannot be continued indefinitely and there is no other end to which they can possibly direct the organization which they have built." And again, "When industrial democracy disappears, political dissent goes with it." He says the slogan of the Sherman Act is not "trust-busting" but "free markets in which unorganized groups may exchange raw materials or labor for manufactured goods without paying a tribute not justified by a service rendered."

From such passages one might expect Professor Arnold to do some real probing into deep-seated, fundamental restraints upon trade. This he avoids by announcing that he believes that "there is no substantial political group in the United States who will support any drastic changes in that economic structure." He shows that the patent privilege is the mother of much evil, but makes no suggestion to eradicate it at its source. Instead he advices us to restrain the holders of patents from making illegal use of them.

Having mistakenly issued machine guns to our economic gangsters we must not take them away because that would be a "drastic change." Instead we invoke the Sherman Act and issue bullet-proof vests to the possible victims.

ED ROSS

WE PLANNED IT THAT WAY
By Harold R. Malcolm
Daniel Byerson, Inc., $2.00

Mr. Malcolm does not like the New Deal. You can tell it from the way he writes. He points out that the cost of government is now equal to the total accountable income of the United States west of the Mississippi; he calls attention to the inconsistency of patting the farmer on the back with one hand and buying Argentine beef with the other; he thinks we are headed for dictatorship, and that the policies of the Administration must eventually get us into war.

No doubt many of these criticisms are well founded. But Mr. Malcolm goes no further than the Republicans went in the 1940 election: he is willing to reform the New Deal, but not to abolish it. On Page 109 he speaks of the Wagner Act as a chain upon American industry; on page 216 he says, "We must have work security" and "If industry and the employer do not correct these conditions, they need not be surprised at compulsory legislation."

His last chapter, "The New Frontier," is a disappointment. This frontier, he says, is "service." Here we have the whole book in a nutshell. It's wonderful for Rotary Clubs, and has a lot of information in it, but isn't very helpful in suggesting remedies for the abuses it describes.

HOLIDAYS IN THE MIDDLE AGES
By Edith Cooperrider Rodgers
Columbia University Press, $1.50

It may seem incredible that at one time holidays were so numerous as to constitute a major economic problem. Actually, the number of holidays averaged scarcely one a week, in addition of course to Sunday; they gave rise to what amounted to a five-day week, which does not seem unreasonable.

But that the common people should have this extra day of freedom considerably perturbed the leisured classes of the time, who argued that "holiday idleness contributed greatly to the increase of sin, and that laboring days were scarcely numerous enough to enable the poor to earn a living." Solicitude of this sort is not unknown today.

Dr. Rodger's work is interesting especially for the light it throws upon the economic condition of labor in the Middle Ages. It is copiously documented, and there is a sixteen-page bibliography.

New Books Received

THE CITY OF MAN: A Declaration on World Democracy. (A symposium.) Viking Press, $1.50.

CONSTITUTIONAL CHAFF, by Jane Butzner (comp.) Columbia University Press, $2.25

JAPAN SINCE 1931, by Hugh Borton. Institute of Pacific Relations, $1.25

THE STRUGGLE FOR NORTH CHINA, by George E. Taylor. Institute of Pacific Relations, $2.00

EXCHANGE CONTROL IN CENTRAL EUROPE, by Howard S. Ellis. Harvard University Press, $4.00

WHAT IT TAKES TO MAKE GOOD IN COLLEGE, by Samuel L. Hamilton. Public Affairs Committee, 10c.

THE MAJORITY OF THE PEOPLE, by Edwin Mimms, Jr. Modern Age, $2.75

JUDAISM AND SCIENCE, by Solomon Solis Cohen. Privately Printed: Jewish Publication Society, Philadelphia

LET MY PEOPLE GO, by Henrietta Buckmaster. Harper & Bros., $3.50

News of the Crusade for Economic Enlightenment

Edited by VIRGINIA M. LEWIS

Boston Extension Prepares For Expansion School Announces Trust Formation

BOSTON, Mass.—The Boston Extension of the Henry George School has sponsored the formation of a Trust, the Henry George Institute of New England, as a step toward placing the Extension on a permanent, soundly financed, and independent basis.

