

The Freeman

A Monthly Critical Journal of Social and Economic Affairs

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Five Cents

MILKING THE AMERICAN COW

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FOOTNOTE ON FORBIDDEN PARADISE

By Paul Peach

It is not the business of government to make men virtuous or religious, or to preserve the fool from the consequence of his own folly. Government should be repressive no further than is necessary to secure liberty by protecting the equal rights of each from aggression on the part of others.—Social Problems.

The Power of the State

THE State is power. Every attempt to define this political concept in other terms falls flat.

It is merely a word. It is not an entity, possessing separate definiteness; it has the qualities neither of being nor of death. It is an idea, legalistic in origin and traditionalized into many meanings by custom and by purpose. Like all abstractions it serves as a dialectical convenience. It is not a fact. Its only reality consists in the power—political, military and, basically, economic power—which it manifests.

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How else can the idea of State be defined? Linguistically? Use of a common language may result from a State-idea being imposed on peoples speaking different languages. Geographically? Only armies delimit State areas. Nature prescribes no ineradicable boundaries. Biologically? Marriage and procreation are matters of propinquity, not of designed continuance of supposedly fixed racial characteristics.

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The American State—which really began when the colonists imported the legal power instrument of taxation and its corollary, the private ownership of the land—originated historically on the Eastern seaboard of part of the North American continent, embraced Dutch, English, Spanish, French and a dozen other blood-strains, soon well mixed, speaking as many different languages, with an infiltration of native Indian.

It was not much of a State, because its power was weak, because the individuals within its purview were strong. The strength of the people was developed by the presence of vast areas to which they could retire when the power of the State became irksome. That is, free land made it possible for men to be free. State power can find expression only within the domain it physically dominates.

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But, as the nascent power of the American State developed, making partnerships with power groups in the newly exploited areas, it extended its geography to the Pacific, to Canada, to Mexico. "Natural borders," these were termed, mainly because an extension of the American State's sphere of power came into conflict with that of resisting powers. It was more convenient to solidify its gains, to exploit its powers internally. Time came when the "natural" borders

could be extended to Alaska, the South Sea Islands, the West Indies. Considerations neither of language nor of consanguinity determined the absorption of these new aliens; the desire for more power was the sole motivation.

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But political power is neither self-existent nor self-assertive. It resides in individuals, and is implemented with political instruments controlled by them. The value of this power for these individuals lies in the advantages it confers on them over others in the gratification of desires. That is, the purpose is economic. Political power for any other purpose is meaningless. At times the individuals in control of State power may seem to be paranoiacs. Careful scrutiny, however, will always reveal an underlying economic motive.

Public power—or the "power of the people"—is a contradiction in terms. If all the people had power, upon whom would they exert it? The exploitation of all by all is impossible. That is the anomaly of the democratic political order: the assumption that power may reside in all the people. In the "democratic" State it is possible for more pressure groups than in an autocracy to gain control of the means of exploitation. But there must be the large protoplasmic population to be exploited by the various groups which have gained control of the political instruments.

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The three chief instruments are regulation of commerce, taxation and the private ownership of land. The latter two are complementary. For, if the power to tax were denied the State, its vitalizing force would disappear. It would disintegrate, vanish. But the gregariousness of people gives rise to necessary social services, the rendering of which is the State's excuse for taxation. With the abolition of taxes these social services would necessitate the socialization of rent. The socialization of rent is the denial of absolute private land ownership.

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Military establishments and the legalistic paraphernalia by which State power is rationalized and made palatable—all that palaver called political science—are but the technique of exploitation. The real power of the State resides in its power to tax—a power which grows in proportion to the impotence of the people.

Benching World Peace

PEACE BY JUDICIAL DECISION of a court above all courts of the world: that was the grandiloquent design of the Permanent Court of International Justice, established in December, 1920, at The Hague following the mandate of Article XIV of the now neglected Covenant of the presently moribund League of Nations.

This "special institution" of the League, ratified under a separate treaty, was to adjudicate international disputes. But the court could render judgment only in cases voluntarily submitted to it.

Since 1922, when the majestic tribunal's first sessions were held, the world's reputedly best legal talent assembled upon its bench has been asked to pass upon fewer than one hundred cases. And in disposing of them the decisions, like those in courts of law the world over, have been tinged with political expediency.

The most famous decision, in 1931, forbade a German-Austrian customs union on the ground that it would end Austrian independence. Thus the court, at the behest of French predatory interests which feared a loss of trade if the unnatural trade barriers between these two complementary economic units were removed, prepared by its action the Hitlerian Anschluss of 1938. By that time the court had fallen into obscurity.

The formal death knell of the court was rung last month by Britain's Foreign Secretary, when he gave notice that for the duration of the war his country did not feel obligated to submit any international difference to it.

Thus another of the legal mechanisms for solving international disputes has passed into the discard. Locarno, the Nine-Power Treaty, the League of Nations, now The Hague. They failed, as did the thousands of treaties, pacts and conventions which nations in times past have relied upon to prevent international clashes, because they rested on political units which are in themselves always at war.

Within the member nations of all "leagues," those who work and those who demand tribute from the workers are necessarily in constant conflict. The taxing power of the State and the rent-collecting power of the landowners so deplete the wages of the worker that unrest is inevitable. Poverty reeks with rebellion.

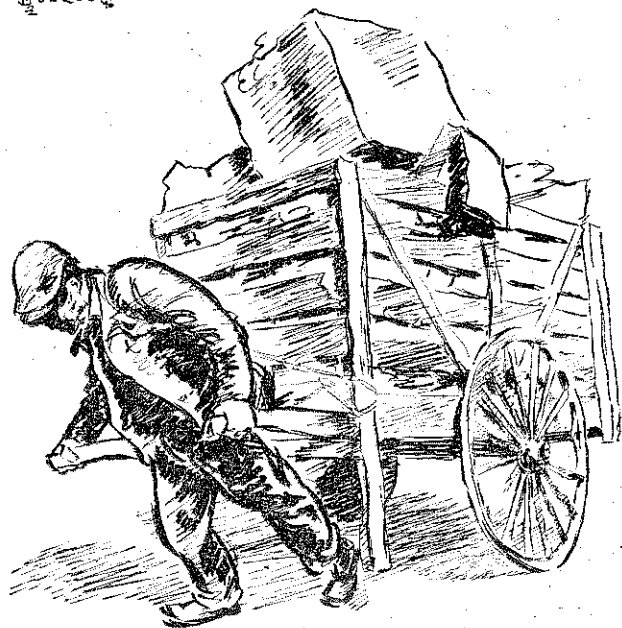
Internal conflict tends to extend beyond the national frontiers, particularly when it suits the purposes of the landowners to direct this unrest to "for-

eigners." Investment of the swollen rent fund in foreign countries is another war irritant. And the forced stoppage of trade between peoples who desire to carry on such commerce helps to stir up hostility.

Since international law, like domestic law, merely mirrors the socio-economic conditions existing within a given civilization, and is powerless to correct these conditions, it is a futile instrument for peace. Note how in the present war each of the nations, with legal accuracy, has accused others of violating international law. After the war new covenants will be agreed upon, and when in the next conflict expediency dictates their repudiation it will most assuredly take place. Political expediency is a persistent factor in man-made laws.

The forces that make for peace are internal, not international. Until the shackles of economic slavery are removed from the producers, until land is made free so that no worker need pay tribute for the privilege of working, until all restrictions and taxes on trade are removed, the cancer of poverty will eat its way throughout our civilization. It respects no frontiers. It respects no law.

MARGIN OF CULTIVATION*

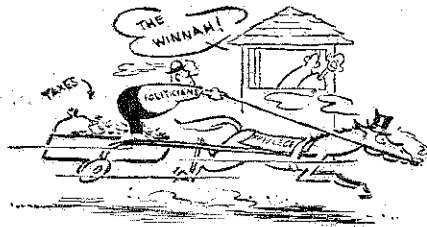


* Earnings: 50¢-60¢ a day

Empire State Legalizes Its Racketeering

THE DISEASE OF RATIONALIZATION is indigenous to the human mind. Yet there are certain ethical imperatives which are impervious to rationalization, and which even the human mind must recognize as basic when the camouflage of twisted words is torn away. Theft, the forceful taking of one's production, cannot be anything else even when it is legalized, nor can its character be altered by the traditionalized acquiescence of the defenseless robbed.

That we recognize the immorality of taxation is evidenced by the universal practice of evasion, even



when the threatened penalty is incarceration, and more so when successful evasion meets with the approbation and the envy of fellow sufferers. We lionize the uncaught smuggler; we cheerfully pay for advice on how to dodge an income tax. The tax collector, although duly elected, is looked upon as a bully and a parasite. In spite of all rationalization of it, the whole tax business retains its indelible stigma of immorality.

Two conditions explain the retention in our body politic of what we intuitively know to be a wrong. First, the excuse that taxes are the only means for providing necessary social services. Thus an immoral act is condoned because of a moral purpose; a sort of end-justifies-the-means reasoning. Yet, the patent fact remains that taxation is no measure of social services, that social services are the excuse for, not the determinant of, taxation. Everyone knows that in a free market these services could be bought for much less than our tax bill, that the obvious waste and pilferage involved in government is in no sense a service rendered for payment received. If there is any relation between taxes and social services, it is accidental and not causal.

The persistence of the taxes-for-social-services notion is due to the deliberate obscuring of the rent fund as the natural, and therefore moral, source of payment for services required by the community. And this brings us to the second condition for public acquiescence to the robbery of taxation: ignor-

ance. It is an ignorance made deeper by the astuteness of the rent-collecting class who profit by it. It is an ignorance the more difficult to penetrate because it is hardened by the pilferage which it makes possible. Public education, including the entire propaganda campaign conducted by our parasitical machinery feeding on taxation, is directed toward its perpetuation. The officials who thrive by taxes, and the predatory interests, whose loot is obtained by the taxation technique, combine for the immoral purpose of keeping the people in complete ignorance of the nature and the economic importance of rent. Ignorance has a market value.

New York State recently passed a law which points up the immorality of the whole tax business. Gambling is illegal in this State, presumably because gambling is sinful. Yet, while the law frowns upon a penny-ante poker game in one's home, the sovereign State of New York will legally share now in horse race gambling. Not as a participant, taking chances in the fortunes of the game, but as a racketeer, taking a "cut" for "protection." Even the bookmaker (who, by the way, is deprived of his occupation under the pari-mutuel betting law) could take a loss through an error in calculation; but not the State. It lays tribute on the game, providing neither horses, nor race tracks, nor jockeys—not even a tarnished prize cup. As usual, the tax gatherer renders no service whatsoever.

To be sure, the State provides for a Racing Commission to supervise, interfere with and regulate the entire gaming enterprise. Thus, gambling is being used to extend the system of political patronage which feeds upon taxation. No one will have the temerity to declare the Racing Commission a social service. To the sport of racing it can only be a species of annoying vermin.

But note that the State for its 5% take of the gross amount of betting has limited the number of race tracks that can be run within its borders: six

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in the area around New York City, three upstate. Only nine race track privileges will be granted; nine favored groups who, for value received, will be permitted to engage in the business. Again we have the unholy marriage of privilege and politics, and the bar sinister offspring, taxes.

The pari-mutuel betting law reeks with immorality. It demonstrates pointedly the fact that taxes are levied not for public services but for the perpetua-

tion of political and private privilege. Because it vitiates another law which prohibits betting, the hypocrisy of this tax law is manifest.

But an analysis of all tax laws, a study of their origin, their political and economic consequences, reveals that all taxation is just as immoral. No amount of rationalization can alter that fundamental fact.

Rent and the Subway Fare

LANDLORDS are not an informed, coordinated group, proceeding intelligently and unitedly in the full exploitation of their privilege. Far from it. Frequently they act like a pack of wolves, devouring their prey without any thought of tomorrow's famine, or turning on one another to satiate their voracious appetites. Sometimes, because of intense ignorance of the nature of the rent by which they live, they oppose measures which will increase it. They are, on the whole, quite stupid.

The only time they show any spirit of solidarity or any collective intelligence is when a direct attack is made upon rent, through confiscation or the mechanism of taxation. Then they fight, lie, and act like a tabby cat when her young are threatened. Like Franco, they will resort to thuggery to retain their rent-collecting privilege. Having fastened this privilege in law, they will fall on one another just as fiercely as they do on the landless.

Take the case of the New York subways. It is known that the cost of operating these railroads is not met by the legally fixed five-cent fare. The difference is met by general taxation; in the city this falls mainly upon real estate—land and buildings. For years the real estate boards of New York have advocated an increase in the subway fare so as to relieve them of this tax burden.

