

# The Freeman

*A Monthly Critical Journal of Social and Economic Affairs*

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## THE GERMAN REPUBLIC UNDERMINED

By Bruno Heilig

## THE ARMAMENT OF DEMOCRACY

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The great cause of inequality in the distribution of wealth is inequality in the ownership of land. The ownership of the land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of a people.—Henry George in "Progress and Poverty."

## The Real Bottleneck of the War

THE holiness of this war has been somewhat sullied by the invasion of Stalin's bailiwick by Hitler. Up to that point, the Yugoslavian and Greek absolutisms notwithstanding, the fiction that the conflict was one of ideologies was hypodermically maintained. Since the German army moved east only the Communist papers have had the effrontery to invoke the god of democracy.

What is it, then, that we are fighting for? Hitler makes no bones as to his purpose. Based upon a mystic race supremacy theory, his aim is the complete control of the world economy, by and for the Nazis. It's a sort of international AAA, with Berlin, instead of Washington, telling us what to plant, what to make, fixing all prices and taking a rake-off on every transaction. It won't work, even with a Gestapo behind it, because production sloughs off when labor is enslaved. A political system based on curtailed production must break down; particularly because the curtailing of production decreases the source of taxation on which the political system depends. Nevertheless, until the planned economy crashes of its own weakness the planner may make things miserable for everybody but himself and his gangsters.

So, we are fighting to prevent Hitler from visiting his planned economy on us even for a short time. That is a good enough reason for fighting him. But it is a negative reason at best. And because it is negative it has failed to arouse any emotional pitch in this country, as evidenced by the many newspaper anti-war polls.

Why, in spite of the practically unanimous bitter anti-Hitler feeling, is there so little disposition to make the sacrifice necessary to eliminate him and his scheme from the world? The answer seems to be in the intuitive recognition by the people of the negativeness of our war-and-peace policy; the politicians, Churchill, Roosevelt and their subordinates, have failed to offer a hope to stir the imagination, or a promise to arouse the will to war.

Why this reticence? Is it because they have nothing to offer, other than pre-war depression, doles, taxes and make-believe work that robs the laborer of his personal dignity? Is it because they do not know how to abolish the condition of poverty which has characterized our economy with such intensity for more than a decade? Or,

knowing how, have they no desire to smash the system of privilege which divides the people into a few masters and many slaves?

Maybe their failure to tell us more about war-and-peace aims, except the negative one of smashing Hitlerism, is due to the conscious desire to install, or a fatalistic belief in the inevitableness of, a sort of Hitlerism in England and in America. The evidences of a coming regulated economy here are too many to be mistaken; indeed, public statements indicate that State control of our way of living is the essence of our contemplated post-war policy. The common sense of the people recognizes the incongruity of fighting Hitler while accepting the validity of his ideas.

It is this incongruity and this complete lack of idealism that has checked our will to war. In 1917 we accepted the theory that Germans were a lower order of people, made so by God; their freedom had to be curbed for the good of the world. Atrocity stories, vouched for by men of reputation, although later proved to be either dupes or fabricators, aroused us to an ardor that only victory could diminish. Efforts to stir up similar antipathy on psychological grounds thus far have failed; and the save-democracy appeal failed even before the Russian invasion, partly because too many dictatorships were on our side, partly because years of democracy-with-poverty had somewhat deflated the political ideal.

Americans are neither cowards nor crass materialists. But they will continue to be apathetic towards this war, even though they are forced to fight, because of its negative and contradictory character. Give them hope, a positive promise and a worthy ideal, and the "panzer" divisions will crumble before their will like cardboard toys. Tell them that when the war is over the bill will be met not by a tax on their production but by the loot which the landlords collect year in and year out. Promise them land, good land, so that they can produce and exchange, as their forefathers did, without let or hindrance from bureaucrats. Give them the picture of a Free America, the kind they have always dreamed about, so that they can carry it in their hearts as they go to battle.

That, Mr. Roosevelt, is what your war plans lack. That, Mr. Roosevelt, is the real bottleneck of your war.

## Transportation is Production

TO PROVE his fantastic "surplus value" concoction—that wages are determined by the subsistence requirements of laborers and that all production beyond that level is confiscated by capital as profits—Karl Marx had to explain the profits of those industries in which comparatively few laborers are employed.

Being a moralist rather than an economist, he invented the key to his own riddle by labelling such industries parasitic. They produce nothing. They merely aid capitalistic exploitation, are necessary to it, and therefore are supported by capitalists out of "surplus value." For him that settled the matter.

One of his "non-producing" industries is transportation. It is interesting to note the influence of Marx on conservative economic theory — to say nothing of socio-political thought—whereby not infrequently transportation is placed outside the category of production. It is all done with the technique of word-prestidigitation.

Even cursory observation of the methods of production demonstrates that transportation is an integral part of production, that to attempt to make a distinction between the two in fact, as distinguished from word distinctions, is akin to the problem of unscrambling an omelette.

The present war furnishes an excellent example of this identification of transportation with production. The object of war being to destroy the morale of an enemy people by disrupting their production, the efforts of England and Germany are being directed at each other's transportation facilities. Pipe-lines, shipping lanes and railroads are the points of attack.

To the Germans an ice-bound Danube which hinders the delivery of oil and foodstuffs from the Balkans is as much a disruption of their production as a bombed seaport is to the British. A tanker sent to the bottom of the sea and a railroad station blown into the air are military victories because of the consequent interference with the productive capacity of the enemy.

All production is movement. Greater production due to specialization is made possible only by the invention and use of more expeditious movement. The making of an automobile is the result of the transportation of materials from various parts of the world to many points of fabrication, then to an assembly plant, where the travelling conveyor belt further expedites production by spreading subdivision of labor.

Indeed, the efficiency of production is in direct ratio to the facility of movement involved. The tailor who makes the entire suit moves very little; in a modern clothing factory the finished product frequently has covered many acres and moved from floor to floor, and the production per man per hour is therefore far greater.

The organization of modern industry demonstrates that any theoretical distinction between transportation and production has no basis in fact. And the war confirms their essential integration.

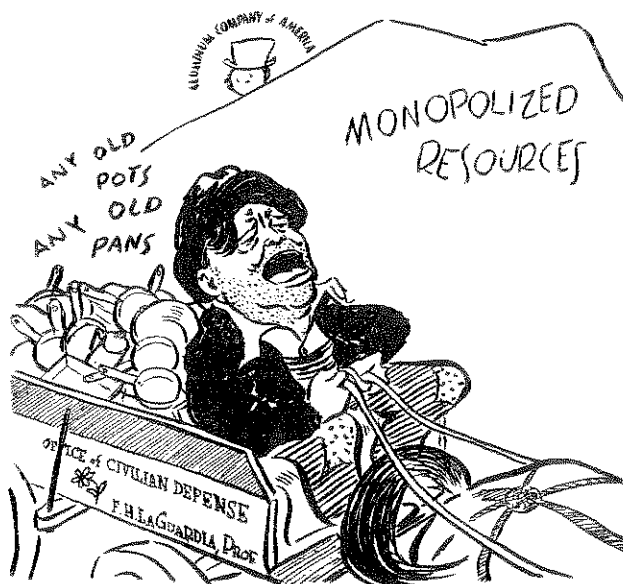
### 'Patriotism' By Decree?

JAMES CAESAR PETRILLO, president of the

American Federation of Musicians, who once censored a play because some lines in it offended his ideology, has decreed that "The Star-Spangled Banner" shall be played by union musicians at the beginning and end of every musical program. Undoubtedly an "or else" is implied in the decree. The difference between a Petrillo decree and a Goebbels ukase is one of degree, not of kind. And the inference is that in times like these one should beware both the voice and the hand of the self-avowed patriot.

**YES WE HAVE NO ALUMINUM**

*Monroe*



## Lebensraum in South America

"BUZZARDS WITHOUT FEET" is the characterization which a friend gives to minds which aspire to eclecticism and fear to trace effect to any basic cause.

These birds, he explains, must forever go hungry. They fly from carrion to carrion, unable to enjoy the food which they see because their lack of feet prevents their alighting.

So with those who have fallen into the habit of worshipping the printed word because it is printed, and have lost the power of straight-thinking because of their adulation of "authorities." They must forever wander about in an intellectual vacuum because they fear principle. They read many books, examine many theories, taste a little of this doctrine, nibble a little at that, but, without any starting point to their thinking or any measuring stick by which to evaluate what they read, all their erudition leaves them hopelessly hungry. They cannot alight.



They have made a fetish of being eclectic. They refuse to think straight for fear that such thinking may necessitate rejecting theories which carry the weight of names. Also, any straight-line thinking may lead to some simple truth, some truth so logical and so in accord with observable fact that even the un-read may grasp it. Therefore, it must be wrong.

Over-simplification, then, becomes an intellectual crime. Particularly when it leads to conclusions which run contrary to loyalties; for, strange as it may seem, these theory-infested mentalities are just as subject to emotional bias as are the less bookish. The unlettered man hates or loves, and lets it go at that. But the man who delights in many, many theories finds it necessary to formulate a rationalization for his emotion. And when confronted with facts that deny the rationalization of his bias he dismisses the obvious with one compound word: over-simplification.

For instance, right now he may be committed to war. During the past twenty years articles and books, from documented fiction to carefully compiled research work, established the fact that the first World War was economic in origin and eco-

nomic in purpose. Indeed, before September, 1939, this was an accepted doctrine of even the eclectics; and many of them extended the theory of economic causality to all wars.