The trustees are John S. Codman, Francis G. Goodale, Charles R. Morgan, John R. Nichols, S. Warren Sturgis, George R. Almond, and Harold J. Power.

Following in a general way the example of the parent School in New York, the Trustees will establish operating and building funds to cover current expenses, and a trust fund in the nature of an endowment. Eventually the Institute expects to incorporate in Massachusetts and obtain a State charter.

A new record has been attained in the winter series of classes, with 275 registrations. This is the more remarkable because during opening week registration was disappointingly low: only 167. Instead of feeling discouraged at the small enrollment, letters were written to the new students suggesting that they bring their friends to class. Result: a 65 per cent increase in attendance the second week. All the teachers cooperated in the task of getting the letters written.

Personal recommendations accounted for one-third of the new enrollments, while post cards, newspapers, and speakers each contributed about one-fifth. Window posters brought 7 per cent.

In addition to the increase of 21 per cent in the number of elementary classes, there are four advanced classes. The number of students graduated last fall who are taking advanced courses is nearly three times as great as before. In order to help keep in touch with the increased student body, Extension Secretary Power is issuing a monthly News Bulletin which covers the activities of groups in the Boston area.

Four new teachers have been added to the Boston faculty, and it is anticipated that more will be required.

Philadelphia Plans Drive

PHILADELPHIA, Penna.—The Philadelphia Extension announces the addition to its staff of Edwin Ross, formerly Assistant Director of the New York School. By the inclusion of a full-time field worker it is hoped that the Philadelphia branch will keep pace with the growth of the School in New York, Chicago, and other centers.

Commencement exercises for six classes will be held on March 1. M. J. Bernstein of the New York faculty will be the principal speaker, and the playlet, "Baby Snooks and the Law of Rent," which was so successful at the New York commencement, will be repeated. Extension Secretary Hickok will preside.

Seven new introductory classes began during the week of February 10, and two more will start shortly. There are also advanced classes in Fundamental Economics and "Democracy vs. Socialism."

The School expects soon to have permanent headquarters, where volunteers can work and where advanced classes can be held. Following the example of Boston and Newark, the Extension expects eventually to incorporate under its own charter.

An intensive campaign for more teachers and more students is to be launched shortly. The goal is 20 classes for the fall term.

New Class in Jersey

TENAFLY, N. J.—Henry A. C. Hellyer conducted the first session of the six-weeks course on Principles of International Trade at the Tenafly High School on Monday, February 17th at 8 P. M.

Posters in Sears

CHICAGO, Ill.—John C. Condon, instructor of the Oak Park class, is a buyer at Sears, Roebuck & Co. He had a talk with General Wood, president of the mail order house. That led to an O. K. from the personnel manager on posting in the main plant 200 announcements of Henry George School classes.

John Lawrence Monroe, organizer in the Chicago area, believes that these posters should result in many new enrollments, and that this precedent may open to the School's posters the bulletin boards of other industrial plants.

Hartford Fellowship Meeting

HARTFORD, Conn. — The Hartford Chapter of the Henry George Fellowship has elected new officers for the coming year. Professor Cecil G. Tilton, of the University of Connecticut, addressed the meeting, and open discussion followed.

The Hartford Extension of the Henry George School organized three additional classes for the winter season, according to Miss Marie Le Van, secretary.

South American Success

BUENOS AIRES, Argentina—The Argentine Senate has incorporated in a general colonization law (already approved by the Chamber of Deputies) two articles which constitute an important innovation in Argentine legislation.

The articles assert the need for the social appropriation of the rent of land, and for the effective and formal recognition of the common ownership of land; they assert further the validity of property rights in produced wealth, and the importance of individual freedom; and finally contain a gradual method for implementing these principles.

This step was taken with rare political ease, without any opposition. Much of the credit for it belongs to Dr. C. Villalobos Dominguez, whose publications in the Spanish language have done much to spread Georgist ideas in South America.

More Blessed To Give

ST. THOMAS, Ont.—A Canadian Press dispatch tells of a St. Thomas resident who received a Christmas present from a friend in Pittsburgh — two boxes of cigars. The value of the cigars was estimated at $5.00.