The subways have greatly enhanced land values in the city. When they were being built, how the land speculators boosted their prices on the mere prospect of being on one of the routes! How the landlords manoeuvred to have stations built near their properties! How they gouged their tenants because of the increased transit facilities!

The gigantic municipal communications system of 781 track miles created values in the barren hills of the Bronx, in the swamp lands of Queens. It planted virtual gold mines in areas occupied by truck farms a quarter century earlier.

But the landlords were not satisfied. They did

not want to give up any part of the subway-created rent toward maintaining this pipe-line to their pockets. They wanted the fare increased.

Manhattan landlords, because their values are highest, and therefore their share of the tax bill is largest (but not in proportion to their values) pushed a considerable portion of the burden on the politically less powerful landlords in the outlying districts. The home owner in Queens, whose house



is worth five times as much as his land, carries proportionately a much larger share of the city's tax burden than does the owner of a typical site on Manhattan. Bronx apartment houses, in proportion to their values, pay for more subway service than do the "tax payer" structures of Forty-Second Street. And the owners of Manhattan land who do not build but allow other people to build on "their" land on a net rental basis, pay nothing.

The demand for an increased subway fare was unheeded because there are more voting strap-hangers than landlords. Competition between landlords to shift the burden subsided because a much bigger thing was under way: buying out the subway-owning landlords by the City.

Now that the subways have been acquired by the City, the battle for increased fare has been renewed. The State legislative session, in its closing hours last month, transferred to the City authorities the right to increase the fare on the unified subway system after June 1. The wolf-pack will soon descend on the politicians.

If the fare is raised throughout the city two re-

sults may be expected. Walking will replace the habit of short-distance riding, and the increase in revenue will not be so great as the increase in fare. Rent throughout the city will fall, because the tendency will be to offset the increased transportation charge by moving to the areas of lower land values. Outlying land values will rise somewhat; central land values will fall more.

If the fare is raised on a mileage basis, land values in the higher fare areas will fall, while land values in the lower fare areas will rise proportionately. People will tend to concentrate in the single or lower fare area. Business will become de-centralized, be-

cause the transportation cost will discourage the habit of "going downtown." This, in turn, will affect business land values adversely.

Thus, some landlords will gain, others will lose. In either case the workers will suffer in increased cost of transportation and in greater inconvenience in getting to and from work.

The only sensible solution is for the City to collect all rent and furnish subway rides free. Such free service would greatly increase ground rent throughout the city—more than enough to pay for maintaining the subways.

Bertrand Russell and Public Education

TWO apparently dissimilar newspaper stories on the same day covered events that have decidedly similar social implications. On the last day of March the New York State Legislature struck from its calendar the bill to cut salaries of teachers in New York City. On the same day a Supreme Court Justice revoked the appointment of Bertrand Russell, British mathematician and philosopher, as lecturer at the College of the City of New York.

In both instances a problem in public education was presented. In each instance the solution was found in political action.

Whether or not the teachers are overpaid could be determined only if a competitive condition prevailed. No one doubts that New York City school teachers—municipal, state and federal employees generally—are paid more than they could earn in private fields. That is why they are on the public payroll. Given a healthy economy, one depending on production rather than on privilege, the more skillful and industrious of these teachers would leave the stultifying security of public employment for the greater adventure of competitive production.

Yes, in a free economy the State would have to compensate handsomely for the deadening routine which government employment entails, or it would get only workers of the least initiative. In a free economy, with high wages the rule, parents would tend to buy the best education for their children, and private schools, like private doctors, would build up reputations for service. This would create a competitive condition among teachers, and the best would command the highest salaries.

But, in an economy of which the prime stigmata are poverty, low wages and unemployment, the worker's necessary flight is from enterprise to security-at-any-price. There is no competitive field.

Therefore, there is no standard by which the value of services can be measured. To say that one is overpaid where there is no market is like saying that milk given one's pet poodle is overpayment.

The price paid to public employees is fixed mainly by political pressure. The bill to lower teachers' salaries was withdrawn by its sponsor because of the "pernicious activities" of the "teachers' lobby" with an "\$80,000 war chest." That is the pot calling the kettle black. The legislators get their jobs that way; so do practically all public employees.

So long as private employment can be had only at starvation wages, so long as a continuing poverty economy precludes the possibility of remunerative venture, just so long will people seek public employment, and will use the only effective method for securing it—pressure.

In the Russell case it was a matter of the fitness, not the salary, of a public teacher. Public pressure, rather than competitive standards, again resolved the issue. It is quite within the scheme of things that this should be so. Since the public pays the cost of maintaining City College, it has the moral and legal right to force upon its management its ideas on faculty personnel, curriculum and equipment. It can persuade its legislators to ban the teaching of evolution. The public may be stupid, but it pays for that privilege.

Mr. Russell has been appointed also to the faculty of Harvard University. But that is a private institution. The action of its trustees is ultimately determined by its paying students and its contributing alumni. It cannot afford mediocrity on its faculty, at least any more mediocrity than can be found on the faculties of similar institutions. Competition rather than public pressure determines its standards.

Government Holds Back Television

SIGNIFICANT is the gratuitous warning of the chairman of the Federal Communications Commission against public acceptance of television receivers now being offered by the manufacturers. It highlights the repressive character of governmental monopoly and quasi-monopoly. It proves anew that the tendency of this kind of monopoly, because it is clothed with power and with the sacerdotal mantle of paternalism, is to interfere with progress.

Chairman James L. Fly tells us not to buy these receivers because better ones will be made. Hasn't that been true of every piece of merchandise and every service that has ever been put on the market? When the hook and eye were made somebody had the idea of a zipper, and it was because of the increased use of one type of fastener that inventors and manufacturers applied themselves to producing a better one. Since the original "flivver" every year has brought out a better automobile; every buyer knows his new car will soon be obsolescent, and looks forward to buying the next improvement. If prospective buyers were to wait for perfection there would be no advancement; for buyer-acceptance of existing services is the stimulant needed by entrepreneurs to render better services.

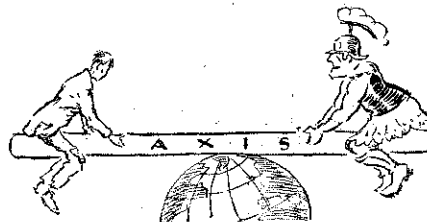
And if the market is to be restricted until perfection is attained how will we know when the ultimate is achieved? Will the politicians tell us? Must we do without until these vote-created Olympians shout "Buy"? Will they refund our money on the morrow when invention belies their dictum of perfection? And (banish the thought) may not these politicians have a personal interest in the market value of their own stamp of approval?

Commissar Fly is also concerned about a "fair charge" for a television program. "By implication," says the New York Times editorially, "the Commission may examine books and fix charges." By implication it may do more than that; it may determine what wages may be paid to artists on commercial programs, it may determine the charge for radio time, it may and will (if the "fair charge" principle is legalized) censor and define the programs. Give a government official an antenna and he'll take the whole broadcasting station.

The only fair charge for anything is what the people will pay in a free market. The only unfair charge is that resulting from a monopolized or "rigged" market. And government interference with the market is one form of "rigging." Government regulation always results in the curtail-

ment of supply, and price is the market equation between supply and demand.

But the most significant lesson we learn from this latest paternalistic invasion of the market is this: that government monopoly or government control tends to curtail technological advance. Private monopoly, bad as it is, is subject to some competition; it has not the power to discourage



invention. Right now the electric power monopoly is being seriously threatened by the use of individual plants; the railroad monopoly was cracked wide open by the motor truck; telegraphic communication had to share the field with the teletype.

Why is this not true of government monopoly? Because when a commissar is ensconced in his job he fights any change that might threaten it.

And he likewise opposes any change in the law that might destroy the monopoly which he is trying to regulate. Mr. Fly did not attack the two legal instruments which enable the monopolists-of-the-air to foist their inferior instruments on the market, and to force their programs on the public.

The first privilege is patent monopoly. He who through this monopoly controls the sending apparatus controls also the type of receiver that can be used. The bottle-neck of improvement in receiver sets is the ownership of the broadcasting patents. Thus, the F. C. C. is dependent on another bureaucracy—the United States Patent Office. Both grant monopoly privileges.

The second privilege of the monopolists-of-the-air is the absolute ownership of air channels. This is granted them by the F. C. C. If these channels were leased to the highest bidders—that is, at the going rental charge—the backbone of the monopoly would be broken. The open bidding system would bring into the market the ablest broadcasting entrepreneurs, those who would produce programs that met with the greatest consumer-acceptance.

The problem of technological improvement is not to be solved in political regulation, but in the abolition of the political privileges which create monopolies.

Puppeteers Over China

THE WAYS OF THE ORIENT seem strange to the Western mind. But only when viewed superficially. Basic economic forces are universally identical, although often obscured by mental habits, law and the flubdubbery of local custom.

Japanese monopolists, their scheme for exploiting Chinese coolies having met with serious obstacles, hit upon the idea of establishing a "National Government of China" in the area controlled by their soldiers. Wang Ching-wei was selected as the puppet-in-chief. Wang's record of apostasy is notorious: at various times he has espoused and denounced the cause of the Chinese revolutionary patriarch, Sun Yat-Sen; he has opposed Chiang Kai-Shek because the latter opposed Communism and then abandoned Communism to join Chiang against Japan; now he is Japan's best friend in China.

Was this record his recommendation for the job Japan has selected for him? Perhaps. But Wang is also one of the powerful landlords of China. One of the three planks in the platform of the Kuomintang (Nationalist Party) calls for a change in the land tenure of the country—"only land for those who use it." Stemming from the reforms advocated by Sun Yat-Sen, who was an admirer of Henry George, this land program has been the cause of more dissension among Chinese than has met the public eye.

The selection of Wang may reveal much Japanese cunning. It is known that within the Kuomintang there is a landlord clique who, while distrusting overlordship from Tokyo, look with little favor upon the prospect of the promised land reforms. Suppose the Japanese, through landlord Wang, entice this clique with assurances that their rent-collecting privileges will not be disturbed if they join the new "National Government of China?" A successful Kuomintang might deprive them of their loot completely; sharing it with the Japanese might be as profitable to them as the Indo-British rent-sharing pact is to the Indian princes. "Law and order" encourages production, production increases rent, and there is more to divide among all who own or control the system.

Whether the ruse will work depends upon the ability of the landlords within the Kuomintang to

deliver something substantial to the Japanese, whether they trust Japanese promises, whether Chiang Kai-shek may counter with more dependable promises—such as the proposition that life is more desirable than rent.

Free Market Illustrated

POLITICAL ADMIRERS of Huey P. Long, late share-the-wealth promisor, wanted a monument to perpetuate his memory. It seems that their yearning for this thing, a 14-foot statue which was hoisted over Huey's grave last month, was not very keen, at least not keen enough to warrant their contributing toward the expense out of the emoluments which their patron political saint had obtained for them. A campaign for public contributions yielded \$75.00.

The open market value of the statue was \$75.00. So, the politicians, for reasons of their own, decided to "rig" the market—that is, to create a fictitious market. In Wall Street such manipulation is done largely with the gamblers' own money, to their loss and discomfort when the manipulation proves unsuccessful. But government officials do not accept such risks. They "rig" the market with the public's money—through the power of taxation.

Thus the Long-machined legislature of Louisiana appropriated \$50,000 for the statue. The public did not want it. But the public paid.

Let's see how the public pays in a free market. The Metropolitan Opera House needs one million dollars to make possible the production of opera in New York. It said to the opera-loving public: "If you want opera, pay for it." Most of the million dollars has been contributed. Those who like opera well enough to chip in did so. They paid for what they desired. The non-operative public was not taxed to buy something they did not desire.

That is the difference—and a very important difference in our national economy. How many governmental expenditures are purely "rigged" markets? If the power to tax were abolished, we would express our desires in a free market by buying the things we want with our wages. Now our wages are largely taken from us forcibly by the politicians, who then proceed to determine what we ought to want, and make us pay for it.

To Abolish War Make Peace Profitable.

Milking The American Cow

By W. D. HOFFMAN

The belief, held by so many good citizens, that abuses may be eliminated by the passage of more laws, has been seized upon by anti-social interests to enact legislation destructive not only of our liberties but of our economic well-being. This is illustrated in many directions, in tariffs, trade restrictions, curtailment legislation, control laws and the like, but in no way clearer than in the case of milk.

* * *

It is necessary that we have clean, pure milk, that the public be protected against the unscrupulous. That accepted fact has been seized upon by the unscrupulous to load the dice, to enmesh the country in a tangle of laws and regulations on behalf of the profiteer and racketeer to gouge the consumer. The whole issue of collectivism versus competition is brought into sharp relief by the Milk Monopoly.