But now this theory of economic causality and purpose is an over-simplification. Why? There are many answers, many theories as usual. But one cannot avoid the suspicion that all these rationalizations are mere coverage for just plain emotionalism: fear, hate, loyalties—good, old-fashioned feelings which ought to be enjoyed without excuse. But because these eclectics are proud of their intellectuality they feel they would lose caste by admitting that sheer emotionalism gives their war-mindedness its direction. So, they rationalize in many ways—save from the over-simplification which a few short months ago was accepted doctrine, and which would deny validity to their theory-covered emotionalism.

But sometimes out of nowhere comes a fact which shatters the intricately concocted theory and drives home the simple truth. Last month two South American countries had a flare-up over some land. Ecuador and Peru for over a century have been quarrelling over "lebensraum," just like France and Germany over Alsace-Lorraine. There is no political theory involved, no "clash of ideologies"; just an old-fashioned grab for land. The rest of the Western Hemisphere, concerned with the land-grabbing proclivities of a mad paper-hanger, have temporarily hushed up the squabble over land in their own backyard. People might bring up the old over-simplification.

They might see that as with the Ecuadorian-Peruvian landowners, the fracas in Europe is over a rent-collecting privilege (in Europe and in the colonies) which one group is trying to hold and which another group covets. Abolish the privilege and there would be no war; so long as the privilege continues there will be something to war about. It's as simple as all that, the emotional eclectic theorists notwithstanding.

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## Let's Abolish the Price System

PRICE IS THE FULCRUM between supply and demand. But it is not the usual stationary fulcrum, for it has also a pointer which indicates with faultless accuracy and sensitiveness the direction in which the see-saw is teetering.

If consumption increases, the supply end of the plank goes up and the indicator points to higher prices. That is a signal to suppliers to get busy and pile up the things called for at the rising end, thus bringing the see-saw toward an equilibrium. Conversely, when the indicator points to low prices the suppliers know it is time to quit loading the supply end until consumption catches up.

But there are ways of doctoring the supply end so that the indicator may continuously, or for a long time, point to higher prices and thus nullify the see-saw's tendency to seek a dead center. These ways, ethically analogous to the administering of drugs to race horses by crooked gamblers, but much more dangerous to our social order, are:

1. Holding out of use the natural resources from which all supplies come. Examples: speculation in city lots and agricultural acres, AAA bonuses for not using land, Anaconda Copper Company, United States Steel, etc., etc.

2. Monopolies based on special privileges granted by the government, for the explicit purpose of preventing supplies from reaching the market when high prices indicate an unsatisfied demand. Examples: patents, franchises, cartels.

3. Tariffs and quotas which restrict or prevent the flow from plentiful to scarce sources of supply. Best example at this moment: Cuban sugar.

4. Taxes, which, by depriving would-be consumers of their exchangeable goods (or money tokens) prevent the demand from expressing itself. Examples: too numerous to mention.

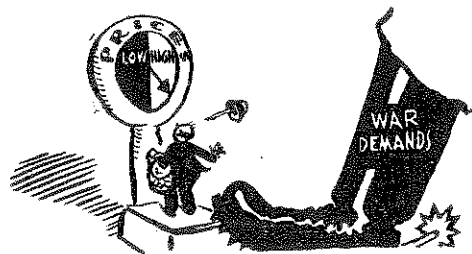
5. Government waste, which keeps taking from the supply end of the see-saw without making any compensation to the demand end; the insatiable absorption creates a constant shortage of supplies, thus constant high prices. Examples: war "production."

Ways 4 and 5 may become disastrous to the whole system. The see-saw may teeter so far in one direction for so long that it may slip off the fulcrum. That is what is likely to happen here very shortly; it has already taken place in Europe.

Now, if war and taxes are politically necessary, from a social point of view the whole price system

ought to be scrapped. Otherwise, injustices and hardships must result. Instead of prices regulating the economy of the country, the actual need of every citizen ought to determine the amount of goods he receives. That is, complete equalitarian rationing.

And why not? If a country is at war, every man, woman and child in it is at war equally. Is any one's life, security and future happiness of less importance than another's? Is a dead general any deader than a dead private? Is a bombed slum any less useful as a home than a bombed country estate? Why should the future of the monopolist be pleasanter than that of the worker who made, proportionately, greater sacrifice? Will not able-bodied young men be equally as important to the reconstruction period as superannuated Congressmen?



We should not be at war for some, at peace for others. The whole country, theoretically, is in danger, and any attempts to maintain the peace-time technique of prices must make the danger profitable for some, disastrous for others.

Labor should be paid at the same rate as soldiers, and a buck private should receive the same sustenance as that of a general. Ammunition should be taken, not paid for. Nothing should be paid for: neither food nor clothing, camp sites nor railroad services, labor nor goods. We must save the country, not the price system.

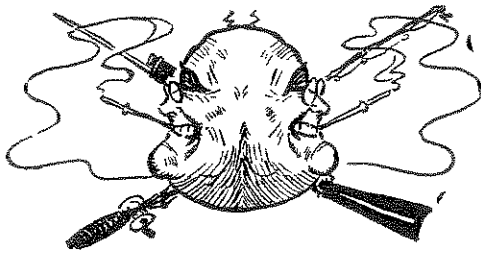
Tariffs and quotas which prevent our getting the implements of war or the means of sustaining life during war are as incongruous as lending our navy to the enemy to blockade our shores. Every monopoly—every patent, franchise or title deed—should be abolished because they enable the owners to restrict production, and that is akin to aiding and abetting the enemy.

Such price-abolishing measures would place the entire country on an equal footing in the equal emergency. The war then would be truly democratic. That is, if anybody really craves a "democratic war."

## Why We Are In the War

THE SNIDE CRITICISM of President Roosevelt for sending soldiers outside the Western hemisphere in spite of his very recent solemn pledge not to do so, indicates a naive belief that political acts or promises are based on ethical standards. There never was, there never will be a politician whose acts can be measured by the ethics of the contractual man. That is, not while he is in office or acting in official capacity. For the very nature of politics is expediency, and what may be the expedient thing to do today may be quite inexpedient tomorrow. Any politician who circumscribes his course with principles is not likely to last long in office or accomplish anything while there.

This habit of entrusting our fate to politicians, arising as it does from faith in their honesty of purpose as well as their adherence to a philosophy, is



the tragedy of our political system. Broken platform promises and repudiated international agreements attest with sickening regularity the unprincipled character of the political word and the political act. Yet we keep on believing, trusting. Maybe it's because we lack understanding of principles or forces which act without direction once a given set of circumstances comes into play.

We are at war because our international economy forced us into war, not because Mr. Roosevelt willed a war. Our soldiers will be in other foreign places than Iceland, and Mr. Roosevelt cannot keep his promise to prevent it, whether he wishes to do so or not. Our conscripts will be kept in arms for much longer than the contractual year of the law, because we are at war. And because of the war our ensuing economy will be a State-regulated economy, with bureaucracy, secret enforcing agencies, an army caste system, and all the social components of totalitarianism. We are sliding down the banister and nothing can stop us until we hit bottom; politicians can only speed our descent with grease.

There is only one way by which the direction of

politico-economic trends can be or ever was influenced—and that is by the social knowledge and conscience of the people. What we know and how our behavior is influenced by that knowledge determines the conditions under which we live. We, not our political leaders, make our environment, and unless we are familiar with basic principles our architecture will be faulty.

There is only one way to achieve a free society—and that is by understanding the principles of a free society. In education, not in politics, is our hope.

## Taxation that Destroys Security

A REAL ESTATE TAX does not, as is frequently asserted, assure possession of the property on the land. As a matter of record this tax makes security of possession rather tenuous. For, if the tax is not paid, loss of both landholding and the improvements on the land follows.

This thought is vividly brought to mind by a recent press dispatch. The State of California has become, through tax delinquencies, the owner of country clubs, gold mines, wineries, a "ghost town," office buildings, two mausoleums, a glass factory, a distillery, hundreds of homes—almost everything that is built on land, as well as the land itself.

Year after year taxing authorities throughout the country are acquiring property of all kinds because the income from them is insufficient to meet the tax levies. Possession is insecure.

If, however, the tax should fall only on rent, public confiscation of the improvements would not occur. The builder might lose his property because of lack of trade, because his improvements served no useful purpose, but not because of an excessive tax burden.

Since, on the whole, building values exceed land values, the tax burden falls more heavily on the former. The builder jeopardizes his investment more than does the owner of land, assuming that they are different persons. If the builder is also the landowner his chances of retaining both are reduced by the real estate tax, particularly if he has built on a very large scale.

For the rent is due to the presence of the community and arises regardless of any effort by the user. Therefore in reality he does not pay any of the rent which the community collects.

## Iceland as an Investment

NOW THAT OUR MILITARY FORCES have occupied Iceland the possibility of profit on that island should suggest itself to our far-sighted citizens. The grabbing of its natural resources would accord with the historical process, which in the modern idiom is identified with Stalinism, Hitlerism or Nipponism. The more urbane, though none the less effective method of purchase, re-sale and foreclosure (employed in Cuba and in Puerto Rico) should be the model for our enterprising investors.