But before he could claim his gift, he was required to pay duty (at $3.99 for each box), a sales tax of $1.02, a war tax of 50c, and a special excise tax which applies to cigars only, of $1.60—a total of $10.92.

We regret that the newspaper story did not give the name of the unfortunate donee. He should be promising material for a course in International Trade.

Poster Distribution

NEW YORK, N. Y.—Joseph Stockman, instructor at the Henry George School and distinguished Oriental scholar, is in charge of poster distribution. About 600 posters have been placed on the bulletin boards of various offices, with cards in each.

Posters have been placed in most of the department stores, and in insurance company offices, law offices, commercial and shipping houses, young people's associations, libraries, and public buildings.

Permission is always obtained before posters are affixed, and Mr. Stockman has received an almost uniformly cordial reception. Transportation companies and department stores have been especially cordial. Brokerage houses have been more difficult at first, but very friendly on subsequent visits. All posters are rechecked from time to time and the supply of cards maintained.

Henry W. Hetzel

PHILADELPHIA, Penna.—Henry W. Hetzel died at the Presbyterian Hospital in Philadelphia on February 8, at the age of 69.

Mr. Hetzel was a teacher of mechanical drawing at the West Philadelphia High School, and had been engaged in teaching since 1896. He was active in the cause of human rights and universal brotherhood, a teacher in the Philadelphia Extension of the Henry George School, and a former president of the Esperanto Society of North America.

Chicago Club News

CHICAGO,Ill.—The Henry George Woman's Club of Chicago continues its work on behalf of the School.

Mrs. William Barclay Walt, Ninth District Chairman of Legislation for the Illinois Federation of Women's Clubs, presented three copies of "The A-B-C of State Finance" as awards for outstanding accomplishment in that district. They were awarded as follows: for the best work by an individual club Chairman of Legislation, to Mrs. Thomas Keefe for bringing House Bill 1776 to the attention of women throughout the city; for the president of an individual club, to Mrs. Otto Siebenmann for arranging a round-table discussion of Senate Bill 1650, at which representatives of the other Ninth District clubs were guests; for the most valuable contribution by an individual woman, to Mrs. Clyde Bassler for her two radio talks on Bill 1776. Since the Henry George Woman's Club is the smallest of the fifteen clubs in Ninth District, it was a distinct honor that all three awards went to its members.

At the regular monthly meeting of the Henry George Woman's Club, February 11, Mrs. Charles Ortis presented an oil painting of Henry George, painted by her husband, Charles Ortis. The club has purchased a frame for the portrait and hung it in the School Headquarters with appropriate tribute to Henry George by Mr. John Harney and Mrs. Dora Welty.

The following guests from other clubs were presented: Mrs. Geisert, Pres. B. L. T. Club; Mrs. Gartner, Vice Pres. of the same club; Mrs. Justice, Ninth District Chairman of Art, and Mrs. Anderson, Ninth District Chairman of Drama.

Choral Society Organizes

NEW YORK, N. Y.—Eighteen students and graduates attended the organization meeting of the new Choral Society of the Henry George School on Thursday, February 13. The group voted to change the meeting night to Monday, and the first rehearsal was held on the evening of February 17. Until further notice there will be a rehearsal every Monday night at 8:00 P. M. in the Auditorium of the School. Membership is open without formality to all students. Simply come to the rehearsals.

Another Jersey Class

WESTWOOD, N. J.—A. C. Matteson, jr. is conducting a course in Fundamental Economics and Principles of International Trade at the Public Library in Westwood. The first session was held on Monday, February 17th at 7:30 P. M.

Illustrated Lectures

ROSARIO, Argentina—During the last three days of January Senor B. Machello presented a series of illustrated lectures at the Colon Theatre, dealing with the fundamentals of political economy. The first of the lectures dealt with the factors of production, the second with the laws of production, and the third with the laws of distribution. The lantern slides used were by Senor Raul Rainaud. After each of the lectures there was an open forum.

Senor Machello is a lecturer on political science, and a prominent member of Argentina's growing Georgist movement.