Here is a clear example of the practical results of control laws masking as protective legislation for public health and "fair-trade" practice. Under such control the national consumption of milk has dropped almost 7 per cent. Milk, most essential of all foods for health and stamina, has shot higher in price than the index of other necessities, running to 91 against 83 for the general cost of living, 73.9 for other foods, 82.3 for clothing, and 69.5 for house-rent. Children are the greatest sufferers. If a foreign enemy had contrived a means of weakening America, destroying the health and well-being of our future citizens, it is doubtful that a more appalling attack could be conceived than this denial of milk and milk-products to millions who need them.

* * *

How true this is was shown by a recent survey made by Fortune Magazine. "The Milk Industry sells service. Most of its customers would rather have milk at 4 cents less," Fortune headlines the issue.

The dismal story of Chicago high-

lights a battle waged in many large cities. Here an independent distributor who brought down the price of milk found himself arrayed against labor, Big Business and the Department of Agriculture itself. The Chicago Board of Health, headed by Dr. Herman Bundesen, refused to inspect the dairies of 300 independent farmers on the ground that too much milk was already coming into Chicago. Though Bundesen himself admitted a quart of milk per day was necessary per person, less than a pint per day was being allowed to come in. Meadowmoor Dairies, the independent, was fought as a "chiseler," though paying farmers more than they received before. Under pressure from the combine, the Milk Drivers' local lined up against the independent. The AAA tried to peg the price, failed, and tried again. Terrorists dumped truckloads of milk into the Chicago river. Grocers who handled cut-rate milk were intimidated. Finally a federal grand jury indicted the chief figures in the combine. Yet a federal judge quashed the indictments on the ground the Sherman Act had been superseded by the Department of Agriculture power. Again Secretary Wallace moved in to regulate against Meadowmoor. This independent, which reduced the price of the consumer and increased store distribution at low cost, has been waging a losing battle—because the force of the United States Government has been added to that of lobby-controlled politicians. The people of Chicago will not be able to afford their "quart of milk per day."

* * *

The Milk Monopoly has forced farmers and labor into the set-up. This was done by penalizing them both arbitrarily when independent

competition threatened. Racketeering in the union speeded the amalgamation of monopoly and labor. The president of the union was kidnapped, held for ransom; plug-uglies ganged up on handlers of low-price milk. Drivers were stopped on the way to stores selling independent milk. Stench bombs were thrown into such stores.

Out in the San Francisco Bay area hypodermic needles squirted lemon juice into the milk, and combine gangs pin-pricked low-price cartons. Farmers dumped milk into country lanes. These same farmers were themselves being milked by the combine, getting 4 and 5 cents a quart for what sold in the cities for 12 to 16 cents, yet they were induced to line up with National Dairy and Borden and their subsidiaries, through deals made with their producer co-operatives.

The big farmer co-operatives have joined the combine of those making the distributing racket a big business. When Secretary Wallace called for a vote, a majority of the farmers decided to throw in with the monopoly rather than face the warfare threatening independents. If the United States Supreme Court rules with the federal judge in Chicago that the Sherman Act has been superseded by the power of Wallace, the final doom of independent milk distribution will be complete. It is practically non-existent now.

* * *

Just as Al Capone sold protection and absorbed smaller gangs, so the Milk Monopoly has incorporated the drivers of milk wagons into the combine system. Here is a "contact front" which meets the housewife and sells the idea that high-price milk is the only safeguard of the hard-working driver's family. Labor thus becomes an active partner in the extortion. It was the New York labor forces that killed Mayor LaGuardia's public milk stations. As John L. Lewis threw his C.I.O. into the Guffey coal monopoly to gouge



the public, the A.F.L. throws its power behind the milk combine. San Francisco drivers "called upon" grocers handling Clara-Cal independent milk, intimidated dealers, polluted milk and ganged up on competitors. From the labor side, from the farmers' side, distributors were hamstrung in their efforts to get their product to the consumer.

* * *

But of even greater menace to the independents than these was government pressure from the Department of Agriculture, state boards of control and the health authorities. Here the very agencies set up under pretense of public safeguard became the most potent public enemies, illustrating the futility of solving abuses through extension of government power. State boards in 129 cities, according to Fortune's survey, kept the store price of milk at the same figure as house-delivery, though the cost of store handling is 4 cents less per quart. Ordinances in 30 cities fixed a parity of prices between stores and homes.

A San Francisco pasteurization law required processing to be done within the city, keeping "raiders" and "chiselers" out. Other localities required pasteurization to be done in the county of sale, to shut out competition. A Los Angeles ordinance required the pasteurization plant to be 500 feet from the cooling rooms, making it expensive for new capital to enter the field. In Glendale, Calif., doors were required to open out; in Pasadena to open in. Ralph's Grocery in Los Angeles issued public statements on adequate profits made at low prices charged the consumer. These were ignored by the state authorities determined to force the price up. Safeway Stores, willing to reduce the price, admitted a 35 per cent profit in the evaporated product and 27 per cent profit in milk and ice cream; yet were compelled to maintain such a profiteering price. A large Portland concern admitted a handsome profit at 9 cents a quart, but was forced to charge 11 cents—by government.

* * *

What is to be done? Starve the kids? Permit the march of govern-

ment despotism to strengthen the hand of racketeers and monopolists? Weaken our blood and fiber at a time when Brute Force stalks the world? If government must step in and choke off wholesome competition, interfering with the law of supply and demand, it is indefensible that this be done to enrich profiteers and prostrate the nation in a time of peril. In war time this would be treason.

Hitler, Mussolini and Stalin in their regimentation would have regard at least for the physical build-up of the army and the new generation of conscripts coming on. Regimentation of the Wallace brand has not even that saving grace.

Weakened bodies, broken health, children growing up without adequate bone tissue, often without teeth at the age of maturity—the inevitable result. Dabbling with regimentation and control in America has been a tragic failure, enabling the strong to increase their stranglehold on the masses, backed by politician-made, lobby-inspired law. If government is to continue an ally of exploitation, if pressure-group laws are to rule, if the great mass of citizens are to lose power, then democracy is doomed.

* * *

This festering excrescence is, of course, only a phase of a bogged-down economy of special privilege that stems from the parent monopoly of all—state-buttressed private appropriation of the gifts of Nature. There would be no problem if the Earth were opened up to production, permitting the people of America to use their natural resources without paying tribute on overcapitalized soil, mineral, timber, water, transportation and urban population sites. The general resulting wealth and purchasing power of the masses would end the paralyzed market for all products, including milk. The cut-throat, jug-handled competition that gives excuse for destructive, hampering laws would quickly disappear. Were the average man permitted free access to the land of his birth on equal terms with others, applying himself to the source of wealth without exactions to the idle forestaller, the return for an honest

day's work would double and ultimately treble and quadruple. There could be no involuntary unemployment. The market would expand immeasurably. There would no longer be a problem of a living wage for working farmers, milk drivers or legitimate management. Producers and distributors, both worthy of their hire, would receive high return in a market able to absorb all milk at a naturally stimulated price.

Unless the fundamental correction is made through land-rent absorption by society, to throw this vital necessity out of price line now through artificial coercion is to increase denial and breed upon the rich soil of America a new generation of emaciated misfits and weaklings hardly able to bear the torch of independence in the troublesome days ahead.

The Ultimate Beneficiary

Wilhelm Lowenstein was a New York leather merchant. His life was comparatively unnoticed, although he left a net estate above \$1,500,000. His death might have passed unnoticed save that he set up complete plans for a series of free cafeterias for the poor—and provided the money to make them free.

At the entrance to each cafeteria there is to be a sign reading, "If you are hungry and without means, come in and have a meal as my guest. If you can pay for your food, please stay out and give others a chance."

The history of a similar bequest in London will serve to indicate the result we can expect from this humanitarian's unusual will.

A kindly man left a sum for the building of a bakery to supply residents of a certain section of London with free loaves of bread daily. His wishes carried out, it was found that many people sought residence in the section served by this free bakery. Competition for space was such that the landlords could get in rent as much more over what they had previously obtained as the price of a daily loaf of bread. The result of this humane action was to make a present to land owners.

L. M. GREENE

Forty Wall: An Economic Tragedy

By RUSSELL THOMPSON

As an area becomes the center of business activity, its ground space becomes increasingly more expensive. In an effort to avoid this, construction in New York City has tended to push into the air, giving us the American phenomenon, the skyscraper.

The mammoth structure rearing skyward for one-sixth of a mile, known as Forty Wall Street, is typical of industry's effort to get the most out of the least possible land. Forty Wall is a modern seventy-story office building containing approximately 817,000 square feet of rentable space, the area of eighteen football gridirons!

Prompted by the rapidly expanding business of the banking and brokerage houses during the boom of '21-'29, there arose a premium on office space in the immediate vicinity of the New York Stock Exchange. From this demand grew the steel and stone miracle of Forty Wall.

Appreciating the demand for office space in this area, the Starrett Corporation in 1929 conceived the idea of erecting a large building on Wall Street on the site adjoining the United States Sub-Treasury Building. The ground was then occupied by six buildings nineteen stories or less in height. To carry out the project, the Starrett Corporation formed a subsidiary, called "The Forty Wall Street Corporation."

Three-quarters of the site of the proposed building was owned by two interests—the Bank of Manhattan, which had been there since 1799, and A. Iselin & Company. These two companies gave the Forty Wall Street Corporation a long term ground lease at a combined annual rental of \$700,000. Four and three-quarter million dollars was the price for the remaining parcels. Capitalized at 6%, this meant an additional \$300,000 ground rent, or a total annual ground rental of \$1,000,000. Construction of the skyscraper was begun in 1929.

At first Forty Wall Street was

planned as a thirty story building. However, ground rent and taxes prohibited a meagre thirty stories. The promoters soon decided that nothing less than fifty stories would be a good investment. But plans were changed time and again, from fifty to fifty-six stories, then to sixty-seven, and finally, seventy stories. Because of the high land value and heavy carrying charges, speedy construction was imperative; and by pursuing a bold method of sinking preliminary foundations before the wrecking of the old structure was started, the builders completed their job in 363 days. In April 1930 the huge structure, towering 927 feet, was completed.

To finance this venture, the Starrett Corporation, who were the builders, sold to the public \$12,180,000 in bonds secured by a first mortgage on the building and owned land. A second mortgage issue of \$6,500,000, plus a preferred and common stock issue with a par value of \$3,333,333, was retained by the Starrett Corporation—a total capitalization of twenty-two million dollars. In addition, as of December 31, 1938, the balance sheet of the Forty Wall Street Corporation showed another \$1,630,000 due the Starrett Corporation, apparently advances made by Starrett in an endeavor to stave off the financial collapse of the venture.

At the inception of the venture the promoters dreamed of realizing six dollars per square foot on the rentable space in the building. This would have netted \$700,000 for the stockholders, over and above the \$3,900,000 necessary to meet all charges. However, before the building was completed, the market upon which its future hinged took time out to collapse. The building has never

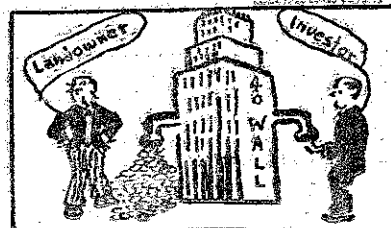
been able to collect the \$2,900,000 necessary to break even, although occupancy has averaged over 80%. Cause:—the average rental was a little over half the six dollars per square foot originally planned.

A survey of the income statement for the calendar year 1938, which is typical of the results for the past several years, reveals that the total income for the year was \$2,800,000. Of this amount \$650,000, or nearly 25%, was paid in taxes. Seven hundred thousand dollars, or another 25%, was paid out in ground rent to the Bank of Manhattan and A. Iselin & Company. The cost of operating and maintaining the building, plus depreciation, approximated another million dollars. This left \$450,000, against which stood commitments of \$689,000 interest on the first mortgage bonds and \$323,000 interest on the seconds held by Starrett.

Since May 1935 no interest or amortization has been paid on the second mortgage. Default on the first mortgage sinking fund requirements occurred in 1936. No interest has been paid on the first mortgage bonds since November 1938. They are valued in the market at the present time at about twenty cents on the dollar.

The facts revealed seem to indicate that the burdensome ground rent of \$1,000,000 per year is the primary cause of the failure of this venture. In an endeavor to lighten this burden, the promoters sought to utilize the ground more intensively by building a higher building. Here the law of diminishing returns began to come into play. As each story was added the building not only became more costly to operate and maintain, but the additional height also increased its taxable value.

Study of this enterprise indicates that the building alone actually cost approximately \$13,000,000. The Chrysler Building, of similar size and area, constructed at the same time, has been appraised independ-



ently at about this figure.