The prospectus on Iceland is attractive. Here is an idyllic island the size of Kentucky, with about one-fourth of the land surface quite habitable. Its wild mountains should afford scenic-loving tourists excellent opportunity for mountain climbing; the numerous fjords of its rugged coastline should entice romantic yachtsmen. The long Arctic nights promise langorous longevity.

The name of the island belies its nature. Washed by the Gulf Stream, Iceland enjoys a mild and moist climate. It has a mean temperature similar to that of New England. The summers are mild, the winters less severe than those in Maine.

Continuing the prospectus. Exports of fish and fishery products, wool and fur offer prospects for immediate exploitation; for American capital and initiative the possibilities are boundless. Last year the Icelanders exported a million dollars' worth of cod-liver oil to the United States alone, and with a little advertising of the vitamin content of this product the business can be boomed to many times that amount.

And here's the big point. This vast area now has a population of only 115,000; its biggest city is one of 35,000. Think of it! An island much bigger than Rhode Island inhabited by less than half the people in Providence. Obviously land values are low; the island could be bought "for a song." The possibility for expansion, and therefore increasing prices, hardly need be pointed out.

Nor will investors have to wait for the slow processes of procreation and immigration to boost the values of their lowland lots, mountain peaks and fjords. If, as is predicted, the war lasts five or maybe ten years, the constant army population alone should exceed a quarter million, with a transitory troop population of another quarter million. For it is said that Iceland is the jumping-off place for an investment of Ireland, Norway, England or

perhaps France. The troops must eat, and the land yields many potatoes.

Camp sites are needed; the government pays good prices. Soldiers' and sailors' pay checks will burn for spending, and what greater act of patriotism than to give the boys an opportunity to enjoy their stay on the island? Night clubs and bawdy houses will be in great demand, and the lots on which they are built will be valuable indeed.

The end of the war will be the beginning of the real boom. Many of the soldiers and sailors will marry the pretty blue-eyed blondes of the North, settle down and have large families; which always augurs well for land values. The use of Iceland as a stepping-stone to England and Northern Europe will become a navigating habit; and the growing trans-Atlantic aviation business will require the building of the world's largest and most magnificent airport at the booming and beautiful town of Reykjavik. ("Smoking harbor" is the English of the name, and the promotional possibilities stagger the imagination of the keenest headline writer.)



Here's the biggest land development since the American Army opened up the Antilles for us. Remember Cuba, remember Puerto Rico. Our wise investors did not lose when our troops evacuated the first, any more than in the second when the troops remained; so long as absolute private ownership of the land is recognized. And what government in the world cannot be shown the wisdom of continuing that system of land tenure! What difference does it make what flag flows over the domain? Have not the landlords always made the laws and fashioned the patriotism of all countries? Ours is the world.

While our troops are defending the oldest parliament in the world (another advertising point) let us not overlook the golden opportunity for investment in Iceland.



## OPAX and History

PRICE REGULATION is an ancient practice. It antedates by many centuries the totalitarianisms of Hitler, Mussolini and Stalin, whose laws and methods may be the source material for our own Leon Henderson in framing his proposed price control plan. Far more informative are the ancient experiments in controlling the natural operations of the market because their results, economic and social, are subject to proper historic evaluation.

It is recorded that Athens and Rome went in for "lids" on prices. Guilds in the middle ages fixed the prices of both labor and commodities. Leon ought to have little difficulty in ascertaining the number of officials necessary for the enforcement of the laws, something about the illegal trading that ensued, what effect they had on the law-and-order of the times, how production was curtailed, and what happened to the economy of the people. Also, if he has time, he might reflect on the fate of those civilizations.

Ferdinand and Isabella tried out the scheme rather effectively in the fifteenth century. Analogy between that Spain and our "unlimited national emergency" goes somewhat beyond the matter of price-fixing. In the first instance, Spain also was at war, several wars, in fact. Industries were encouraged by subsidies; the shipping business was particularly favored. There was a sort of AAA to stimulate the development of merino sheep herds.

But what Leon would be most interested in right now is the system of *tasas* (fixed prices) practiced by these enlightened monarchs. No commodity or service in Castile was overlooked. Our current price regulator need not go beyond the *tasas*, for the present, but later on he might want to know that price control was accompanied by standardization of production. "The weaver, the fuller, the armourer, the potter, the shoemaker were told exactly how to do their work," records the *Encyclopaedia Britannica*.

Spain got along pretty well with this system for a time, in spite of the consequent swarm of corrupt government officials. But after a while, say the historians, Spain became a rather poor country to live in; in fact, the Spain of the sixteenth century was characterized as one of the two "most beggarly nations in Europe."

## Uncharitable Charity Taxes

THE TRUE CHARACTER of "social security" taxes has been shrouded with good intentions and charitable phrases. Even a cursory examination of the incidence of these taxes discloses their true purpose; they are merely a form of income taxation. They are particularly objectionable because, and this accounts for the glamorous name given them, they hit incomes of those least able to share their incomes with the government. They are levies on wages.

Now that the fiscal power of the government is being employed to control our financial structure, rather than for revenue purposes, the true character of these taxes for-the-benefit-of-the-poor comes to light. For, reports from Washington are to the effect that these levies on wages will be used to cut rising consumer purchasing power as a means of preventing inflation.

Higher "social security" taxes, then, are being proposed not as a means of alleviating the condition of the aged unemployables, but as a means of preventing the employed young from enjoying their wages. At present these mis-named levies amount to 1½ per cent on salaries up to \$3,000, plus an equal amount matched by the employer, which, of course, also comes out of the workers' wages. It is now proposed to absorb increases in wages, resulting from the war boom, by concurrently increasing the rate. Thus upping an employee's salary by five per cent, for instance, would call for an upping of the tax rate to four per cent.

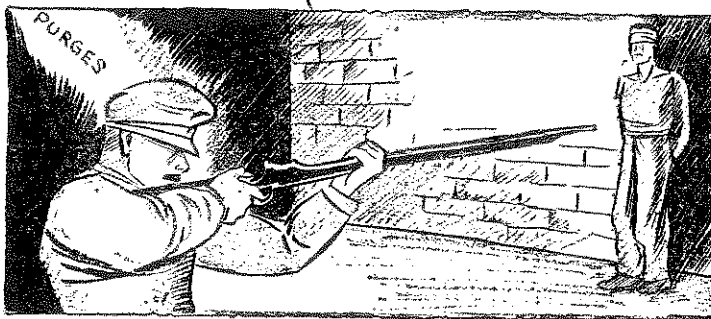
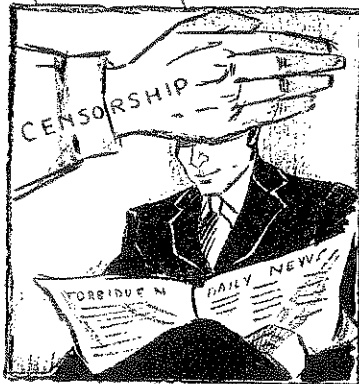
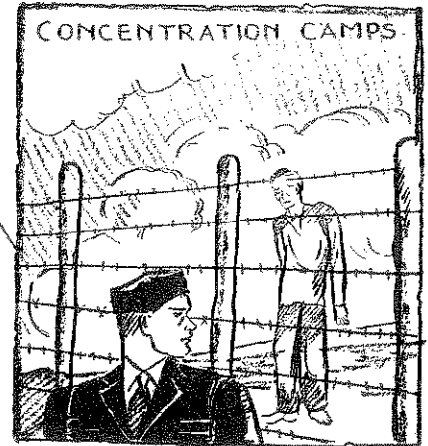
There never was and never can be a tax that improves the welfare of the taxed, and no amount of sugar-coating can deny the fact that every levy has but one purpose: to fill the coffers of the State.

### Why Include Land?

COL. JOSIAH C. WEDGWOOD, M.P., during his recent visit to America, commented on the British rationing system thus: "We English are allowed to buy nothing except Government bonds and land."

To Abolish War Make Peace Profitable.

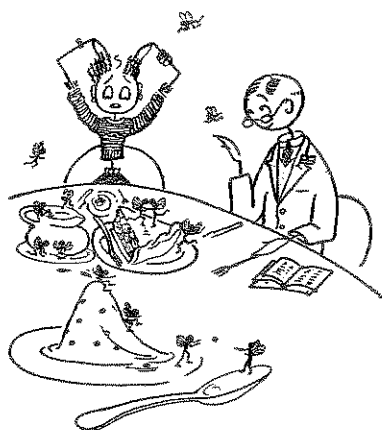




# My First Crusade

By GERTRUDE E. MACKENZIE

My fortnight's vacation in the little town of Burgerville had become a continuous battle with flies. These pestiferous insects executed tailspins about my nose when I tried to read or write, and at mealtime, not satisfied with plain living (or even high flying) insolently demanded the best that the commissary afforded. To them, the cream pitcher represented a public bath; the carefully baked pies were dancing pavilions; a dish of ice cream presented alluring possibilities as a toboggan slide, and it was only after a little surreptitious shooing that I could determine definitely whether plain rolls or currant buns were being served for supper.



Of course, I reached the limit of my patience before long, and appointed myself a committee of one to see what could be done about it. Charity begins at home; but I soon found out that crusades don't. My efforts met with a discouraging lack of response. The highbrow college professor at our table objected to organized fly-swatting on the ground that the idea had originated in another country and therefore savored of un-Americanism. The truck driver for the neighboring screen factory was positive that Local 666 would oppose any movement which might lessen the demand for screens.