Advanced Class in Berkeley

BERKELEY, Calif.—The East Bay Extension has organized a class based on "The Science of Political Economy" with S. Edward Williams as instructor. Over thirty students are taking the course, including most of the East Bay teachers.

Extension Secretary Johnston expects to have a report on new spring registrations at an early date.

Chicago Speakers Bureau

Feb. 5—Ruthanne Bassler, Radio Station WLS.

Feb. 18—Mrs. G. H. Van Hyning at Brainerd Junior Woman's Club.

Mar. 4—Clyde Bassler at Northwest Town Kiwanis Club.

Mar. 4—Ruthanne Bassler at Edgemere Woman's Club.

Mrs. Edith Siebenmann, director, reports her disappointment that due to lack of space, the list of January bookings was not printed in the last issue of the Freeman. "For the first time, we realized our ambition. Our list was longer than that of New York's Bureau by just one booking." she says.

Letter Contest News

NEW YORK, N. Y.—The judges in the Francis Neilson Letter Contest, which closed on February 15, are now studying the entries. Each letter has been marked with an initial and a number and all other identifying marks have been cut off or erased. The record which identifies the letter is in charge of Paul Peach, who is one of the judges, but will not vote except to break up ties.

The remaining judges are Lancaster Greene (chairman), Clyde Dart, Gaston Haxo, and Herbert Kanon, all members of the Headquarters faculty. Except for Mr. Peach, none of the judges will have any knowledge of the identity of the authors of the contest entries.

Chicago Spring Term Starts April 14

CHICAGO—Arrangements are now being made for the opening of beginners' and advanced classes throughout the Chicago area in April.

Commencement for the winter term will be the first week of April, preceded by a number of regional re-unions the last week of March. Over 450 students are enrolled in the current basic classes.

Westchester Reports

WHITE PLAINS, N. Y.—Richard M. Connor, Westchester Extension Secretary, advises of two classes in Fundamental Economics. They are conducted at Tarrytown Y. M. C. A. on Tuesdays at 8 P. M., Greenwich Y. M. C. A. on Thursdays at 7:45 P. M.

YONKERS, N. Y.—Classes will open in Westchester during the month of March, as follows:

New Rochelle: Y. M. C. A.—Tuesday, March 11

Yonkers: Y. M. C. A.—Wednesday, March 12

White Plains: Y. M. C. A.—Wednesday, March 12

Mt. Vernon: Y. M. C. A.—Wednesday, March 12

Commencement Dinner

BELLEROSE, N. Y.—A commencement dinner was given in Queens Village on February 11 in honor of graduates of extension classes in Bellerose, on Long Island. About 50 guests were present. William Chamberlaine acted as toastmaster.

The meeting was featured by a demonstration of the "Savannascope" designed by Emmanuel Ebner and described in the February Freeman. Music and dancing concluded the festivities.

Speaks on Medieval Society

NEW YORK, N. Y.—Will Lissner, writer and editor, has been invited to repeat the first of the series of public lectures that he gave at the Henry George School of Social Science here last November on "The Origins of the Capitalist Crisis" at the Xavier Theatre, 30 West Sixteenth Street, on March 3, before the members of the Xavier Labor School. Mr. Lissner, who will speak on "The Story of Precapitalistic Society," will discuss the conditions of land tenure in the feudal manorial economy and their social effects.

Another Georgist Letter

PITTSBURGH, Penna.—"The Regulator" is the publication of the Federation of Westinghouse Employees' Associations. In its January, 1941 issue, it devotes its "Forum" section to a letter on "The Value and Limitations of the Single Tax." The section covers the entire back page, except for the address space.

The letter is signed only with the initial "A" but appears to have been written by a student of the Henry George School.

Committee Prepares for July Conference
Announcement of Program Schedule

In the last issue of **The Freeman** it was announced that a concrete program would be worked out by the Convention Committee. The Committee has not disappointed us; on the contrary, it has not only a concrete program but it has taken care of many of the finer details.