The income from the building would support easily a capitalization of \$13,000,000 at 6%. Actually, the building carries a burden of charges equivalent to a capitalization of about forty million dollars. This is computed by capitalizing the taxes, ground rent and interest charges at 6%. Thus, a \$700,000 rent charge is the equivalent of \$11,200,000; \$650,000 in taxes is the equivalent of

\$10,400,000. The remainder is represented by the \$16,876,000 of 6% bonds. The income from the tenants of Forty Wall Street has proved insufficient to carry this burden.

Obviously, the industry of bondholders who furnished the funds with which to finance this venture did no more than present the land owners and the City of New York with a modern, fully equipped office building!

This conclusion is inescapable, as the two above-mentioned interests, the land owners and the City of New York, are the recipients of the proceeds of the enterprise at the present time, and seem likely to continue to be, under an economic system that sanctions the private collection of rent and the accompanying inducements for speculation in land.

More Markets, More Sales, More Wages

By C. O. STEELE

Opposition to the reciprocal trade agreements (or any tariff reductions) comes from two groups. One is made up of those who think we can live happily and prosperously in economic isolation; the other, of those who recognize our need of exports but believe it is possible to make foreign trade a one way process, possible to sell abroad without buying there, possible to collect payment for our own goods without taking other people's goods in fair exchange.

The first group is negligible. Not so the second, which takes the view that all exports are a blessing, all imports a curse. Theirs is the expression, "favorable balance of trade," the balance being favorable when and to the extent that exports exceed imports. The ideal situation, according to this school, would be a balance of 100% in our favor—all exports and no imports.

This explains their antagonism to the proposal to extend the authority under which Secretary Hull has concluded reciprocal trade agreements with twenty-two foreign nations since 1934. They do not deny that the agreements have encouraged the sale of American goods abroad. They cannot dispute the figures which show that our trade with the countries included in the agreements has increased twice as much as our trade with the other nations. But the figures leave them unmoved. They choose, rather, to dwell on the equally indisputable fact that the agreements have encouraged the sale of foreign goods in the United

States. That is the unforgivable sin. That is the thing that spells disaster to the American workingman. As the president of the National Association of Wool Manufacturers so plaintively put it, "Mr. Hull will not admit that this country, because of its relatively higher standard of living, needs protection to a far greater degree than any other nation in the world."

When tariffs were first imposed in the United States, in the days of Alexander Hamilton, their purpose, so it was declared, was to protect our infant industries from foreign competition. Our industries, however, have long since attained such

vigorous and lusty maturity, that to speak of them as "infants" needing protection is palpably absurd. So now it is the American workman who must be protected. The argument runs something like this: If a foreign manufacturer pays his workers \$1 a day and the American manufacturer making the same product pays his workers \$5 a day, the foreigner can undersell the American, and the latter can compete only if he reduces wages to the foreign level, or is protected by a tariff which measures the difference between the two wage scales.

This argument is based wholly on the simple comparison of money

TABLE I

	Equivalent ad valorem tariff	Average Hourly Wage
Boxes, paper, not elsewhere classified	35%	\$0.54
Cast iron pipe	26	0.58
Clocks, watches and time-recording device	86	0.59
Corsets and allied garments	60-90	0.45
Collars, men's	32	0.40
Cotton small wares	35	0.48
Shirts	45-65	0.40
Silk and rayon manufactures	65	0.42
Woolen and worsted goods	76-117	0.52
Linen goods (fabrics)	41	0.46
Simple average wage per hour		\$0.44

TABLE II

	Average Hourly Wage
Brass, bronze and copper products	\$0.76
Iron and steel and their products, not including machinery	0.77
Agricultural implements	0.78
Cash registers, adding and calculating machines	0.82
Automobiles	0.92
Electrical machinery, apparatus and supplies	0.73
Machine tools	0.75
Smelting and refining, copper, lead and zinc	0.71
Rubber tires and tubes	0.96
Petroleum refinery products	0.97
Soap	0.70
Paints and varnishes	0.71
Simple average wage per hour	\$0.80

wages. Such a comparison, as every economist knows, is not enough, since it ignores quality and quantity of output. We have only to consider the familiar fact that the United States regularly exports to foreign countries billions of dollars worth of American-made industrial products. This would not be possible if low-paid labor could always undersell high-paid labor. By the very fact that we are able to export so much we know that the United States manufacturers are not being undersold; on the contrary, it is the United States manufacturer who is doing the underselling.

But the fallacy of the argument can best be seen by an examination of prevailing wage scales. If high tariffs mean high wages, then wages should be highest in those industries that are given the greatest amount of protection. On the other hand wages should be lowest in those industries which do a large export business, since the products of such industries must not only absorb the burden of shipping charges but must be priced to compete with the products of cheap foreign labor.

But we find that wages are higher in the export trades than in the protected industries. The truth of this assertion is seen in the data set forth

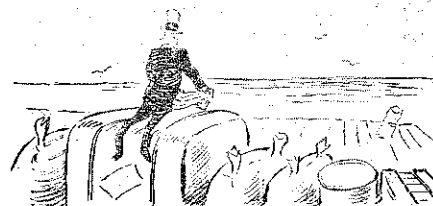
in the tables below, supplied by the Department of Commerce, and the Bureau of Labor Statistics of the Department of Labor. Table I includes representative industries that are not on an export basis. They produce primarily for the domestic market. They enjoy high tariff protection and even in prosperous times they pay relatively low wages.

In Table II are listed industries which do a large export business. Some of these, too, as it happens, are the beneficiaries of high protective tariffs, which proves only that protection is entirely unnecessary. Industries that can pay the cost of shipping abroad and still compete in foreign markets do not need tariff walls to protect them against foreign competition in the home market. The only effect of the tariff—the only effect any tariff can have—is to bestow upon them the privilege of exacting higher prices in the home market. It will be seen that wages in the second group are much higher than in the highly protected industries of the first group, catering mainly to the domestic market.

No more than a cursory examination of the figures in the foregoing tables is necessary to refute the argument that American industry must

be protected if wages are to be maintained at the American standard, and its corollary, that if American industry is forced to compete with cheap foreign labor, American wages must drop to the foreign level. The loudly proclaimed argument that links high wages with high tariffs is seen to be more than merely ridiculous—it just isn't so.

On the other hand, it would seem that in those industries which enjoy a larger market, higher wages prevail. To put it in formula: The more sales, domestic or foreign, the more production; and, the more production the higher the scale of wages. It would seem, therefore, that the more we compete with "cheap" foreign labor, in their home markets, the more our "high priced" labor can earn. Since selling in these markets requires buying from them, lower tariffs would expand our market—and therefore raise our wage level.



All-at-Once But Step-by-Step

By T. E. McMILLAN

I have noted with much interest the article on Johannesburg by Sandy Wise in *The Freeman*, and the comments thereon by Mather Smith, editor of the Johannesburg "Free People."

As veterans go, in what I prefer to call the Natural Justice Cause, I am just a newcomer. Not until 1928 had I even read "Progress and Poverty." I was astonished to learn that here in New Zealand there were men in the movement who had been adherents for over half a century. It was a long time before I could bring myself to believe that even such men could still be mistaken in some respects.

However, it fell to my lot to edit

the "Commonweal"—journal of the Cause here. And then I had to take notice of the disturbing fact that there were two schools of thought in the ranks. One of these, the Commonwealth Land Party (now disbanded here) held that the whole of the social value (land rent) must be collected at once, all over the Dominion. The other school, who may be styled the Taxation of Land Values men, held that the right way was to collect a little in the pound on the selling value of land, and gradually to increase the amount until the full rent was publicly collected. This very sharp divergence caused no end of heart-burning, and made the position of an editor most unenviable.

The Reconciliation

Never in my life did I give so much concentrated thought to a problem as I did to this one of reconciling the differences between these two schools of thought. On the one hand, for reasons which I will come to presently, I knew that all attempts in New Zealand to collect only part of the rent had ended in failure; on the other, as a student of history I knew that no great reform had ever been accomplished except by the gradual method. Bloody revolutions had always resulted in the masses of the people being enslaved to new masters. As Max Hirsch, in his "Democracy Versus Socialism," the best work of its class ever published, points out, "whole-

"hog" methods are bound to cause a violent reaction and to put a reform back further than ever.

I think my mind worked out the solution in my sleep, for I awoke one morning with the remedy as clear as daylight. Each school was partly right and partly wrong. The remedy is to collect the full annual social value over given local areas, carrying the reform area by area over the whole of the political state. The revolution would come about gradually, on the local area basis, and yet the rent would be collected in each area in full. Thus the two schools of thought were harmonized.

That is the line F. A. W. Lucas should hammer at in South Africa—merely taking his old rating on the unimproved values system to its logical conclusion. Bearing in mind the colossal site values of Johannesburg, how much poverty could there be if all the rent were publicly collected, and all local charges abolished? And, once that victory was achieved in Johannesburg, how long before the people would find out that all the national funds necessary could be obtained by apportioning part of the rent for national services?

Why Partial Measures Fail

Now I will show just why partial measures, collecting only part of the rent in any given area, must inevitably fail. I may interpolate here that a pamphlet by F. T. Hodgkiss of Melbourne, editor of "Progress," showed that it was a mathematical impossibility to succeed by the partial method. But my intention is to prove that, on the first law of economics, that man seeks to satisfy his desires with the least exertion, nothing but the full rent publicly collected can win finally. The following is from a paper prepared for the Henry George Foundation in London by Mr. G. M. Fowlds, son of the late Sir George Fowlds, one of the master minds of the Cause in New Zealand:

"A few years after Mr. Seddon's death in 1906, a Swedish economist, Mr. Johan Hanson, after a visit to New Zealand, published a booklet in which he gave some impressive figures

regarding the incidence of land value rating. He found that the population of the towns which adopted rating on land values had increased by 29 percent, while the population of the towns rating on the old system had increased by only 15.5 percent. The value of the improvements in the former towns had increased by 82.3 percent, as compared with 36 percent in the latter; and last, but not least, the land values in the towns where land value was exclusively rated had increased by 105.2 percent, while land values in the towns on the old system of rating had increased by only 51.9 percent."

Now for driving home the obvious. Partial collection of the rent had the effect of causing large holders of land to give up possession to a considerable extent. The subsequent closer settlement naturally resulted in very much greater increase in the economic value of the social environment, the so-called land value. The breaking up of the large estates increased the number of land holders, each of whom, seeking to satisfy his desires with the least exertion, became intensely desirous of selling the enhanced social value, and thus becoming a landlord parasite like those he had aforetime helped to dislodge. It was the voting strength of these new small landlords that actually put a Liberal government out of office, the Opposition having bribed them with the promise of freehold titles, at just a trifle over the original valuation (only 1 percent added), thus enabling them to cash in on all the gains of progress. Part collection is sowing dragon's teeth.

There is No "Land Question"

It is well to take note of this history of New Zealand, for we have



been among the first in the field with partial measures, starting with our legislation a year before "Progress and Poverty" was published, and having fought for such measures many years before that. As soon as the so-called "Land Tax" was imposed large holders fell over one another to unload. It was not land they wanted, but the privilege of collecting the rent, or living by the sweat of other men's faces. It is not a land question, but a rent question, as I prefer to put it, a question of whether the social wage shall be privately or publicly collected.

So the gradualists, the step-by-steppers, were right in respect of "the inevitability of gradualness." Where they were wrong was in that their steps were really backward instead of forward! The whole-hoggers were right in demanding all the rent, but wrong in going for it over the whole of the political state at once.

Come, let us reason together. The two schools are now easily reconcilable. Let us close up the ranks, join forces, and make a grand assault upon the common enemy. United we stand, divided we fall. Profoundly wise is the dictum of Carlyle:

"Men's hearts ought not to be set against one another, but set with one another, and all against evil only."

The Army's Worth

A real estate firm recommends a vacant lot which it offers for sale thus: "Ample protection in the event of War by Fort Totten and Fort Schuyler."

The Hatch-Macbeth Act

Senator Hatch is trying through legislative enactments to clean up the mess in American politics. Lady Macbeth tried a similar job of sanitation which, at last reports, similarly failed.

Up and at 'Em

Paterson, N. J. has inveigled an industry into occupying one of its vacant plants. The local newspaper headlines the story: "New Tax Source for the City."

Civilization or Cave Man Economy?

By FRANK CHODOROV

I have been asked to talk about international trade. I shall begin by talking about civilization, that thing which, we are being told, is on the brink of destruction. For I believe that there is a definite relationship between the processes of civilization and the mode of exchange called international trade.

What is civilization? There have been many definitions of this concept, ranging from those that are purely material to those that are exclusively cultural. To define this word properly, let us examine how we use it. In a general way, we think of civilization as the customs, education, political methods, religion, technical knowledge, and so forth, prevailing at any given period of history, or on some part of the inhabited globe. Perhaps all of these characteristics can be grouped under the term "mores."