Prophets who are without honor at home sometimes achieve it abroad.

The following Sunday afternoon found me on my way to the home of the village preacher. I had heard a lot about his benevolent interest in civic affairs.

The parson was at home. He was entertaining the local medico, who had just dropped in to talk over some improvements which the church was to make in the parsonage. I expressed my appreciation of the morning sermon, and his hospitable friendliness made me feel at home at once. Sure at last of a sympathetic audience, I was soon waxing eloquent on the subject of my crusade.

"My dear madam," he declared when I had finished, "your suggestions truly do credit to your zeal for the common good, and I am indeed glad to learn that my poor feeble words of this morning on the beauty of Service have been an inspiration. It is one of a minister's deepest satisfactions to see his efforts bearing fruit. It is then he feels that the Blessing of the Lord is upon—"

"Yes, I'm sure of it," I agreed, "and may I count on your help?"

"You may be assured of my sympathy with any worthy Movement. I will remember your wish for a clean and healthful town in my daily Petitions, and will pray that God in His infinite goodness may—"

"But will you use your influence to arouse your congregation to the necessity of preventing the spread of flies and mosquitoes? It could be done if they would only drain that big swamp behind the graveyard. How can you get rid of the bugs if you leave them a place like that to breed in?"

"Well, I'd—it's—er—that is, I'm not quite convinced as to the advisability of proceeding along that exact line," he stammered. "You see, the swamp land does not belong to the town. It would have to be purchased. I have never considered business projects a proper subject for Sunday discussion." I raised my

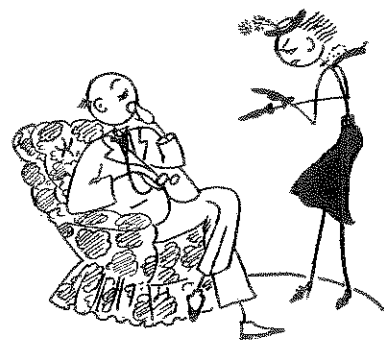
eyebrows and glanced at the doctor, remembering the parsonage improvements. The preacher caught my look, and added hastily, "From the pulpit."

At this point the doctor interposed. "The fact is," he said, "the owner of that marsh is an honored member of our congregation. You can doubtless understand that it would be—well—a trifle embarrassing to bring up a subject which might savor just a little of criticism of our brother."

"But," I demanded, a little bluntly, "doesn't he deserve criticism if he deliberately keeps his land in such a condition that it is a public nuisance and a menace to health?"

"One of our pastor's most charming traits," replied the doctor pleasantly, "is his studious avoidance of hurting the feelings of those with whom he comes in contact."

I protested tartly. "Well, I can't see why the owner of a free bug dispensary like that is entitled to so much consideration."



"Let us pray that our hearts may be kept from all uncharity." The pastor's calm, unruffled voice fell upon my ear with a note of gentle rebuke. "This brother, whom you are so ready to condemn, is our most generous contributor to the work of carrying the Gospel to the heathen who sit in darkness. He has endowed our college, and it was he who first suggested that the parish should remodel the parsonage. Besides, we have always had flies.

Like the poor, they will doubtless be with us always. Since they were created by Him Who doeth all things well, they must have been sent for some wise purpose beyond



our poor power to understand. Then, too, consider the cruelty we should foster in the Innocent Heart of Childhood by encouraging the wholesale slaughter of these defenseless little creatures. Remember the Scriptural Command, 'Thou Shalt Not Kill.'

"And besides," the doctor joined in, "even from a more worldly point of view, this scheme of yours is open to criticism. Consider the disastrous effect upon the trade of our screen factory if these marshy lands were suddenly drained. Think of the men who would be thrown out of employment. Why, your program would be revolutionary. It would practically amount to confiscation of profits without due compensation to the factory owners and would therefore be, in a way, unconstitutional."

"Is the owner just holding the land from purely philanthropic motives, to give the screen factory workers a job? I should think he'd get tired of paying taxes on worthless property."

"Oh, the taxes don't amount to much," explained the doctor. "That's one of the main reasons why it's left as it is. In fact, the owner did plan, a few years ago, to drain the property and build upon it. It was the prospect of the increased tax

bill which made him abandon the project."

"And I suppose the town has to levy heavier taxes on other land—including this corner lot here—to make up for what it loses on the swamp."

"No, certainly not on this corner lot," came the pastor's hurried correction. "This is Church Property. It belongs to God, and is tax exempt. But we pride ourselves on some rather fine buildings that pay a pretty sum into the public treasury. Besides that, every single industry in our little town pays its share. Would you believe it: even the boot-blacks and the peanut vendors enjoy the Blessed Privilege of contributing their Little Mite in the form of license fees. You can see how just and impartial our taxation system is."

"M-mebbe so," I assented doubtfully. "What does Mr. Moneybags pay taxes on?"

"Why, our brother pays on his property—his splendid house and its furnishings; and on his screen factory. And, of course, a trifle is assessed against that marshy land."

"Oho! he owns the screen factory, does he?" I began to see daylight. "And you tax him for everything he does to serve or improve the town, and threaten to bankrupt him if he dares to convert that pestilence-breeding cesspool into useful property! But," I ventured one more suggestion, "I should think he'd be glad to have the swamp taken off his hands, if it's useless to him and he can't afford to improve it."

"Well, he would," explained the pastor, "but a new Express Highway is going to be built, and will probably run through the property. As a good business man, our brother is holding the land in the sure expectation of making a profit on it."

"And this profit," I expostulated, "will go, not to the community which builds the road, and which has patiently battled all these years with insects and malaria, but to a man who has simply sat tight and done nothing!"

"My dear madam," returned the doctor, "you surely do not blame anyone for pursuing the natural,

businesslike course and accepting whatever profit is legally his, do you?"

I was beginning to lose hope now. "No, I guess not," I conceded. "But what about the system that makes such a course natural and businesslike, and the laws that not only allow but virtually compel him to do it?"

"Why," exclaimed the pastor in pained surprise, "you are the very first person I have ever heard complain of our system of raising revenue. I am afraid you do not fully understand these matters. Women—hem—do you think it's quite refined for women to invade the Masculine Sphere? Let me invite you to join the Ladies' Auxiliary of our church! This delightful society meets every week, and this summer they are making a special study of the plant life of Ancient Judea."

"Thanks a lot," I retorted. "I'm more interested in the insect life of modern Burgerville."

"My dear sister," the doctor reassured me, "there is really no necessity for you to be so concerned. Flies are harmless enough if one takes the precaution of keeping his system in good order—under the guidance of a reliable physician."

My host courteously followed me to the door, shook my hand with pious fervor, asked me to call again, and kindly volunteered to pray for my soul, and for the health of the townspeople.

I discharged my committee and resigned my self-appointed task. Next summer I'll spend my vacation in the mountains.



# THE ARMAMENT

The giant of the nations does not depend for her safety upon steel-clad fortresses and armor-plated ships which the march of invention must within a few years make, even in war time, mere useless rubbish; but in her population, in her wealth, in the intelligence and inventiveness and spirit of her people, she has all that would be really useful in time of need. No nation on earth would venture wantonly to attack her, and none could do so with impunity. If we ever again have a foreign war it will be of our own making. And too strong to fear aggression, we ought to be too just to commit it.

In throwing open our ports to the commerce of the world we shall far better secure their safety than by fortifying them with all the "protected" plates that our steel ring could make. For not merely would free trade give us again that mastery of the ocean which protection has deprived us of, and stimulate the productive power in which real strength lies; but while steel-clad forts could afford no defense against the dynamite-dropping balloons and death-dealing airships which will be the next product of destructive invention, free trade would prevent their ever being sent against us. The spirit of protectionism, which is the real thing that it is sought to defend by steel-plating, is that of national enmity and strife. The spirit of free trade is that of fraternity and peace.

A nobler career is open to the American Republic than the servile imitation of European follies and vices. Instead of following in what is mean and low, she may lead toward what is grand and high. This league of sovereign States, settling their differences by a common tribunal and opposing no impediments to trade and travel, has in it possibilities of giving to the world a more than Roman peace.

What are the real, substantial advantages of this Union of ours? Are they not summed up in the absolute freedom of trade which it secures, and the community of interests that grows out of this freedom? If our States were fighting each other with hostile tariffs, and a citizen could not cross a State boundary line without having his baggage searched, or a book printed in New York could not be sent across the river to Jersey City without being held in the post-office until duty was paid, how long would our Union last, or what would it be worth? The true benefit of our Union, the true basis of the interstate peace it secures, is that it has prevented the establishment of State tariffs and given us free trade over the better part of a continent.



We may "extend the area of freedom" whenever we choose to—whenever we apply to our intercourse with other nations the same principle that we apply to intercourse between our States. We may annex Canada to our intents and purposes whenever we throw down the tariff wall we have built around ourselves. We need not call for any reciprocity; if we abolish our custom-houses we call off our baggage searchers and Bible confiscators,

# OF DEMOCRACY



extension over both countries of the same general laws and institutions.

And upon our relations with all other countries our repudiation of protection would have a similar tendency. The sending of delegations to ask the trade of our sister republics of Spanish America avails nothing so long as we maintain a tariff which repels their trade. We have but to open our ports to draw their trade to us and avail ourselves of all their natural advantages. And more potent than anything else would be the moral influence of our action. The spectacle of a continental republic such as ours really putting her faith in the principle of freedom, would revolutionize the civilized world.