First of all, let us emphasize the importance of getting your discussion papers in right away. Here is the list of suggested topics:

1. Money: paper, gold, banking systems, credits.
2. Housing
3. Competition
4. Interest
5. The Free Market as a Guarantor of Liberty.
6. The Meaning of the Individual in a Free Economy
7. Monopolies
8. The State
9. Cooperatives
10. Philosophical Approach of Henry George
11. George on Civil Liberties
12. Practical Application of George
13. Financial Systems

Several sub-committees have been formed and are already functioning under the chairmanship of the local members of the Convention Committee: Manny Choper, Abe Ellis, Burt Levey, Lillian Mechanic, Paul Mueller, Dave Targ, and Herbert von Henningsen. Extension secretaries are to be assigned to one or more of the committees which are: 1. House Committee; 2. Paper Committee; 3. Forum Committee; 4. Registration Committee. 5. Transportation and Housing Committee; 6. Publicity Committee.

The Convention will cover a period of four days—July 9 to 12 inclusive (Wednesday through Saturday). Registration will take place in the Students' Room on the ground floor of the School on Wednesday afternoon. In the evening Anna George de Mille will deliver the Address of Welcome in the Auditorium, and then problems of the School will be discused by Director Frank Chodorov, Gaston Haxo, Teresa McCarthy, and others. This discussion will be carried over to the second evening. The mornings and afternoons of Thursday and Friday will be devoted to forums in which papers touching on the above-listed topics will be presented and analyzed. The Philosophy of Henry George will be the subject of discussion Friday evening. Saturday's program is not yet complete.

All in all this Convention has every promise of being what its organizers intended it to be—the biggest and most important Georgist function of the year. It is a "must" for everyone whose heart is with the School. Make your arrangements to participate right now. Burt Levey is prepared for an avalanche of enthusiastic responses. Don't disappoint him.

Auditorium News

NEW YORK, N. Y.—The following lecture forums have been scheduled for the month of March. All of them will be in the Auditorium at 30 East 29 Street, all of them are at 8:00 P. M., and all of them are free. Bring your friends.

Sunday Evenings

March 2.—Round Table Conference: Children in a Depression Decade, with Weaver W. Pangburn, Raymond G. Fuller, Mrs. Sidonie M. Gruenberg, and William H. Quasha jr.

March 9.—Agrarian Conflicts in Colonial New York, by Dr. Irving Mark of Brooklyn College.

March 16.—Science and Society, by Waldemar Kaempffert, Science Editor of the New York Times.

March 23.—Alliance with England, by Nicholas Broughton, of the National Council for the Prevention of War.

March 30.—Public Housing, by Charles Abrams, of the New School for Social Research.

Tuesday Evenings

March 4.—Socialized Medicine, by Dr. Samuel J. Kopetzky, President Elect, Medical Society of New York.

March 11.—Morals and Economics, by Gilbert Tucker, author.

March 18.—Influences Affecting Land Value, by Arnold Brecht, of the New School for Social Research.

March 25.—Economic Position of Organized Labor by James B. Carey, President, United Electrical Workers of America (CIO).

Friday Evenings

March 7.—Money, Deficits, and Armaments, by Jules Guedalia, of the faculty of the Henry George School.

March 14. — Rambling with Henry George, by C. O. Steele, of the faculty of the Henry George School.

March 21.—The Budget and You, by Isidore Platkin, of the faculty of the Henry George School.

March 28 and April 4.—Historical Development of the Henry George School, by Otto K. Dorn, Trustee and Treasurer of the School.

Speakers' Bureau Reports

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

Jan. 18—Grace Isabel Colbron at Jewish Center of Williamsbridge, Bronx, N. Y.

Jan. 31—William H. Quasha at Moshulu Jewish Center, Bronx, N. Y.

Jan. 31—Ernest L. Fein at Congregation Derech Emunoh, Arverne, L. I.

Feb. 2—Ami Mali Hicks at Brick Presbyterian Church, N. Y.

Feb. 4—Lancaster M. Greene at Bethesda Congregational Church, Corona, L. I.

Feb. 4—Gilbert M. Tucker at Congregation Derech Emmoh, Arverne, L. I.

Feb. 5—Gilbert M. Tucker at Kiwanis Club of Bush Terminal, Brooklyn N. Y.

Feb. 16—Charles Winter at Young People's Christian Union of All Souls', Universalist Church, Brooklyn, N. Y.