We speak of Greek civilization and have a concept of a certain development in arts or the philosophical contributions of the early Greeks. We speak of Egyptian civilization and conjure up an idea of pyramids and angular forms, magnificent courts and corresponding slavery. Japanese civilization of the eighteenth century connotes something different from Japanese civilization of the twentieth century.

Yet there must be something indigenous to all civilizations, and the only way we can isolate this common denominator is by a process of elimination, by imagining a complete absence of civilization.

Let us assume that our pre-civilization ancestor, the cave man, provided all of his satisfactions by his own efforts; that is, he caught the fish he ate, he hunted so that he could have meat and raiment for himself, he alone provided the cave dwelling which he shared with no one except his mate; and if he had any idea of entertainment, it was necessary for him to entertain himself. The very first impulse of man is to seek those satisfactions which enable him to live; and since our

This address, under the title "International Trade," delivered before the Kiwanis Club, in New York, and broadcast over WMCA, is printed in *The Freeman* at the request of a number of those who heard it at the dinner and over the air.

cave man shared none of his products with his fellow man, it was only by his own labor that he could live.

This cave man's satisfactions must have been quite simple. He could not have satisfactions which required a complexity of effort. In other words, he was a "Jack of all trades and master of none."

In due time it must have occurred to him that if he concentrated upon one of these trades, let us say fishing, while his neighboring cave man concentrated upon the making of such clothes as they both wore, both could be more proficient—each would produce more. But in order for such specialization to be possible, it was necessary for these two cave men to arrange for some method of exchange. In all probability, it occurred to these original men that they must trust one another. The fishing cave man who brought his excess fish to his tailoring neighbor must have agreed to give fish on the promise of the other that when the latter finished the desired loin cloth he would deliver it to the fisherman.

We see, then, that both markets and credit are necessary for specialization. We cannot possibly have division of productive labor unless the specializations can be exchanged; for if one man who makes shoes finds that there is no way to dispose of his shoes, he would starve to death unless he quit concentrating upon shoe making and went to work on food production.



Civilization at bottom is merely a mode of living together. The reason for men living together in a community is that each one, trying to satisfy his desires with the least effort, finds that in a community not only is there greater production through division of labor, but, even more important, the community is itself a market for the exchanges.

Gregariousness may have a psychological interpretation, but economically it is merely the expression of the individual's desire to find satisfactions. The more people there are in a community, the larger the market, the easier trade becomes, and, therefore, the greater is the number of specialized arts.

For instance, it is only in a large city that an operatic star finds a market for her services. So highly developed an entertainment machine as the Yankee baseball club could not be developed in, let us say, Broken Bow, Oklahoma. There could not be an automobile factory making a thousand machines a day unless there were one thousand buyers a day. We find that where specializations have been most highly developed, there are the greatest number of people, and, consequently, the most facile market.

I think we can fairly state, then, that civilization started when the art of trade was discovered. At first the specializations are necessarily confined to immediate necessities, such as food, raiment and shelter. But with his immediate desires satisfied, man seeks higher gratifications, and soon the system of the market enables some people to become priests, troubadours, travelling entertainers, healers.

Thus, the exchange of goods with which civilization starts develops into an exchange of services and ideas. Without a market the doctor could not develop and trade his skill for the necessities of life. Without a market, there would be no lawyers, no actors, no professors; we would all have to be as self-sustaining as the cave man.

Every increase in trade facilities aids in the spreading of cultural values; and, contrariwise, every interference with trade results in a corresponding retardation of cultural progress. In other words, the freer the trade, the greater the advance in civilization, and the more restrictions there are on trade, the surer will be the retrogression of civilization.

We have never had free trade, and I use that word not only in the sense of trade between peoples of various countries, but also of trade between peoples of the same country. We have never permitted the absolutely free exchange of productive specializations, free of political regulations, free of taxes, free of privilege. Therefore, we have never been completely civilized.

And since trade has never been absolutely free, production has never been free. For interference with the market is interference with production. When a market is restricted by government control, by government levies or by monopoly, the result on exchanges is the same. When I go to market with my bushel of onions and am waylaid on the road by a tax collector who takes from me a portion of my onions, and then by someone else who because of a legal privilege deprives me of more of my onions, I cannot expect to get as many potatoes from you in exchange for my depleted stock. You do not have compassion upon me and give me the same number of potatoes even though I give you less onions; I simply haven't the goods to pay for your potatoes and I go home with less than I started out with.

And since you have not sold me all your potatoes, you take your surplus stock home, and you don't grow so many next season; that is, you are out of a job. Interference with the market, by regulation or by privilege, therefore has the tendency to cut down production, or employment.

Any difficulties placed in the way of production have an effect on those cultural values which are the marks of advanced civilizations. For it must be remembered that it is not until material needs are satis-

fied that these cultural values make their appearance. When man is struggling merely to live he does not develop an appreciation for art. And as this struggle becomes more intense and more general, interest in thought diminishes in proportion. Thus we see that handicaps on production as well as on exchange retard the progress of civilization.

War is a complete denial of freedom of the market. In the first place, warriors do not produce. Their specialty is destruction. The goods they destroy are produced by workers who get nothing in exchange except a promise to pay, some time in the future. This repayment may be made to their children and children's children, by production in the future. For all debts are liquidated ultimately with goods or services. Now, then, if warriors destroy production without bringing to market something in exchange, it is obvious that the producers have less for themselves, and the processes of a free market are therefore denied. Whenever—by any technique—I am deprived of my production, my power to trade is to that extent limited.

Embargoes, blockades, quotas, inflation, sinking of ships, all of the methods of war, have for their purpose the interference with the exchange of goods for goods. They are avowedly a denial of trade, and trade is synonymous with civilization.

More important from the ultimate point of view of mankind than even the destructive activities of war, are the tendencies to isolate peoples completely from one another mentally and spiritually. The technique of modern warfare is complete isolation, before as well as during the war.

It is the business of the government which prepares you for war to teach you to hate. It is the business of the government which prepares you for war to teach you not to trade with certain peoples because they have bad "ideologies." It is the business of the government which prepares you for war to prevent information coming to you which might predispose you kindly toward the people whom you will be called upon to kill. It is the busi-

ness of war to break down that free exchange of goods, services, and ideas which is indigenous to all civilizations at all times.

You have no doubt observed that in dealing with the interrelated questions of trade and civilization, I have not distinguished between international trade and internal trade. There is none. What difference is there, essentially, in the exchange of goods between a New Yorker and a Vermonter and the exchange of goods between a New Yorker and a Canadian? Does a political frontier inherently make a man a bad customer? When Detroit sells an automobile to Minnesota, the debt is eventually liquidated by a shipment of flour; and if the automobile is sold to Brazil, the sale is completed with a shipment of coffee. Nationality, color, race, or religion are of no consideration in any of these exchanges. These characteristics become of importance only where the war technique has become an integral part of our political system.

Trade, internal or international, is the harbinger of good will among men, and peace on earth. The opposite of trade is isolation, and isolation is a mark of decadence, of a return to a cave man economy. If it is good for America to isolate itself from other countries, economically and culturally, it is good for New York to isolate itself from Connecticut, for Manhattan to isolate itself from the Bronx, for every man to isolate himself from his neighbor. Just as individuals specialize in occupations, so do nations, and usually the specializations are determined by superior natural resources, or the development of special skills. It is no reflection on the United States that Australian wool has a longer staple than that grown on American sheep. But it is a reflection on American intelligence that she makes it difficult for us to get this better wool, just as it is a reflection on the intelligence of Australians that they impose on themselves difficulties in the getting of our superior automobiles.

Isolation and self-sufficiency are war techniques. Both ideas derive from the stupid concept of war as

the reason for and goal of national existence. Both, therefore, are tendencies toward de-civilization. And in the final analysis, the isolation and self-sufficiency idea is merely national cave man economy.

In closing I want to point out to you business men that it is your duty to emphasize the dignity and importance of trade in our national life. In the early days of the science of political economy it was taught that trade is a necessary evil—that it is not productive. This erroneous theory, first enunciated by the French Physiocrats and later de-

veloped by the Marxists to the point where they pontifically declared all exchange occupations to be parasitical, is not yet quite deleted from all of our books on economics; lately our political thinking has evidenced some traces of it.

One of the contributions to economic thought developed by the foremost American economist, Henry George, was that exchange is part of production—that the salesman and the banker have as much to do with production as the man at the machine. For, said George, the object of production is consumption,

and a thing is not produced until it reaches the consumer. Therefore, any specialist who aids in the distribution of things is a producer of things. As the number of our specializations increases a larger army of distributors is necessary. The market becomes more important, and the jobber, retailer, advertiser, and common carrier become greater and greater factors in our productive machinery.

And the size and freedom of the market are the measuring sticks of civilization.

Letters to The Editor

On Planned Parenthood

Will you have a truly forgiving spirit if I join my academic colleague, Professor Glenn Hoover, in a little criticism of *The Freeman*?

It seems to me that the paper has been unnecessarily and irrelevantly and, even, inconsistently eager to poke ridicule at planned families and birth control—at any rate by implication. Or have I misinterpreted the essential burden of Oscar Geiger's article and of the March verses on planned parenthood? . . .

The advocates of birth control are not fighting to have government plan our families and so interfere with our freedom. On the contrary, what they are fighting for is to have government allow men and women to get information, i. e., to have government remove restrictions on freedom. So how can a magazine which represents itself as opposed to dictatorship and opposed to regimentation and as striving to make men free—"free land, free trade, free men"—make a point (apparently) of joining with those who want to use jails and policemen's clubs to forcibly shut knowledge away from men and women who need this knowledge to safeguard their family happiness?

Maybe that is not what *The Freeman* means at all, but I'm afraid more than one reader has got the distinct feeling that its editorial policy is in favor of government force to prevent people from learning how—by contraception—they can adjust their families to their incomes and their health and strength. Surely it cannot be said that—with single tax—we could all advantageously have families of thirteen!

That *The Freeman* has not said all this, I know. But since the real fight

of the birth control advocates is a fight for freedom, freedom for physicians to explain things to people, a criticism of them, even by innuendo, looks like joining their enemies and like favoring force, therefore, to muzzle any doctor who might dare to tell distressed women how NOT to have thirteen children in thirteen years and still not deprive their husbands and themselves of the exercise of the sex instinct.

It is a fact, of course, that a clinic supported by taxes is a form of "statism." But so are schools—and these clinics, which are mainly to give information, are a kind of school—and so are state hospitals—and these are, in a sense, hospitals. Government spends money—which it gets by taxation—for weather information, for agricultural research—and even to maintain state universities like the University of Missouri where I am paid to teach economics and, therefore, to expound the arguments for land-value taxation! So with all this spending of state money, why pick on money spent, not to force people but just to give them information which they need more because the law has so long hidden it from them? . . . Harry Gunnison Brown, Columbia, Mo.

(*The Freeman* is not interested in birth control, except when it is advocated as a cure for poverty, and then only to show it isn't. *The Freeman* knows nothing about contraceptives, and cares less. *The Freeman* is opposed, on Georgist principles, to governmental restrictions on the dissemination of knowledge. *The Freeman* is likewise opposed to the government's taking a paternalistic—or maternalistic—interest in the purely private matter of having or not having families, and particularly to the use of tax money to indulge its parental proclivities.—Editor)

Letter Finds Friend

In a column headed, "Are You Lettering?" on page 142 I saw the name of Louis Nash now of Seattle. Thirty years ago, in St. Paul, Minn., he was writing letters to the papers there. It was his

letters that induced me to investigate the Single Tax, though at first I thought the man a little "off." But being born with a disposition to try and play fair, I was reading Henry George in less than three years. "Progress and Poverty" did not quite register at first reading due to too much schooling. But something in it called me back and I re-read it. The second time I forgot what I had learned in school or rather, laid it aside. I took George's own definitions and came through the second reading a budding Single Taxer.—Charles T. Mentem, Sacramento, Calif.

Grand and Glorious Feeling

About six or so years ago I spoke to a Sunday School class of the Temple Israel here. Tonight a young chap came down to one of our classes and reminded me that he was my chief heckler then, and admitted to having been a Communist. He came down to cuss me and thank me, for he is a real Georgist. He thought he was the only one in the city and through our card ran into me again. The enclosed subscription to *The Freeman* is his, and he wants a copy of "The Science of Political Economy." This is one of the "thrills" about which you know much.—N. D. Alper, St. Louis, Mo.

The Freeman

A Monthly Critical Journal of Social and Economic Affairs

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

Footnote on A Forbidden Paradise

By PAUL PEACH

One day last winter the entire population of a Venezuelan village perished horribly in a lake of blazing oil, and the attention of the whole world was drawn to one of those strange phenomena which a system of private land monopoly provides so liberally.