For, as I have shown, that violation of natural rights which imposes tariff duties is inseparably linked with that violation of natural rights which compels the masses to pay tribute for the privilege of living. The one cannot be abolished without the other. And a republic wherein the free-trade principle was thus carried to its conclusion, wherein the equal and unalienable rights of men were thus acknowledged, would indeed be as a city set on a hill.

The dangers to the Republic come not from without but from within. What menaces her safety is no armada launched from European shores, but the gathering cloud of tramps in her own highways. That Krupp is casting monstrous cannon, and that in Cherbourg and Woolwich projectiles of unheard-of destructiveness are being stored, need not alarm her, but there is black omen in the fact that Pennsylvania miners are working for 65 cents a day. No triumphant invader can tread our soil till the blight of "great estates" has brought "failure of the crop of men;" if there be danger that our cities blaze, it is from torches lit in faction fight, not from foreign shells.

Against such dangers forts will not guard us, ironclads protect us, or standing armies prove of any avail. They are not to be avoided by any aping of European protectionism; they come from our failure to be true to that spirit of liberty which was invoked at the formation of the Republic. They are only to be avoided by conforming our institutions to the principle of freedom.

For it is true, as was declared by the first National Assembly of France, that "*ignorance, neglect, or contempt of human rights are the sole causes of public misfortunes and corruptions of government.*" — Henry George, in "*Protection or Free Trade?*"

ada would not and could not maintain hers. This would make the two countries practically one. Whether the Canadians chose to maintain a separate Parliament and pay a British lordling for keeping a mock court at Rideau Hall, need not in the slightest concern us. The intimate relations that would come of unrestricted commerce would soon obliterate the boundary line; and mutual interest and mutual convenience would speedily induce the

# How the German Republic Was Undermined

By BRUNO HEILIG

Half the area of the agricultural land in Germany is taken up by large estates which are in the hands of the old military nobility, the Junkers. The other half is cultivated by peasants, the number of peasants being nine times as great as the number of Junkers.

The large estates employ 2,500,000 persons; by contrast, those engaged in work on the peasants' farms (peasants and their dependents and paid laborers) number 7,500,000. The large estates have always been befriended by governments because they chiefly grow grain which is so important in war-time. They were protected by high customs duties and were favored by reduced taxation.

After the War of 1914-18 the question of land reform was much discussed in Germany. The republic, peace loving and led by socialists, was expected to make a radical departure from the old economic ideas. Millions of soldiers now demobilized could have been settled and the agriculture output could have been greatly increased since according to official statistics the value of the output of the small farms was up to 47 per cent higher than that of the large estates; in dairy farming even up to 69 per cent higher. After years of fatigue and starving, the physical condition of the people also needed improvement. Again, the statistical data were definitely in favor of the small farms. In countries where conscription is in force the state of health of the people is reliably shown by the proportion of those fit for military service, which on the small farms exceeded that of the people working on the large estates by no less than 150 per cent.

But nothing happened. No land reform was initiated, nothing but some timid steps towards market gardens and allotments near the

cities and towns. When later, owing to the competing imports from the grain-growing transatlantic countries, and to the fall of grain prices on the world market, the Junkers got involved in difficulties, the government helped them generously. Customs duties on corn and fodder were raised, which was a heavy blow to the small farmers, increasing the cost of stock-farming. In addition, what is known as the Osthilfe (the "East Help" to the landowners of East Prussia) was granted by Parliament amounting to 500,000,000 marks (\$125,000,000) cash subsidies to relieve the estates encumbered with debts and to modernize the equipment.

Even so the Junkers were not satisfied; they demanded and got more subsidies. I have the official figures for the year 1931. In that year alone they were paid 1000 million marks for storing corn, withholding it from the market in order to keep its price high. That meant that the people had to pay more taxes in order that they should pay dearer for bread. In the same year the interest on the debts of the Junkers was reduced by 365 millions and they were given tax relief of 160 millions. With various other subsidies added, the agrarians were presented with more than 1,000 million marks (\$250,000,000) in that year 1931! And with all that money in their pockets they eventually extorted from the Reichstag the famous, or infamous, law which generally prohibited the collection of debts from the agrarians.

Under such conditions the value of agricultural ground of course rose enormously. I have no exact figures for those years but data of previous years will show how, as to one form of subsidy, protective tariffs are re-

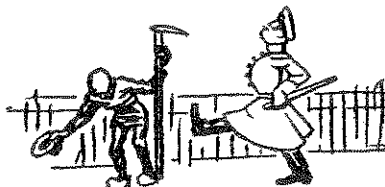
flected in the increased rent of land. From 1892 to 1906, corn duties were stable in Germany and ground prices increased during the same period by 18 per cent, a figure which may correspond to the normal rise resulting from the increase of population and the improvement of production. In 1906 import tariffs on corn were doubled. At once the prices of ground belonging to large estates jumped by 200 per cent, with which trebling of the fortunes of Junkers is to be compared the increase of only 10 per cent in the land value of the small farms. After the law was passed prohibiting foreclosure of mortgages there were no ground prices at all in Germany for the simple reason that no one was so foolish as to offer to sell a single foot of land. The monopoly was complete.

The mines of Germany have been owned partly by big companies and partly by some aristocratic families. The masters of that part of the German land were as effectively buttressed and aided as the Junkers. I mentioned in my previous article the enormous prices the people had to pay for iron and cement. The price of coal in Germany was also twice as high as in England. In addition, heavy industry also got its subsidies in cash. I refer to only some outstanding data: the Upper Silesian Foundries got 36 millions, the Lower Silesian Mining Co. 11 millions, the Röchling Concern 37 millions, the Mansfeld Co. 16 millions, the Siegerländer Metal Works 10 millions and Ruhr Mines 25 millions.

You may ask why the people tolerated all this.

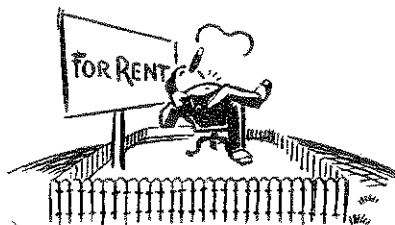
The answer is that he who holds the land holds the real source of power. Henry George gives a minute explanation of this phenomenon. Germany has actually been ruled by 12,000 Junkers and some hundred aristocrats. With their own votes, they would not have succeeded in getting a single seat in any legislative body. Yet their parties, the German National Party and the

This is the second of two articles on Germany by Mr. Heilig. The first, which appeared in our July issue, dealt with the towns. These articles appeared originally in the British Georgist journal, "Land and Liberty."





German Peoples' Party, managed to get over 100 members into the Reichstag. In Prussia, which covers two-thirds of the Reich, the relations between the land-owners and the people had hardly changed since the time of serfdom, the people voting as the landlord wished they should.



Skilled in ruling for centuries, the landowners quickly accommodated themselves to changing political conditions. After the breakdown of the Hohenzollern regime they were tolerant of common people occupying government posts, and they even consented to the Constitution which was said to override their privileges and make the landlord formally equal to his laborers. But they maintained their influence undiminished. With the toiling folk on their estates and in the remote villages, no trouble was to be feared; the "normal" means of pressure which are at the disposal of the landowner (and tradition) were sufficient to keep them down. They used modern and politically democratic means to harness the townfolk and the band of republican bosses to their carriage. The biggest newspaper and news service establishment was theirs. It was the Hugenberg Concern which published the well-known Berliner Lokalanzeiger and some periodicals and the notorious "Generalanzeigers" (General Advertisers) cheap daily papers made up to the taste and the level of the man in the street which Hugenberg bought up after the War and established in every town. Moreover, he organized the Telegraph Union, which provided thousands of newspapers all over Germany with a splendid news service, and the service which supplied feature articles and even entire Sunday supplements in matrixes ready for print and therefore unalterable.

I need not explain what that propaganda organization meant in operation. Its effect was to sway public opinion into believing that the interests of the landowners were the interests of the nation. Subsidizing the landlords was the accepted policy for preserving and even saving the sources of subsistence of the people: the higher tariff walls were for the benefit of the wage earning population: increase in land values meant increase in the national wealth: and so on.

There were also, of course, in Germany independent newspapers, some of them of a high level and distinguished. But on the one hand, none of them realized the true position, and on the other hand all of them were, to a certain extent, terrorized by the ruthlessness of the Hugenberg propaganda which had monopolized patriotism.

The industrial boom lasted for about seven years. Again and again, intelligent men stood up and warned against the inevitable consequences of what was going on. I remember having read a book discussing the situation as early as in 1925 only a few months after the great boom had started. The author was definitely right from a point of view of what is called the capitalist system. He explained that standardizing industry would mean the loss of its elasticity of calculation. The invariable part of the costs of production, that is to say, the debt charges for land, buildings and equipment would increase enormously, and the variable part, wages, would decrease correspondingly. The producers would become quite helpless in time of lessening demand. Normally, they had been able to meet a crisis by reducing wages and laying off their laborers but overhead charges had to be paid without regard to boom or crisis. If demand fell, the author argued, prices would have to go up and the whole amount of overhead charge would weigh upon a smaller amount of goods produced; yet rising prices must inevitably lead to another decrease of demand and so on, in a vicious circle.