Mar. 3—Henry A. Lowenberg at 10th A. D. American Labor Party, N. Y.

Mar. 9—Lancaster M. Greene at Barnard Club, N. Y.

Mar. 22—Grace Isabel Colbron at Hospitality Forum, Hotel Knickerbocker, N. Y.

Mar. 23—Jacob Schwartzman at Round Table Forum, Community Church, N. Y.

Mar. 28—Grace Isabel Colbron at Friday Aft. Discussion Club, Bronx, N. Y.

March Classes at Headquarters

NEW YORK, N. Y.—Some 15,000 announcements of the classes scheduled to begin the week of March 3 have been mailed, and 5,000 more have been distributed by volunteers at the Public Library and other strategic locations. The total number of announcements, including those on posters, is about 27,000.

The new series will run fifteen weeks, finishing in June. Another series will begin in April. This is in accordance with the plan announced in the February **Freeman**, to organize new classes each month during the spring.

Headquarters Staff Change

NEW YORK, N. Y.—Margaret Bateman of Montreal has succeeded Edwin Ross as Assistant Director of the New York School. Miss Bateman was twice delayed in assuming the duties of her post: once by the United States Immigration authorities, and once (after her arrival in New York) by illness. She is now completely recovered, and already assimilated as part of the staff.

Miss Bateman's unusual personal qualities have won the hearts of all who have met her. Her past record is an enviable one and the only regrettable feature of the situation is that New York's gain must necessarily be Montreal's loss.

Artist Joins Staff

NEW YORK, N. Y.—The cartoon which accompanies Paul Mueller's article on "Union Now" was drawn by Hubbell McBride, the most recent addition to the staff of The Freeman. Mr. McBride is a professional cartoonist, and will in the future assume some of the responsibility which has heretofore fallen on the shoulders of John Lawrence Monroe.

The staff of volunteer researchers is being gradually augmented, and several articles have been received which will appear in forthcoming issues. A group meets on Wednesday afternoons at five thirty to study literary research methods, with Dr. Janet Aiken in charge. Dr. Aiken's experience at teaching research methods at Brooklyn College makes her help especially valuable.

Objections Overruled

The following questions and answers on Georgist doctrines are selected from Louis F. Post's "The Taxation of Land Values," and edited to bring them up-to-date:

Q. If a man buys land in good faith, under the laws under which we live, is he not entitled to compensation for his individual loss when titles are abolished?

A. There is no sounder principle of law than that which, distinguishing the contractual from the legislative powers of government, prescribes that government can not tie up its legislative powers. Now, land grants and taxation are so clearly matters of general public policy that no one can successfully dispute that they are legislative and not contractual in essential character. It follows that titles to land values, and privileges of more or less exemption from taxation, are morally voidable at the pleasure of the people; for no legislature can morally divest future legislatures of legitimate legislative power. Nor can they divest the people of such power. The reserved right of the people to terminate grants of land value, is as truly a part of every grant of land as if it were written expressly in the body of the instrument. Moreover, notice was given when Henry George published **Progress and Poverty**, and has been reiterated until the whole civilized world has now become cognizant of it, that an effort is in progress to do what is in effect this very thing. This notice is a moral cloud upon every title. He who buys now, buys with notice. It will not do for him when the time to end those grants comes, to say: "I relied upon the good faith of the government whose laws told me I might buy." He has notice, and if he buys he buys at his peril, so far as his expectations of appropriating ground rent or a higher selling value are concerned. Men can not be allowed to make bets that the effort to retain land values for common use will fail, and then, when they lose their bets, to call upon the people to compensate them for the loss.

Q. Would not the Single Tax take away the home place, and so tend to crush out the home sentiment?

A. When the home place now becomes valuable it is parted with.

Q. If taxes have to be paid by labor, what difference does it make to laborers whether they are levied in proportion to land values or otherwise?

A. When taxes are levied upon earners in proportion to earnings, they take what the earners would otherwise keep; but when they are levied upon land-owners in proportion to land values, they take what the earners must in any event lose.

On the Margin

Eli Goldenberg has been conscripted. Mr. Goldenberg was a member of the New York faculty and will be deeply missed by his many friends.