This community existed not on dry land, of which there is more than abundance in the first of the South American independent states founded by the liberator, Simon Bolivar, but on stilts embedded in a lake surrounded by rich oil wells. These stilts were lapped by a film of petroleum seeping from the wells. Ignited accidentally, the oil burned rapidly, the flames ran up the stilts to the wooden perches which served as homes, and trapped the unhappy villagers in a mass crematory.

Venezuela is about eight times the size of Pennsylvania, and its population is something under four million. It is lavishly endowed with natural resources; in 1935, for example, its gold production was valued at 3.5 million dollars. According to the *World Almanac* its chief industries are agriculture and cattle raising; but upon examination its bounteous harvest shrinks to a few sacks of coffee; the cattle population is comparable with that of the wheat-growing state of Kansas. Actually, the great resource of the nation is its oil wells. Here are the figures, in millions of barrels, for the seven major sources of petroleum for the years 1932-1936 inclusive, as supplied by the U. S. Bureau of Mines:

	1932	1933	1934	1935	1936
United States	785	906	908	994	1099
Russia	154	155	174	177	192
Venezuela	117	118	136	149	155
Rumania	54	54	62	61	64
Iran	50	54	58	57	57
Dutch E. Indies	39	43	47	47	49
Mexico	33	34	38	40	41

Venezuela has no public debt; in fact, it is only by exercising considerable diligence that the government is able to spend the ample revenues. Official salaries are so high that it is considered bad taste to re-

fer to them. Much of this huge government income is from the tariff; the penalties which Venezuelans visit upon each other and themselves for accepting in exchange for their oil the wealth of other nations are exceedingly severe, possibly the highest in the world. The existence of this tariff is something of an anomaly, because Venezuela has practically no industries to be protected; the trifling amount of capital enterprise which does exist (for example, retail merchants) is held just on the edge of a strangled coma by the grip of the tax gatherer and the rent collector. Even agriculture lies moribund in this choking clutch; there is abundant fertile soil, land is practically untaxed, and cheap labor is available; but food is produced only for local consumption. Transportation costs are so preposterous that it is cheaper to import food, even over the tariff wall, than to ship it from the interior.

In this country of rich land and surging oil wells all but a privileged few live in the most dismal poverty. According to Edward Adolphe, writing in the "New York Herald Tribune" (March 19, 1939) living costs are two and a half times as great as in New York City. Comparisons based on money wages are likely to be misleading, but Mr. Adolphe has supplied data which enable us to calculate purchasing power and real wages; these work out at somewhere around one third of what is usual in the United States. In other words, office help in the cities receive about 350 bolivars a month, equivalent in exchange to over \$100, but in purchasing power to about \$50 in New York. Skilled labor earns 8 bolivars a day (say \$1.15) and unskilled labor half that. (It is repeated, for the sake of clearness, that the dollar figures represent purchasing power, New York City scale; 8 bolivars nominally equals about \$2.50). According to Mr. Adolphe, a survey of 311 families "in the poorer sections of the capital" (Caracas) indicated that 71% of the family in-

come went for food and rent. Quarters which do not compare with a \$75 New York apartment rent for \$200.

Venezuelans bask in the sunshine of a constitution which was established in 1936; in it they are granted substantial privileges which ought to make them very happy. For example, they have free public schools, and primary education is "compulsory." (Enough schools are provided for about one-fifth of the children.) And there is an "advanced" labor law, with provisions for profit sharing, workmen's compensation, a compulsory eight hour day, and a guarantee of collective bargaining rights. (When, as and if any sizeable capital enterprise succeeds in taking root in this inhospitable soil these privileges should be very valuable indeed; up to the present time the profit sharing provision for example, has been comparatively inoperative, due possibly in part to the absence of industries in which profits might be made.) Despite this and other "progressive" legislation, the condition of the Venezuelan masses tends to get worse instead of better; so conspicuously is this true, indeed, as to give rise in some minds to a horrid doubt that such legislation has much power to cure economic illness.

Mr. Adolphe concluded his article with an explanation of Venezuelan poverty in terms of "elementary economics"—one of those explanations which make the reader say, when he has finished, "What an abstruse and difficult study economics must be!" But he lets fall, in an unguarded moment, a hint of the true explanation: "Most of the Venezuelans are tragically poor, and only the old entrenched Spanish families can taste the bonanza."

What of the unfortunates who met their fearful end in the holocaust of last winter? They were workers upon the land, but the land was not theirs. The tremendous fecundity of the Venezuelan soil meant nothing to them except an aggravation of their misery during life and a foretaste of hell in death.

The Book Trail

SIDNEY J. ABELSON

It seems that at New York University, following the Biblical formula of the left hand and the right hand, the Professor of Sociology knows not what the Professor of History is doing.

Last month Mr. Bernstein contributed to this department a review of Henry Bamford Parkes' "Marxism: An Autopsy," in which the author's astute analysis of collectivism was properly evaluated as an analytical *tour de force* in anti-socialistic literature. So much for the Professor of History.

This month another member of the N. Y. U. faculty lends his mite to the steadily mounting pile of economic literature. In "Economics for the Millions" (Modern Age Books, \$2.50), Henry Pratt Fairchild, the aforementioned Professor of Sociology, provides a *reductio ad absurdum* in the art of simplification. In words of one syllable or two, and in thoughts as elementary, he attempts to outline the complicated science of economics for capsule consumption by the masses. None of the advantages and all of the dangers of simplification are the reward for this effort.

Written in an annoying kindergarten style; with contradictions and amateurish superficialities following each other in cloying regularity; and studded with flippantly propagandistic chapter headings such as "Fallacy of Profits" and "Socialism Not Political," "Economics for the Millions" stands out in graphic contrast to the dignified and scholarly work of Professor Fairchild's colleague, Professor Parkes.

To discuss seriatim Fairchild's pyramided errors would be but to torture the rules of fair play far beyond decent limits; and yet readers of this column are entitled to a sample or two of the professor's curious logic.

"The next point," reads the bottom of page 229, "that calls for clear understanding is that Socialism is

not a political system, but an economic system. In essence, it has nothing to do with the form of government whatever."

But at the end of the same paragraph Fairchild writes: "Practically speaking, a socialistic system must always be associated with a form of government that is essentially democratic," and two paragraphs further on, in the manner of a professorial daring young man on the flying trapeze, he flies clear back to his first statement: "Socialism," he says, "is not necessarily involved with the form of governmental organization."

Which does Professor Fairchild really believe, that Socialism "has nothing to do with the form of government whatever," or that is "must always be associated with a form of government that is essentially democratic"? The reader has no way of telling. But what is apparent is this: that Fairchild would like to convince his readers that though "historically Capitalism (i.e. private enterprise) and democracy have grown up together, and have to some extent, at least, supported each other" they are not inseparable partners. Thus, on the one hand, he would have us believe that it is not unthinkable for democracy to embrace Socialism; hence the proposition that Socialism is an "economic system" and not a "political system." Then, on the other hand, anticipating the common and wholly justifiable fear that Socialism, if ever embraced by democracy would return the affectionate gesture with deadly enthusiasm, tries to give reassurances—and thus, though Capitalism and democracy are not inseparable partners, Socialism and democracy are practically Siamese twins, in spite of the fact that "economic systems" and "political systems" are seemingly hardly more than forty-second cousins.

Such inept logic is more than a source of scornful or sarcastic criticism; it provides a serious lesson to those who all too readily abandon basic theory for the purpose of better serving a supposed uniquely exigent circumstance. There is in "Progress and Poverty," which, curiously enough, like "Economics for

the Millions," was written directly for mass education, a skein of logic, a correlation of basic laws which provide a means for judging every situation within the purview of economic activity. The emergency situations which fluster the "make-it-up-as-you-go-along" economists are not qualitatively different from "normal" situations. If measures of government planning are theoretically inapplicable to solution of the problem of poverty in "prosperous" times, they are equally unavailing in times of depression.

Like monetary inflation government planning has an ineluctable tendency to feed upon itself; it must grow out of bounds and out of control. To understand the full force of this fact requires painstaking scholarship; it can never be comprehended by the type of economist who kow-tows to the tabloid mind.

Pamphlets Received

Today, with the center of interest in current events shifting almost hourly from one corner of the world to another, like the direction of a rudderless ship in a storm, an impossible burden is placed on the time of those who wish to keep well-informed. This burden is lessened somewhat by the publication of informative pamphlets published by various organizations, some in the cause of special pleading, others intended solely as presentations of impartial facts.

Three 25 cent pamphlets, recently issued by The American Council, Institute of Pacific Relations, shed light on the Far Eastern situation. They are: "America Holds the Balance in the Far East," a summary of the role the United States could play in solving the problems of the Orient; "Our Far Eastern Record," which is a reference digest of American policy; and "Deadlock in China," a short study of the war status in the land which has 400,000,000 customers.

On the domestic scene, the Public Affairs Committee publishes a 10 cent pamphlet devoted to "Chain Stores—Pro and Con," a title which speaks for itself. In some states the Chain Store question has become a hot political issue, the solution to which is not yet in sight.

Another 10 cent pamphlet of interest to those concerned with tariff questions is "American Labor and the Trade Agreements," published by the Economic Policy Committee. This is a plea for the Reciprocal Trade Pacts and an answer to those who raise the objection that lower tariffs jeopardize American labor standards.

NEWS OF THE CRUSADE FOR ECONOMIC ENLIGHTENMENT

Edited by Sandy Wise

How to Reduce a Dollar to Fifty Cents; Correspondence Course Reveals Interesting Data

NEW YORK—Every thousand circulars mailed to prospective correspondence students bring twenty enrollments. The cost: ten dollars for printed matter, ten dollars for postage, total twenty dollars. Twelve of these enrollees buy copies of "Progress and Poverty," but this revenue is credited to the books account. The cost of getting one student started is one dollar.

Each of these twenty students will send in, on an average, a list of ten names to be circularized for the course. These two hundred "recommended names" will be circularized, at a cost of four dollars. And the records of three years reveal that seven per cent of the "recommended names" result in enrollments.

Now we have a total cost of twenty-four dollars, a total enrollment of thirty-four; an average cost of about seventy cents per student. Again, the fourteen

new students obtained from the first batch of recommended names send in their lists, these also are circularized, and these also net seven per cent enrollments.

So, gradually the original dollar cost per enrollment drops down. The clerk in charge stopped figuring when she got below fifty cents.

The moral: The more recommended names the better. If every reader of *The Freeman* were to send in the names of at least ten people—a hundred would be ten times better—the problem of correspondence course enrollment would be solved for a long time to come.

Your friends, your enemies, your debtors, your creditors, your son (and his sweetheart), your lawyer, your doctor, your garage mechanic and your school teacher—let's have them all.

Boston Coming Along

BOSTON, Mass.—Seventy-nine students received certificates at the graduation exercises of the Boston Extension, March 29. The meeting was presided over by John S. Codman, and the principal speaker was Francis G. Goodale, who spoke on "Georgists and 'Union Now.'"

Harold J. Power, Chairman of the Publicity Committee, told of the plans for promoting the Spring classes by radio. Six paid announcements were broadcast over Station WHDH. Mr. Power promised free radio time for the coming Fall term. There is also a project to broadcast a "streamlined" version of "Progress and Poverty."

George R. Almond, President of the Boston Chapter of the Henry George Fellowship, has organized a Monday luncheon meeting series for teachers and others.

E. S. Jeffries has conducted a letter campaign in which he asked every graduate to personally enroll a new student. Pledges for 34 newcomers have been received.

Fifteen Spring classes are being planned for the Boston Area. Dr. Charles R. Morgan, dean of the North Boston Faculty, has had a hand in starting about half of them.

More in Westchester

NEW ROCHELLE, N. Y.—Edgar T. Reynolds opened a class at the Huguenot Y. M. C. A. in New Rochelle on April 1. Thirty two students attended the first class and more are expected to join.

Spring in St. Louis

ST. LOUIS, Mo.—N. D. Alper, Extension Secretary of the HGSSS, in St. Louis announces the following Spring classes and their instructors:

Central Library, 14th & Oliver St., April 1, 5:45—William Howard.

Clayton City Hall, 7755 Forsythe, April 2, 7:45—Charles Ryan.

Carondelet Library, 6800 Michigan Ave., April 3, 7:45—Everette Huegerich.

Barr Library, 1701 S. Jefferson, April 4, 7:45—William Howard.

Cabanne Library, 1106 N. Union Blvd., April 4, 7:45—W. E. Chinal.

Residence, 1025 Brazeau, April 4, 7:45—William Sieg.

Divoll Library, 1100 Farrar, April 5, 7:45—Elizabeth Angell.