The author demanded that a limit be set to rationalization, and others

were just as emphatic. If right from their point of view, they were absolutely wrong from the point of view of sound economic thinking. The advance of industrial production must not and cannot be stopped; it has gone on ever since somebody made the first primitive tool. To try to prevent men from improving the means of production is as crazy an effort as to try to stop men breathing. No doubt under the conditions existing in our world, rationalization has to lead to a disastrous effect similar to that predicted in the book mentioned; but the only right conclusion was to alter the whole structure of German economic life, an idea which however was taboo. Thus, Germany's destiny took its fatal course. From the very beginning we can trace how the boom in industry was impelled and speeded and intensified as land values rose and then how the further speculation in land values rendered it definitely absurd.

The flow of capital which came over from America would have been of no use if there had not been hands to make the new machines. Now in a country where a large portion of land is covered with large estates there is always abundance of people seeking employment. I pointed to the fact that in Germany 7,500,000 people were engaged in working on the smaller farms and only 2,500,000 on the large estates though the two parts of the culti-



vated land were equal in extent. Thus the existence of big estates made a difference of 5 million people in the "labor market." Wages were low and low wages stimulate industrial investments. The increase of ground prices proved another incentive to investments and intensified the rationalization. But high ground prices increase the cost of living and he who continues to em-

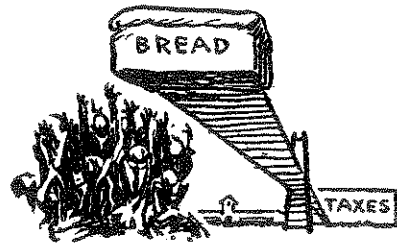


ploy labor has to provide for its regeneration whether he likes to or not. The laborers began to press for higher wages. The employers were in a difficult position. With high prices for the ground on which their factories were built, high prices for building material and coal, increasing taxes weighing heavily on their budgets, how could they bear the burden of rising wages? They decided to speed up the modernization of their equipment, to get rid of those expensive workers as quickly as possible; in other words, "to rationalize." Yet in doing so they caused ground-prices to rise higher and the cost of production rose again—another vicious circle.

Germany was in a state of intoxication at that time. Modernize, modernize at all costs, was the only idea that people could entertain. In 1930 the first signs of a crisis became manifest. Labourers stood off by machines met with difficulties when looking for other employment. Industrialists and merchants complained of difficulties in selling their merchandise. The position deteriorated month by month, week by week. In 1931 the crisis was in full swing. The ordinary means to meet the crisis had failed. By restriction of production things went from bad to worse. Amortization, rents, interest, taxes ate up everything. Workers were dismissed en masse but the employers hardly felt any relief in their budget and in any case with every worker lost to employment a consumer had been lost as well. The number of unemployed went up by tens of thousands, then by hundreds of thousands and the number of bankruptcies mounted correspondingly.

If those wise men I have mentioned had not stopped thinking at the point where they left off they might have reached the right remedy instead of recommending a halt to industrial progress. Had they only reflected a little upon the meaning of the word "invariable costs"! Whence came these costs or to whom were they to be paid? Land speculation had anticipated all possible increase of production and had forestalled all the value the land might

have decades hence. The mine-owners had doubled and trebled the price of their products so that the bare costs of building had risen to 180 per cent of the highest pre-war costs in spite of the new labor saving methods. Taxes were extraordinarily high because the State and the city had to redeem the costs of dearly bought land and generously built roads and railways, or a splendid river harbour like that in Berlin, the owners of which were now extorting inordinate transport fees out of the working people. All had gone to the landowners, that was the true meaning of the term "invariable costs." One had worked for them during all those years.



The breakdown of the German banks in the summer of 1931 further proved the truth of the theory of the invariable costs. The industrialists and the merchants were unable to meet debts and interest and therefore the banks had to stop payment. Yet the debts in question were nothing other than the capital invested during the prosperity, that is the money the landowners had swallowed. The invariable costs had quickly become insupportable and were simply not paid.

The government rushed in to help the banks which got accommodation at the expense of billions of marks drawn from the people's taxes. Then began the flow of other subsidies such as those to the Junkers and heavy industry to which reference has been made, and light industry had also to be subsidized by way of helping it to meet those "invariable costs."

The crisis grew, ever deepening. You will hardly believe what means the government applied in attempts to deal with it. Herr Brüning, then Chancellor, initiated a general lowering of wages by 15 per cent. That would, he said, bring about lower

prices of commodities and in consequence an increase in consumption with the further consequence that unemployment would decrease, altogether overlooking the fact that there was an equivalent decrease both wages and prices the amount of goods produced and consumed would remain as before and such a scheme could never result in finding new employment for the workers who were in search of it.

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Seven million men and women (one third of the wage earning people) unemployed, the middle class swept away: that was the position about one year after the climax of prosperity. Progress, conditioned it was, had rapidly produced the most dreadful poverty. You can hardly imagine a more striking example worked out in practice vindicating Henry George's theory of the private appropriation of the rent, land as the cause of social distress.

No less exactly is worked out the Georgist theory with regard to the political consequences of the unequal and unjust distribution of wealth. In the first year of the crisis the number of Nazi deputies to the Reichstag rose from eight to 107. A year later this figure was doubled. At the same time the Communists captured half of the votes of the German Social Democratic Party at the representation of the middle class practically speaking disappeared. In January 1933 Hitler was appointed Reichskanzler; he attained power, as I said before, quite legally. All the forms of democracy were observed. It sounds paradoxical but it was in fact absolutely logical. For to quote literally what Henry George has written about the inevitable effect of poverty on political developments under popular government:

To put political power in the hands of men embittered and degraded by poverty is to tie firebrands to foxes and to leave them loose amid the standing corn; is to put out the eyes of a Samson and to twine his arms around the pillars of national life.

When the disparity of condition (in the distribution of wealth) increases, so do universal suffrage make it easy to seize the source of power, for the greater the proportion of power in the hands of those who . . . tortured by want and embittered by poverty are ready to

their votes to the highest bidder or follow the lead of the most blatant demagogue; or who, made bitter by hardships, may even look upon profligate and tyrannous government with the satisfaction we may imagine the proletarians and slaves of Rome to have felt, as they saw a Caligula or Nero raging among the rich patricians.

(Modern tyrants prefer the looting of Jews.) Under such circumstances:

To turn a republican government into a despotism the basest and most brutal, it is not necessary to formally change its constitution or abandon popular elections. Forms are nothing when substance has gone, and the forms of popular government are those from which the substance of freedom may most easily go. Extremes meet, and a government of universal suffrage and theoretical equality may, under conditions which impel the change, most readily become a despotism. For there despotism advances in the name and with the might of the people.

No doubt in all political changes the national character also plays its part. Yet particular conditions really provoke the reaction. I do not believe that the Germans would have followed Hitler under normal conditions. True, Adolf Hitler may be the particular German specimen of what Henry George calls the most blatant demagogue. But do you consent to Mussolini, the Latin speaking tyrant? And what about Norwegian, Dutch, French, Hungarian and Romanian Fascists? The German people—or a large proportion of them—were only the first to follow Hitler. Others joined in later under the lead of their most blatant demagogues. All Europe is either Communist or Fascist, with few exceptions. It was not fear or downright political stupidity that prevented so many European countries from joining in the fight against Hitler and it was not mere incompetence that defeated France. It was the strong Fascist forces existing in those countries and the influence of the respective blatant demagogues (though not yet in official power) that paralysed the peoples; and the outcome is that the superlative of all the blatant demagogues has become the leader of the lot. Thus, national character is but of subordinate effect. The circum-

stances are the determining factor.

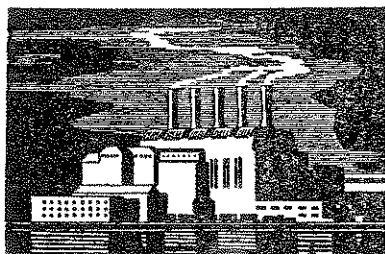
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The unequal distribution of wealth makes government corrupt, Henry George says, and "a corrupt, democratic government must finally corrupt the people, and when a people become corrupt there is no resurrection."

I have dealt with only some outstanding cases of corruption and have not mentioned any of the many cases not directly connected with the land question. But I believe I have shown that corruption was the essence of what was called German economic life; and corruption naturally became the feature of political life as well.



Money also was the chief weapon the enemies of democracy applied to overthrow democracy. Germany's masters, the owners of agricultural and industrial land, the Junkers and the Ruhr industrialists, had no actual love for Nazidom as such, but they were willing to use it to destroy the hated Republic. "A mere aristocracy of wealth will never struggle while it can hope to bribe a tyrant," Henry George says, which is just what the German landlords did. Nazidom was financed as everyone knows by heavy industry in the first place; but the Junkers also contributed to the millions of marks which were paid to the leaders of the Nazi party. It is interesting to notice how quickly the old German aristocracy had accommodated itself to customs that had been strange to them. They did so because with the abolition of privileges they had really turned into a "mere aristocracy of wealth," and it proves their highly develop-



ed political instinct that they at once realized the new position and acted accordingly. It is a particularly ironical side of the story, that the landlords bought Nazidom with part of the money they obtained from the Republic both in cash subsidies and through the rise in land values. The State had provided its enemies with everything they needed for its destruction: with progress, with popular government, and with the material funds necessary to achieve the thorough organization of tyranny. The wall painter and corporal was of course not to the taste of the German landlords but in the most important problem he has not betrayed his sponsors. He did not touch the land problem. He only added to the class of Junkers that of the "Erbhofbauern" (peasants owning land under entail and prohibited from mortgaging) thus creating a new hereditary class of middle-sized land monopolists. So we see how the land question repeatedly got into the focus of political life at every turning point of the German Republic's fate.