The New York School received a visit this month from **Mrs. Lillie Beirne** of Sydney, Australia. Mrs. Beirne is on a lecture tour of the United States and Canada. She expressed gratification at the School's work, and was especially impressed by the staff of volunteer assistants.

The letter writing brigade continues its activity with good results. **Pauline Winograd** had a splendid letter in the New York World Telegram, and **Arthur Harmon** one in the New York Post. **Mrs. Doris Korn** has been especially active, and has had several letters published. Incidentally, the speaking engagement announced for **Dr. Korn** in last month's **Freeman** was his maiden effort as a Georgist orator. Now that he has tried it, he finds he likes it.

In the Farmer-Labor News of Modesto, Calif., **George Cartwright** continues his weekly column, and consistently pounds away on good Georgist lines. And in the Hudson (N. Y.) Daily Star, Extension Secretary **Snyder** manages to get not merely letters, but also news announcements of the course. In Greenhills, Ohio, where **Mayor Colby** is also a Progress and Poverty teacher, the News-Bulletin prints a column and a half. And in the Bergen (N. J.) Record, an announcement of the new Hackensack classes appears as a news item. **Teresa McCarthy**, in charge of organizing extension classes in New Jersey, says it is easy to get newspaper publicity if you go about it in the right way.

Alexander Greene has a letter in The Living Church of February 12, discussing the Malvern Conference. (This was the assembly of Roman Catholic, Anglican, and independent **clergy** in England who published as part of their program for a lasting peace the statement that "Resources of the earth should be used as God's gifts to the whole human race . . .") The full report of the Malvern Conference appears in the same issue of The Living Church.

Graduate **Robert Porter**, of Hudson, N. Y., is takin a course in public speaking. He has to give six-minute practice talks, and uses these opportunities to discuss fundamental economics. The idea seems worthy of imitation.

Henry A. Lowenberg has an article on "The Economic Roots of Intolerance" in the February issue of Dynamic America. Mr. Lowenberg was a member of the first class ever taught in the Henry George School—one of Oscar Geiger's students.

Letters to The Editor

If and when your reader is inclined to feel discouraged with the seemingly slow progress of the work in which we are engaged, it would be refreshing to consider the sentiment expressed in the final words of a letter written by Mr. George under date July 22, 1897,—a letter which hangs on my office wall, and to which I have many times turned, when the way seemed long:

> "It may be a long, long struggle; but to see the truth, and do what one can to spread it, brings its own independent and rich reward."

George L. Rusby
Newark, N. J.

* * *

"The Slums of Sydney," in your January number, is extremely interesting and suggestive. It would seem that Sydney has nothing that may properly be called "Single Tax." The rate on land value is stated to be two per cent. In our Wisconsin cities the rate on land and building is nearer three per cent of value, and frequently above three per cent.

I infer from the article that buildings and improvements are exempt. That is a doubtful improvement if the taxes they would pay otherwise must be levied on production and labor.

The Sydney situation raises the grave question whether the men who would own and occupy the land under a true single tax system could be trusted to tax themselves properly under the law requiring substantial collection of the entire ground rent. Is this something to think about?

John Harrington
Oshkosh, Wisconsin

* * *

Class work has had to be discontinued at Crosby, but there is reason for gratification at the success achieved during the present year (1940) in introducing the correspondence course method. The subscribers to "The Freeman" in Crosby and vicinity are well satisfied with it. I think we all prefer that it remain a monthly publication.

Some of the articles have been read at meetings of the Crosby Fellowship, but attendance has been much reduced owing to our young men having left the district for war activities, and also by the desire of our older members to remain indoors with their families in these days.

I am glad of the continued progress of the School in your country and wish you increased success in 1941. Had the School been established 25 years ago, I do not think that men everywhere would have to worry about Hitler.

E. G. McManus
Liverpool, England

Who's Who in Georgism

Francis G. Goodale

When the National Single Tax League met in Boston in 1912, Francis G. Goodale, a local attorney, attended as representative of an Oregon organization opposed to the Single Tax. When the convention was over, Mr. Goodale discontinued work for his Oregon clients and joined the Massachusetts Single Tax League. Later he became its secretary.