A private class is being formed by Mr. and Mrs. Norman I. Bailey, of Valley Park, Mo.

It is Being Done

NEW YORK—The April 10 issue of "Financial World"—a weekly "to diffuse the truth about investments," with 30,000 circulation—carries an article entitled "One Solution to the Problem of Idle Money" by Louis Wallis. The solution is Georgist. The article is concluded with an editorial announcement, in italics, of the Henry George School of Social Science, "from which any business man may obtain a free correspondence course in Economics." Readers of *The Freeman* may obtain free reprints of the article on request.

Attacking the Editors

Although the high road to Henry George activities is usually paved with good intentions, it has become increasingly apparent that a little push is all that was necessary to send "good intentioners" roaring off along the road of active Georgism.

We wish that more space could be devoted to publication of some of the letters, or descriptions of them, such as the one written by Albert Newton, of Philadelphia, published in the *Inquirer*, concerning the job problem in the machine age.

... Another excellent letter by Clayton C. Bauer, of Spencerport, N. Y., makes excellent copy. Mr. Bauer artfully attacks the recent tax proposals by Gov. Lehman. ... John T. Giddings, of East Providence, is again prominently placed on the editorial page of the *Boston Traveler*. Mr. Giddings agrees with W. L. Crosman, another Georgist, in that the freeing of land would unquestionably help the rehabilitation of criminals. ... Mr. Giddings also writes that another published letter by Walter A. Verney, of Roslindale, Mass., is the product of "a veteran Georgist, 82 years old, who writes a letter to the editor every day" ...

And again from the *Boston Traveler*—a letter by Thomas Scully, of Somerville, in which he too agrees with Mr. Crosman, and one from Peter W. Schwander of Houston, Tex. ... W. A. Snyder, of Hudson, N. Y., in a letter to the editor of the *Daily Star* agrees with Dorothy Thompson who recently advocated in her column that the capitalists of the country should become better acquainted with Henry George. ... Another letter signed *Cap-Re Tax*, which stands for Capital-Relief-Tax, assails the indifference of Hudson businessmen to the teachings of Henry George. ... Miss Ami Mali Hicks very cleverly questioned the New York Herald Tribune concerning Mark Sullivan's prediction that 40,000,000 of our entire population will support 62,000,000. Mr. Sullivan wrote back a masterpiece of ambiguity. ... The New York World Telegram publishes a letter by George B. Bringmann in which he gives practically the entire fundamental course in one letter. Oddly enough, immediately below this letter appears another by a real estate lawyer who bitterly complains that police protection is inadequate on his property. ... A letter in the San Francisco News attacks the rise of government bureaucracy and yet shows that the same argument of interference with liberty is also used by the owners of public service monopolies. This letter was signed by J. Rupert Mason.

50% Self-Renewing

NEW YORK—Statistics of the Spring term enrollment reveal that 50% of the students came as a result of recommendation by former students.

Spirit of "I Will" Invades Chicagoland; One Hundred and Fifty Graduates; 42 More Classes

CHICAGO:—The winter term was not over before Chicago teachers, secretaries and graduates buckled down to an intensive campaign for spring enrollments with experiments on several fronts.

Special publicity for each class was prepared for the neighborhood newspapers. The pulling power of neighborhood paper news items has proven much greater than those in metropolitan dailies.

Posters with registration cards attached were mailed to 890 corporations with 100 or more employees, 20 branch libraries, and the principals' offices of 60 public schools.

A distinctive "society" type of announcement was prepared for exclusive Highland Park. Result: 20 enrollments this term as against 6 last term with the usual triple postcard announcement.

Graduates Ray Haberman, George Moyland and Richard Dunham trudged up-and-down stairs of the Jane Addams Houses one Saturday afternoon distributing announcements, and followed up with another 1000 of a different announcements the next Saturday. Postage saved: \$20.00.

Western Union was called on to distribute 3500 triple postcard announcements in 9 large loop office buildings. Cost: \$4.50 per thousand. Saving in postage: \$5.50, no addressing. The early mail returns appear to be as good as the returns from announcements distributed by Uncle Sam.

A planographed letter of recommendation was included in each of the announcements to Blue Islanders. The letter was

signed in facsimile by prominent residents of Blue Island who had taken the course.

A total of 26,500 triple postcards were distributed by mail in the usual way. More than a score of addressing parties took care of this chore.

The spring classes opened during the week of April 15. Twenty-five classes in "Progress and Poverty" and 17 advanced classes are offered.

CHICAGO:—The winter term commencement of the Chicago Extension of the HGSSS was held at the La Salle Hotel on Thursday evening, April 4. Hiram B. Loomis, president of the Chicago extension, presented certificates to 150 students of the basic course. Also present were 83 advanced course students.

Malcolm Franklin, Hyde Park instructor, was the chairman.

Edward J. Sparling, president of the Central Y. M. C. A. College, spoke on "Man at the Crossroads."

Graduate speakers were Albert D. Jacob, Mrs. Ella W. Freeman, Charles H. Alsip, Mrs. G. H. Van Hynning and Mrs. May K. Poling.

Max M. Korshak, as treasurer of the Chicago extension, called upon class representatives for their reports of class contributions toward the expenses of the next term. \$390 was subscribed, leaving a deficit of \$202.50 to be raised to meet the spring term budget.

John Z. White, veteran Georgist, wound up the ceremonies with a stirring address.

Hartford Commencement Exercises

HARTFORD, Conn.—Forty students received certificates as graduates of the Hartford Extension of the Henry George School of Social Science at the winter graduation exercises held April 3, at the Hartford Y. M. C. A.

Donald MacDonald, member of the International Highway Commission, was the guest speaker; Attorney Nathan Hillman, Extension Director and National President of the Henry George Fellowship presented the certificates.

Class speakers were Joseph J. Antonitis, Oslow W. Boies, Edward Cole, Arthur F. Goethner, Harold Henrickson, Hester Meigs, George Schwolsky, and Edwin Z. Lesh of the advanced class.

Members of the faculty who spoke were: Llewellyn E. Woodmansee, Mrs. Ethel Lyman Stannard, James V. McNally, Allan R. Meyers, and Harold Leiba.

Samuel Lafferty, State Editor of the New Britain Herald acted as Master of Ceremonies.

Oratorical Phalanx

NEW YORK, N. Y.—Another potent weapon is being forged in the HGSSS as members of The Debating Team perfect their technique in the Tuesday night meetings at the school.

William Mahoney is the leader of the group, which comprises Jack Brito, Jane Weiss, Fairfield Hoban, Paul Mueller, John Finnerty and Oscar Johannsen. The next meeting will take place April 16 for a debate on the topic: Resolved: That the quantity of land held by an individual ought to be limited.

Challenges will be issued by the team in the fall.

Douglas Elected M. P.

LONDON, England—F. C. R. Douglas, M.A., assistant secretary of the International Union of Land Value Taxation, was elected Member of Parliament for the North Battersea constituency, April 19, reports Arthur Madsen, Editor of "Land and Liberty."

Mr. Douglas, as member of the London County Council, has worked incessantly for land value taxation.

News From Canada

TORONTO:—At the annual meeting of the Single Tax Association of Canada held on March 30 it was decided to operate hereafter under the name of the Henry George Society. Jerry Walsh presented greetings from the Montreal branch of the School of Economic Science. Mr. and Mrs. John Wilson represented Hamilton, and M. H. Moffatt spoke for the Oshawa group. Miss D. E. Coate presented a paper dealing with the program of the Labor Government in New Zealand, criticizing it from the Georgist point of view. A. J. M. Poole of Manitoba also spoke. The annual report of the school mentioned holding study groups in Montreal, Ottawa, Oshawa, Toronto, Hamilton and St. Catharines. The following officers were elected: President, A. C. Ross; Vice Presidents: Margaret E. Bateman, Ernest J. Farmer; Secretary Treasurer, Herbert T. Owens; Associate Secretary, Dorothy E. Coate.

OSHAWA:—April 11, a reunion of the Oshawa group arranged by Mr. M. H. Moffatt was addressed by Secretary Herbert T. Owens, who visited Oshawa to address the Kinsmen Club.

HAMILTON:—The Henry George Club of Hamilton had a dinner on April 12 at the Y. W. C. A. at which diplomas were presented to the graduates of the class held there this season. J. H. L. Patterson of Toronto, addressed the gathering.

ST. CATHERINES:—Under the leadership of Herb Brownlee, a new class was organized here on March 20.

VICTORIA, B. C.:—The Henry George Club has drawn the attention of the Government of British Columbia to a report that another tract of Vancouver Island timber has changed hands at more than \$2,000,000. The sellers are said to be the Alworth Timber interests of Duluth, Minn.

"It would be of interest to the people of British Columbia to know just how much the Alworth timber interests have paid the Province for the privilege of withholding this natural resource for years. It might give them a thrill to discover the precise difference between the tiny trickle of revenue that they have received and the gushing flood of profit absorbed by the syndicate."

VICTORIA, B. C.:—At the annual meeting of the Henry George Club, Alexander Hamilton was elected President; Dr. John MacBride, Vice President and Harry H. Hollins, Secretary Treasurer.

OTTAWA:—Herb G. Barber reports a successful group in "Progress and Poverty" which met at his home and which held its closing session on March 13.

TORONTO:—Hon. Arthur W. Roebuck was elected to the House of Commons for the riding of Toronto-Trinity in the general election held on March 26. His majority was about 3500. He resigned from the Ontario legislature to contest the federal seat. Mr. Roebuck is Hon. President of the Henry George Society.

Roster of Spring Classes in Chicago Area

The new term of the Chicago Extension began with 25 classes in Fundamental Economics and 17 advanced courses. The classes studying "Progress and Poverty" are:

DOWNTOWN

Room 1208, 139 No. Clark St., Chicago Ill.
Mon., April 15—6:30 p. m.
Wed., April 17—6:30 p. m.
Fri., April 19—6:30 p. m.

NORTH SIDE

LINCOLN-BELMONT Y. M. C. A.
3333 N. Marshfield Ave.
Fri., April 19—7:30 p. m.
IRVING PARK Y. M. C. A.
4251 W. Irving Pk. Blvd.
Thurs., April 18—8:00 p. m.
THE PEOPLE'S CHURCH
941 W. Lawrence Ave.
Thurs., April 18—8:00 p. m.
RODGERS PARK-EDGEWATER
Residence of Mrs. Edith Siebenmann—1434 W. Highland
Fri., April 19—8:00 p. m.

WEST SIDE

AUSTIN PUBLIC LIBRARY
5609 W. Race St.
Thurs., April 18—7:00 p. m.
JANE ADDAMS Houses
1265 W. Cabrini St.
Thurs., April 18—7:30 p. m.

SOUTH SIDE

RIDGE PARK Field House
96th & Longwood Drive
Tues., April 16—8:00 p. m.
ENGLEWOOD Y. M. C. A.
6545 S. Union Ave.
Fri., April 19—7:30 p. m.
BRYN MAWR Community Church
7000 S. Jeffery Ave.
Thurs., April 18—7:30 p. m.
HYDE PARK Neighborhood Club
1364 E. 56th St.
Wed., April 17—7:30 p. m.
WABASH AVE. Y. M. C. A.
3763 S. Wabash Ave.
Thurs., April 18—7:30 p. m.

SUBURBAN

HIGHLAND PARK Y. W. C. A.
374 Laurel Ave.
Mon., April 15—7:30 p. m.
WINNETKA Community House
620 Lincoln Ave. (Rm. 109)
Wed., April 17—7:30 p. m.
EVANSTON Public Library
1703 Orrington Ave.
Fri., April 19—7:00 p. m.
PARK RIDGE—Mary Wilson House
Prospect & Crescent
Tues., April 16—7:30 p. m.
DES PLAINES Municipal Bldg.
Wed., April 17—7:30 p. m.
OAK PARK—Grace Church
924 Lake St. (Choir Room)
Wed., April 17—7:30 p. m.
LOMBARD Village Hall
Fri., April 19—7:30 p. m.
LA GRANGE Community Center
104 N. La Grange Rd.

Thurs., April 18—7:30 p. m.
BERWYN—Office of Atty. Jas J. Shepro, Berwyn State Bank Bldg.
6804 Windsor Ave.
Wed., April 17—8:00 p. m.
BLUE ISLAND—Field House
Memorial Park
Walnut & Highland
Mon., April 15—7:30 p. m.
CHICAGO HEIGHTS
Washington School
Tues., April 16—7:30 p. m.

ADVANCED COURSES ARE:

HEADQUARTERS, Rm. 1208, 139 N. CLARK ST. "Science of Political Economy." Starting Tues., April 16—7:00 p. m. Instructor: J. L. Monroe.