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Similar conditions will be of the same effect everywhere. What happened in Germany will inevitably happen anywhere that similar conditions prevail. In some continental countries it has happened already. The Nazi regime is not Hitler's, the man's achievement. Nazidom has grown organically out of a rotten democracy, and the rottenness of that democracy is the natural consequence of unequal economic conditions; and unequal economic conditions obtain all over the world owing to the instituted private appropriation of the rent of land. Therefore every country is potentially a Fascist country. Germany is but the model of a development which no country can escape except by the establishment of the equal right to the occupation and use of land. Therefore also there can be no lasting peace even after the defeat of Nazism if the present economic structure of the civilized countries remains. The private appropriation of the rent of land is the deadly enemy of mankind.

## The Book Trail

### MEN AND POLITICS

By Louis Fischer

Duell, Sloan and Pearce, \$3.50

Louis Fischer's autobiography covers the past twenty years of his service as a foreign correspondent in Europe. Fourteen years were spent in Soviet Russia. Approximately one half of this book is devoted to the Spanish Civil War, where Mr. Fischer spent some two years. The tragic picture of Europe in decay between two wars is realistically drawn. The thirst for power and privilege seemed the strongest universal urge. The idealism of the League of Nations was thwarted and finally dissipated by the perfidy of nations unwilling, or unable, to live up to their democratic creeds.

This volume contains interesting descriptions of famous political leaders, and reports of their conversations which the author was not allowed to print at the time. His acquaintance with Soviet personalities and later with Spanish Loyalist leaders was wide and in many cases intimate. His dispatches from Russia for many years were couched in a language that led many readers to suspect their semi-official origin. Without doubt Mr. Fischer believed in the cause for which he wrote.

Journalists assigned to Russia were in most cases bitten by the Soviet virus. Mr. Fischer's infection lasted until the signing of the Soviet-Nazi pact. The trials and purges caused grave doubts in his mind, and he found solace by leaving Russia for Spain and immersing himself in a Republican cause. (His explanation of the confessions by Bolshevik leaders is convincing.)

Although the degeneracy and bureaucracy of the Bolshevik regime was apparent to other observers long before the purges, Mr. Fischer does not even touch on such matters as the great famine of 1932-33 resulting from the forced collectivization of farms, the imprisonment at hard labor under unbelievable liv-

ing conditions in the Arctic timber camps of hundreds of thousands of men, the building of the white sea canal by prison labor, etc.

Estimates of deaths resulting from the great famine run from four to ten million; the number of political prisoners has been estimated as high as five million; a political offence was a vague term used by the G.P.U. to conscript cheap labor; the method of rehabilitation was to deprive a man of all his rights as a human being. A present item (New York Times, June 24th) states that three hundred thousand prisoners were used recently to build Russia's defenses along its border.

One can understand that Mr. Fischer's enthusiasm for Russia and its five year plan blinded him momentarily, but in this volume there is no admission of this.

Stalin is accordingly assigned the role of the 'devil.' The author now abhors all forms of dictatorship. His suggestions for a better society contain such Socialistic measures as competition between government and private industry in order to prevent monopoly or control by either side.

Max Hirsch's prognostications about Socialism first spoken in 1904 come to mind. They have been borne out to the letter. The end product of Socialism is always slavery.

V. STRACH

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### CASE STUDIES OF CONSUMERS' CO-OPERATIVES

By H. Haines Turner

Columbia University Press, \$2.50

Of all the phases of production, that of retail distribution is (according to Dr. Turner) one of the most inefficient. It is here that the small, independent entrepreneur may still find a sort of opportunity.

Until recently, even this field seemed on its way to being closed—by the chain stores. But the small merchant is not going to give up without a struggle, and has been demanding (and obtaining) legislation which will hamper the chain store and give him an advantage. Examples of such legislation are special chain store taxes and price-fixing laws—the so-called "fair trade acts."

As usual, the wishes of the consumer have little weight in influencing the lawmaker. If the legislature "gangs up" on Mrs. Housewife by jumping on Piggly Wiggly and A. & P., she must do the best for herself that she can. Consumer cooperatives are supposed to offer a possible way out.

Dr. Turner's book is based upon actual field analysis of cooperatives run by Finnish-Americans in Massachusetts, Michigan, Wisconsin, and Minnesota. Sections are devoted to the economic accomplishments of cooperatives, the advantages of cooperatives over private business, the benefits of cooperative enterprise, the reason for the successful development of cooperatives, and reasons for the absence of cooperatives in some communities, the effects of present social trends upon cooperatives, and the economic future of cooperatives.

It is highly improbable, however, that the organization of consumer cooperatives will solve any economic problems. At best, a cooperative can accomplish for its members what a labor union does—it can secure for them advantages in which non-members do not share. When and if any consumer cooperative attains a stature comparable with (say) A. & P. today, it will have used against it the same weapons now used against the chain stores. Even granting that cooperatives can confer benefits, there is no evidence to show that these benefits can ever become general.

Moreover, turning to cooperatives for protection against cheating merchants on the one hand and double-crossing legislatures on the other appears to be unnecessarily circuitous. Cooperation can do nothing that cannot be done better by competition. Of course, it is idle to speak of competition when one competitor has a blackjack and the other only a toothpick. Americans might well concern themselves with abolishing special privileges which make competition one-sided, instead of attempting the impossible task of granting new privileges which shall just counterbalance the old ones.

ALAN FREEMARTIN

# News of the Crusade for Economic Enlightenment

Edited by LAURA BREST

## Henry George School Holds First Convention Two Hundred Delegates Register at Meeting

NEW YORK, N. Y.—The First Annual Convention of the Henry George School of Social Science convened at New York Headquarters on July 9. Slightly more than two hundred delegates were registered. The Convention opened with an address of welcome by Mrs. Anna George De Mille, and concluded with a speech by Col. the Rt. Hon. Josiah Wedgwood, M. P. (London). Col. Wedgwood's address was broadcast over New York's high-fidelity radio station WQXR.

The First Annual Convention must now be referred to in the past, but its vitality continues to animate the present and promises to be a vital force in the future. All strata of Georgists were well represented—from the still vigorous and faithful contemporaries or near-contemporaries of Henry George to the neophyte just out of a class in Progress and Poverty. All left the Convention refreshed and eager to continue with their task of spreading the Philosophy of Freedom.

Delegates from widely dispersed parts of the country, from California, Chicago, New England, and from Canada, brought with them interesting and informative reports of their varied experiences. Harmony and unity of purpose formed the indispensable background for interchange of opinion.

Just as the reports describing the work of the various extensions aided in the formulation of future policies, so the individual papers read during the day sessions helped the listeners to reshape, crystallize, or critically re-examine intellectual experiences. Every conceivable topic relative to George's philosophy and means for its propagation was explored. The only complaint was that there were far too many interesting things taking place for one person to participate in all of them.

The Trustees of the School, sponsors of the Convention, are more encouraged than ever to hold a bigger and better conclave next year. The effects of these constructive discussions will have inspired all Georgists to still greater efforts than have been made thus far.

We must all work harder than ever. There must be no slowing up, no interval of indolence. The Philosophy of Freedom must be taught more vigorously; it must become the accepted way of life. If it does not become wide-spread, it will disappear. That it must never do! But it is up to us to be able to report its ever-increasing advance at the 1942 Convention. We will!

## Chicago Gets Money

CHICAGO—Nearly one half of the \$5,000 budget of the Chicago extension for the coming school year has been subscribed. Aid pledged at the ten regional reunions the last week of June added \$792.12 to the \$1,548.00 raised at the annual banquet in May. An additional \$102.00 was announced at the Commencement, June 30, bringing the total to \$2,442.12.

Over one-fourth of the subscriptions are being paid on a monthly, quarterly or semi-annual basis, a popular subscription being one dollar a month.

Two hundred more dollar-a-month subscriptions would make the goal of \$5,000 needed to secure 1,000 graduates.

## No Stopping Him

CHICAGO—Mason Gaffney was not going to let Chicago down without one summer class. He started a class with a dozen high school and college students in his home in Winnetka on July 16. In September Mason goes to Harvard to begin a seven year trek through college economics.

## No Effort Too Great

NEWARK, N. J.—At the first session of the new Teachers' Training Course in Newark it was discovered that two students, Paul Tweed and Kenneth Warren, will have to travel 56 miles each Monday night to attend the class.

## Going After Students

CHICAGO—An intensive personalized campaign for enrollments in the fall term will be made by over 300 graduates of the Chicago extension. Thirty teams—one for each class to be formed—will vie with one another to get out the largest enrollment. Each team will have a captain, 10 graduates who will interview recommended students, one who will be in charge of poster distribution and another who will arrange for announcements to be made at club and church meetings.

Herbert B. Jones, Chicago adman, is preparing a brochure which will go to 30,000 general prospects and 3,000 recommended names. The recommended prospects will receive two follow-ups.

## Chicago's Gossip Sheet

CHICAGO—The first issue of Chicago extension's monthly bulletin, "On the Campus," appeared in July. Re-write editor, city editor and circulation manager is Rita Lechner, spring term graduate. Progress of the Chicago extension and news about its graduates is chronicled in four mimeographed pages.