In 1934 Mr. Goodale helped organize the Boston Extension of the School and as teacher and sponsor, has contributed to its success up to the present time.

Mr. Goodale was born September 14, 1883, in Saco, Maine, the son of George Lincoln and Henrietta Juell (Hobson) Goodale. His father was professor of economic botany at Harvard for something over fifty years.

Receiving his A. B. from Harvard College in 1905, Mr. Goodale was admitted to the Massachusetts Bar in 1906. He received his L. L. B. from Harvard Law School in 1907.

Mr. Goodale served as Special Assistant U. S. Attorney, Boston, 1916-1919; as Special Assistant to the Attorney General of the United States, 1919-1921; as United States Commissioner at Boston, 1929-1933; as a member of the Special Commission investigating the regulation of motor transportation in Massachusetts; and as a member of the Special Commission investigating Pardon and Parole in Massachusetts. He has been a member of the firm of Hill, Barlow, Goodale and Wiswall in Boston since 1919.

Mr. Goodale married Margaret Penhallow Davis of Asheville, N. C., September 9, 1908. Their children are Mrs. Lyman S. Hayes, Charles Folsom, Mrs. R. Boland Brooks and Walter Temple.

Mrs. Goodale has served as Extension Secretary of the Boston Extension since its inception.

In your current issue Paul Peach has an article dealing with the Sydney land tax. He seems to think that it fails to secure results, and that therefore all step by step movements towards the full Single Tax are similarly of little avail.

Several years ago I wrote to the officials of a number of the British Colony Cities which were using what they call the "one-tax" system." I was amazed to find how light a tax they all were levying and to my thinking that, and that only, is the real reason for the lack of results.

The Sydney tax, for instance, is less than half of the rate now falling on Pittsburgh land. There the combined city, school and county rates, amount to a little over $4.00 per $100.00.

Your New York City tax is now about half as much again as the Sydney rate, and certainly no one thinks that New York City is very far along the road to the Single Tax. If you were to exempt buildings from tax you would have to impose a rate of about $6.00 per $100.00 on your present land values. If Sydney levied such a rate as that I'm sure it would make quite a different showing.

Harold Sudell
Philadelphia

This week we studied the tax problem in our economics class at Columbia University. Somebody asked the instructor about Henry George and the Single Tax. The teacher's interpretation did not reflect George's philosophy at all. After class, I went to the instructor and protested, and he requested me to talk to the class at the next meeting.

I shall do my best. I think I will talk about Ricardo's law of rent, and also point out that George's ideas have nothing to do with socialism, but on the contrary insist upon the need for limiting the State's power as much as possible.

Fritz Bickart
New York City

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Canadian Subscribers Note

Leona Riggs writes from Belleville, Ontario, that **The Freeman** has twice been held up by customs authorities. Canadian readers may find here the explanation for any irregularity in delivery. The editors of **The Freeman** are trying to make arrangements which will avoid such delays in the future.

Teacher's Index

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

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

* * *

P & P 5:7--See editorial, "Homeless in Washington" (104).

P & P 6:—In connection with possible social reform by means of government regulation, "Business Under Fascism" (106).

P & P 6:26—"Selling the Super-State" (110).

P & P 6:31—"Labor, First of the Conscripts" (102).

P & P 8:11—"Needle in Haystack" (108). This is, so far as the editor knows, the first attempt to answer this question quantitatively. Its importance is obvious, as the point is constantly being raised by students. It is always correct, however, to point out that we do not have "sufficient revenue" even under our present system.

P & P 10:8—"The War Guilt" (105).

P & P 10:30—"The Constitution is Gone" (99).

P & F T (Any Lesson) News Item "More Blessed to Give" (115).

P & F T 2:12—"Selling the Super State" (110) esp. the lower half of column 1, page 112.

P & F T 2:25—"Selling the Super State" (110) esp. the last column of page 111.

P & F T 3:12—"Needle in Haystack" (108) esp. column 1, page 109.

P & F T 3:37—"How Broke is England?" (103).

P & F T 6:31—"Business Under Fascism" (106).

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

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