ROOM 1415, 11 S. La SALLE ST. "Protection or Free Trade" etc. Starting Wed., April 10—6:30 p. m. Instructor: Harold L. Broliar.

ROOM 909, 30 N. La SALLE ST. "Teachers' Training and Review." Starting Wed., April 17—7:30 p. m. Instructor: Henry L. T. Tideman.

NORTH SIDE

LINCOLN-BELMONT Y. M. C. A., 3333 N. Marshfield. "Science of Political Economy." Starting Thurs., April 18—7:30 p. m. Instructor: Willis E. Shipley.

THE PEOPLE'S CHURCH, 941 W. Lawrence. "Protection or Free Trade" etc. Starting Thurs., April 18—8:00 p. m. Instructor: J. L. Monroe.

1434 W. HIGHLAND AVE. (6332 N.). "Protection or Free Trade." Starting Mon., April 15—8:00 p. m. Instructor: Edith Siebenmann.

3725 N. FREMONT, (900 West) (Residence of Mrs. Amy P. Lewis). "Philosophy of Henry George." Starting Thurs., April 18—7:30 p. m. Instructor: Gustave Carus.

SOUTH SIDE

HYDE PARK: THE CLOISTERS, 5801 Dorchester. "Protection or Free Trade" etc. Starting Tues., April 16—7:30 p. m. Instructor: Malcolm Franklin.

ENGLEWOOD: 6209 S. LAFLIN ST. Residence of Mrs. T. J. Keefe. "Protection or Free Trade." Starting Mon., April 15—7:30 p. m. Instructor: John T. Keefe.

WABASH AVE. Y. M. C. A., 376 S. Wabash Ave. "Science of Political Economy." Starting Thurs., April 18—7:30 p. m. Instructor: James G. Guiles.

SUBURBAN

WINNETKA COMMUNITY HOUSE, 620 Lincoln. "Science of Political Economy." Starting Tues., March 26—7:30 p. m. Instructor: Mary Hall Schaub.

EVANSTON COLLEGIATE INSTITUTE 2408 Orrington. "Protection or Free Trade" etc. Starting Wed., April 17—7:30 p. m. Instructor: F. A. Long.

PARK RIDGE: MARY WILSON H'SE. Prospect & Crescent. "Protection or Free Trade" etc. Starting Tues., April 16—7:30 p. m. Instructor: Harold L. Broliar.

DES PLAINES MUNICIPAL BLDG.

"Science of Political Economy." Starting Friday, April 19—7:30 p. m. Instructor: Edwin Hamilton.

LA GRANGE COMMUNITY RECREATION CENTER, 104 N. La Grange Rd. "Protection or Free Trade" etc. Starting Thurs., April 18—7:30 p. m. Instructor: E. C. Swanson.

BLUE ISLAND: MEMORIAL PARK FIELD H'SE. "Protection or Free Trade" Starting Mon., April 8—7:30 p. m. Instructor: G. S. Schnee.

CHICAGO HEIGHTS: WASHINGTON SCHOOL. "Science of Political Economy." Starting Tues., April 16—7:30 p. m. Instructor: John A. Harney.

Speech Brings Students

CHICAGO—The subject of Mrs. Ruthann Bassler's speech in the Stevens Building on April 11 was "Literary Masterpieces of the Ages." Her audience was a group of professional book reviewers.

But of all the masterpieces referred to only one elicited questions from the audience. Twenty members of the club gave their names to receive announcements of the next HGSSS term when this "Literary Masterpiece"—Progress & Poverty—could be studied.

Mrs. Margaret Menzies, president of the club, is already enrolled for the People's Church class.

More "Tax Relief"

BOSTON, Mass.—The People's Tax Program for Massachusetts held a luncheon meeting on April 13 at the Chamber of Commerce Building, Boston. The purpose of the meeting was to formulate a plan whereby the teachings of the HGSSS could be translated into action. Francis G. Goodale is Chairman of the Board of Officers.

Up North

INDEPENDENCE, Wasilla, Alaska—Jim Bussey reports that his 12 students are the "cream of the crop," and feels that continued growth of the school in Alaska is assured by their enthusiasm.

H. G. Women's Club Elects

CHICAGO—At the annual meeting of the Henry George Woman's Club at the home of Mrs. Ruthann Bassler on April 16, the following officers were elected:

Honorary President:—Mrs. H. H. Harding.

President: Mrs. Edith Siebenmann.
1st Vice Pres.: Mrs. Dorothy Enders.
2nd Vice Pres.: Mrs. Thomas Keefe.
Recording Secy.: Mrs. Amy P. Lewis.
Corresponding Secy.: Mrs. Ruthann Bassler.

Treasurer: Mrs. Edward Goedde.
Directors: Mrs. Beatrice Ortis, Miss Eileen Campbell, Mrs. Dorothy Olcott, and Mrs. Hazel Watson.

The club is affiliated with the Illinois Federation of Woman's Clubs, 9th District.

Who's Who in Georgism

John Anderson



A man seems to have discovered the secret source of the "Fountain of Youth"! Perhaps he found it on his father's farm near Pembroke, Ontario—or on his way to the little school house which was a mile from home—or in a lumber camp in Northern Quebec where he proudly got his first "job"! At any rate, today he is younger in mind and spirit than most men of twenty-five.

Coming to Montreal in his twenties, John Anderson accepted a position with the Canadian Pacific Railway. Two years later he entered the service of

Chase & Sanborn as a junior clerk. Soon he became cashier, junior partner and, fourteen years later, head of the Canadian organization. After the amalgamation with Standard Brands he became Vice-President of that company.

John Anderson's acquaintance with Henry George began when as cashier he asked his boss to explain the meaning of "Protective Tariffs," "Free Trade," etc. The reply was, "Young man, there is a book on the market now, that will answer all your questions. You get a copy of 'Progress and Poverty,' by a chap named Henry George."

Following the study of this book and after hearing George lecture in Montreal, John Anderson read all the other books by this author; and just to be sure of his ground, also read Adam Smith, John Stuart Mill, Herbert Spencer, Karl Marx. His opinion that George surpassed all the others has been strengthened and confirmed by fifty years of study and reflection. He says, "Henry George has influenced my life in every way; has deepened my love of nature and of my fellow men and has been a magnificent help in both business and social contacts."

Mr. Anderson is known as one of Montreal's leading citizens. He is a member of the Board of the Montreal General Hospital and the Y.M.C.A., President of the Julius Richardson Convalescent Hospital, Chairman of the Board of Islesmere Golf & Country Club, Past President of the Rotary Club, Treasurer of Emmanuel Church, President of Intrepid Time Recorders Limited, and has many other interests; but the title and responsibility he loves best of all is "President of the Henry George School of Social Science," or the School of Economic Science," as the Canadian extension is now known.

On the Margin

Harry R. Hamilton, Divisional Superintendent for a dairy equipment company, commuted from Vermont, New Hampshire, New York and Massachusetts to attend each session of the course in Fundamental Economics conducted by Llewellyn Woodmansee in Glastonbury, Conn. He traveled an average of 200 miles to attend each class; 2000 miles to learn about freedom.

A New York instructor, whose aversion to publicity we must respect, taxes himself two dollars for the School fund every time he comes to class, and claims he gets his money's worth. His description (not for identification purposes): a characteristic Irish sense of humor, a scholarly command of English, a keen student of economics, a lawyer, and a judge of good whisky.

Manny Choper, one of the most articulate instructors at the New York School, holds forth Thursdays at 5:20 p. m. The demand for hotel rooms in the neighborhood has shown a sharp rise on Thursday afternoons. Say the guests: "We can hear Mr. Choper splendidly!"

On pleasant Saturday afternoons, Lancaster M. (Danish Folk Schools) Greene may be heard instructing our Communist brethren in Union Square, New York. Some of them have come to the School inquiring about courses as a result.

Report has it that Donald MacDonald is "that way" about Eleanor Roosevelt after lunching with her recently. Winchell please copy.

To the stupid cries for political action, the following quotation from a letter by Margaret E. Bateman, of the Quebec extension, should be sufficient answer:

"We had a very interesting visitor at our class—in the person of the Hon.

Gordon W. Scott. Mr. Scott entered into the discussion and I think we were all pleased to know that there was at least one person in Governmental circles at Quebec who believed in our philosophy. He told us how impossible it is for a politician to go ahead of popular opinion . . ."

Adele Nichols, better known as "Nicky" among the New York workers, is sculpturing Margery Warriner, instructor. It has been suggested that the bust of Miss Warriner in the show-window should attract many students.

In the April issue of the "New Jersey Municipalities," a magazine devoted to the problems of town management, Mitchell S. Lurio, of the Newark Extension, has an article entitled "A Layman Offers a Solution to Our Tax Problem."

Mr. Lurio's solution is the taking of rent of land in lieu of taxes; but what makes this contribution of particular interest is that it is a complete outline of how the Single Tax can be applied and what its ultimate effects will be on business.

As recuperative treatment following an appendectomy, Miss Josephine Vitale, representative of Harold Brothman's Chicago winter class, is getting a head-start on her study of "Protection or Free Trade." Miss Vitale wrote from the hospital for her assignment sheets.

Speakers Bureau Reports

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

April 1—William H. Quasha at K. of P. Thomas Carlyle Lodge 484, on "The Housing Problem."

April 7—Jules A. Guedalia at Hollis Presbyterian Church, Long Island, on "Religion and the Free Man."

April 8—Emanuel Choper at Recreational & Settlement House, New York, on "Economic Causes for anti-Semitism."

April 15—Louis Wallis at Methodist Preachers Monday Meeting Group, N. Y. on "Lopsided Taxation."

April 18—Louis Wallis at Jersey City Rotary Club on "Lopsided Taxation."

Advance Dates Booked:

April 26—Harry Haase at Gertrude Howard Forum Group, Hotel Anderson, on "Youth's Hope in Democracy."

April 26—Mrs. Erna L. Nash at Forum at Gainsborough Studios, N. Y. on "Inter-State Tariff Barriers."

April 26—M. B. Tromson at Workmen's Circle Branch 665, Rand School, N. Y. on "Henry George Philosophy."

April 29—David Hyder at Central Presbyterian Church, N. Y. on "Youth's Hope in Democracy."

May 22—Louis Wallis at Kiwanis Club, Y. M. C. A., Jamaica Ave., Brooklyn, on "Lopsided Taxation."

What Are We To Do?

We are confronted with the fact of war. The time for theorizing is past. Delirious fever robs us of all reason. A civilization madly rushing to its destruction sweeps before it the carefully built up system of human living based on the culture of exchanges. Thought has no hideout.

What are we to do?

Austria, Czecho-Slovakia, Poland, Finland, Norway, and—worst catastrophe of all—Denmark, the little country where the principles of freedom had been given greater opportunity of expression, where the ideal of a free earth was nearer to realization than anywhere else in the world. Organized murder has replaced organized living. The knowledge of ages is being systematically destroyed.

What are we to do?

Already the poisoned voice of propaganda is insidiously whispering the answer into our ears. We too must fight. To save our homeland. To safeguard our way of living. To protect our women. Gradually the venom will be poured into our veins until every vestige of reason is eradicated, and we too will be forced into the headlong descent of mankind.

But, while we still retain our sanity let us take thought. What is it all about? What caused it? What results may we look for? For, while civilization may be wiped out, life somehow goes on. We cannot ignore the future.

What are we to do?

Let us tell the truth about war. Not its destructiveness, its aftermath of misery, its uselessness. All this has been told so often, and with little effect because sentimentality car-

ries no conviction. But, let us prove by induction and deduction the cause of war.

War arises from the conditions that make for poverty. Whenever an economy breaks out into a rash of Okies, Joads and bums, loafers, thieves and tramps, and the other ulcerous manifestations of poverty, it is to be expected that the body politic will resort to blood-letting. War starts within the country.

Let us repeat that over and over again. And let us carefully, patiently and fearlessly teach the truth about poverty: that it is caused only by the inability of labor to apply itself to the Earth, which burgeons all things Man needs. And let us show that the strait-jacket which prevents labor from so employing itself is the legalized fiction of the title deed to that earth.

Nor should we stop there. The robbery of labor, starting at the point of production through this unnatural appropriation of the Earth, continues at the point of distribution through that instrument of legalized extortion called Taxation.

The way to stop war is to remove the cause of war. If we can, and we can, prepare our people for peace by imparting a knowledge of peace, we will remove the forces within our country that are fast propelling us into the maelstrom.

If we do that, and it is the only sensible thing we can do, there will be at least one place in the world to which the remnants of a destroyed Europe may come for succor and for guidance out of the morass. Thus we can best serve the world by refusing to join in its suicidal madness. Thus we can help a helpless future by our example of sane living. Thus we can be the saviour of mankind.

That is our job.