## Freeman Artist Staff

NEW YORK, N. Y.—After an absence of one month, John Monroe returns to our pages with his customary five drawings for the editorial section. John sat up nights doing these, as the copy got to him late.

Mildred Baldwin has two contributions this month—the full-page "editorial without words" on page 225 and the illustration for our center spread.

The drawings which illustrate Mrs. Mackenzie's "My First Crusade" are by Sylvia Wiren, and those for Mr. Heilig's second article by John Frew.

Next month, commemorating the birthday of Henry George, we have a splendid picture of George himself, drawn by Mr. Frew. And for our October issue we expect to have another drawing by Claude Buck.

Our illustrations for this issue are in the form of little sketches scattered throughout the text, rather than a single large picture. Which arrangement do you prefer?

## Boston Instructor on Holiday

BOSTON, Mass.—S. Warren Sturgis, of the faculty of the Henry George Institute of New England, has gone to his summer home at West Dover, Vt. His active and excellent work will be missed until he returns in the fall. Mr. Sturgis taught at Groton for 44 years.

## Danish Georgists Active

COPENHAGEN, Denmark.—The Institute for the Study of the Fundamental Laws of Political Economy scheduled a three-day convention at Odense, to be held June 27 to 29 inclusive. The program follows:

- June 27: "Why Does Poverty Follow Progress" by Father Chr. Norlev.  
 June 28: "Progress and Poverty" by Dr. E. Høgsbro Holm.  
 "Protection or Free Trade" by Bue Bjørner.  
 June 29: "Struggle for the Land" by Dr. V. Starcke.  
 "The Future of Democracy and Its Realization" by Dr. Morten Bredsdorff.

The Freeman obtains this information from the May, 1941 issue of "Grundskyld: Nordic Journal for Economic Freedom and Justice," the monthly publication of Danish Georgists, now in its 18th year.

## Margaret Bateman Leaves

NEW YORK, N. Y.—Margaret Bateman, Assistant Director of the New York Headquarters of the Henry George School of Social Science, has returned to Montreal to resume her work with the Canadian Schools. Every member of the New York School looks upon her departure as a sharp personal loss. Good luck, Margaret!

Miss Bateman's duties at Headquarters will be taken over for the present by Jean Lackey, and the sentiments of those who have been questioned on the subject agree that the only alternative preferable to having either Jean or Margaret would be to have both.

## Research in Boston

BOSTON, Mass.—A class for the study of realty taxation and ground rent is being organized by Winthrop L. Upton, of the Henry George Institute of New England. Those who wish to enter the class should communicate with Mr. Upton at 28 Westley St., Winchester, Mass.

Any student living outside the Boston area who wishes to undertake research into the taxation methods of his own local community may obtain the benefit of Mr. Upton's long experience in the field by writing to him. All readers of The Freeman are invited to cooperate.

## Californians Read Books

SAN FRANCISCO, Calif.—According to Our Common Wealth, the bulletin of San Francisco Georgists, there has been a great revival of interest in Henry George among dwellers in the Bay Cities. The San Francisco Public Library has 20 copies of "Progress and Poverty" but applicants have to wait about two weeks after reserving the book. The increased demand has developed during the past eighteen months. A similar situation exists in Oakland.

## Chicago Tops Record

CHICAGO, Ill.—Spring commencement brought to a close the biggest year in the history of the Henry George School in Chicago. During the year, 612 students completed the basic course in 100 classes, bringing the total number of graduates to 2345 since the first classes in 1934. The number of classes and graduates for each academic year was:

Year Ending	Classes	Graduates
1935	5	64
1936	8	81
1937	45	234
1938	41	321
1939	61	543
1940	87	560
1941	100	612

The figures for 1941 include the 17 graduates of Milwaukee's first class.

In addition to the elementary classes, 21 advanced classes added 98 "graduate students" to make the total number of advanced students 223 for the year.

## Student Writes on George

NEW YORK, N. Y.—In the 1941 year book of Yeshiva College, "Masmid," seven pages are devoted to an article by Graduate Hyman J. Laks on "Henry George and a Balanced Economy." Mr. Laks concludes his article with the following paragraph:

"As a brilliant and able exponent of social reform, the position of George is secure. His work is a ringing denunciation of the prevailing order of inequality and class conflict, and is a challenge that our civilization cannot afford to ignore. To thoughtful men it should be a source of renewed hope in the ability of mankind to solve social and economic problems without resorting to the violation or suppression of the rights cherished by the individual."

Yeshiva College is a school for the training of Orthodox Jewish Rabbis.

## Lab Session Earns Profit

CHICAGO, Ill.—The economists' bus tour, reported in The Freeman last month, not only paid dividends in education, but made a cash profit of \$20.00, according to On the Campus, the new publication of the Chicago Extension of the Henry George School of Social Science. The surplus will be used to promote a similar tour next fall.

## Matrimonial Bureau Suggested

CHICAGO, Ill.—Apropos of the news of hymeneal orgies in Newark, the suggestion is made that the Henry George School open a matrimonial bureau, with the slogan "A Spouse With Each Diploma."

In the meantime, the Chicago Extension will try to get along without the bureau. Amor, Eros, Cupid & Co. are hard at work in western territory. The score so far: one wedding—William Radke and Isabel Milligan—and two engagements: Otto Bicieste and Mabel Birmingham of Berwyn, and Richard Irmiter and Ina Hatcher of Evanston.

## Radio Petition Circulated

NEW YORK, N. Y.—A graduate of the Henry George School of Social Science, whose business is in radio, asserts emphatically that broadcasting stations will be eager to put Georgist speakers on the air if we convince them that there is a listener demand. The School has accordingly prepared forms for a "Forum Listeners' Petition" with spaces for signatures.

These forms are being issued to all students and instructors at New York Headquarters and at many of the Extensions. Every Georgist in North America should cooperate by obtaining signatures for this petition. Each sheet contains space for 22 signatures; send for as many sheets as you can use. Address requests to New York Headquarters, 30 East 29th Street.

## Lab Manual Available

CHICAGO, Ill.—The laboratory manual which was used by the Chicago Extension of the Henry George School of Social Science for their "Economists' Bus Tour of Chicago" is available to students and teachers for 25c. Orders should be addressed to Suite 600, 64 W. Randolph St., Chicago.

The manual is brim full of factual information concerning Chicago land use and abuse. Typical of the data is the fact that, according to the Chicago Herald-American of June 1, 1941, 15% of the loop area (Chicago's principal business section) is now occupied by parking lots, the buildings which formerly stood upon them having been demolished to escape taxes.

Extension secretaries would do well to communicate with Chicago and get the details of the laboratory idea. It can be applied to any town.

## New Georgist Paper

CHICAGO, Ill.—The Chicago Extension of the Henry George School of Social Science has begun the publication of a mimeographed news leaflet of four pages, called On the Campus.

The idea of getting out a local paper giving news of extension activities deserves careful consideration by all extension secretaries. If a mimeograph machine is available, the expense is almost negligible. Such papers can supplement The Freeman in a most useful way, by promoting good feeling and "class solidarity" among extension students.

## Research in Louisiana

NEW ORLEANS, La.—The Benjamin Franklin Research Society announces the publication of a pamphlet, "America's Future" which is devoted largely to the question of uneconomic land use (or misuse). Readers of The Freeman may obtain copies by writing to W. E. Clement, Secretary, at 511 Gravier St.

### British Georgists' New Address

LONDON, England—The offices of the British journal *Land & Liberty* were destroyed by bombing. However, much of the more valuable of the material formerly kept there had already been scattered in different parts of the country, and the contents of the office safe, though charred, were still serviceable after the fire.

British Georgists have published a new book, "Why the German Republic Fell." The Robert Schalkenbach Foundation, 30 E. 29th St., N. Y. C., is expecting a supply of these books, which will be offered for sale at 75c each.

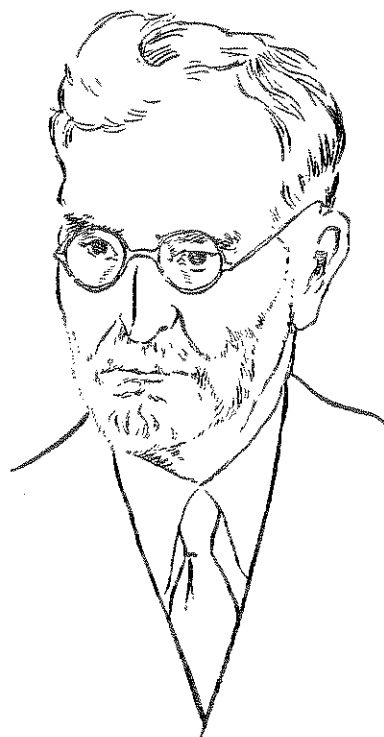
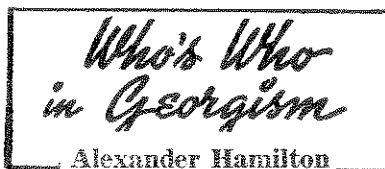
Correspondence should be addressed c/o Vacher & Sons, Ltd., Westminster House, Great Smith St., London, S.W. 1.

### Classes in Far East

NEW YORK, N. Y.—The Henry George School of Social Science is to have students in the Far East. The focal point for the new sphere of activity will be Manila, P. I.

This latest extension of the work of the School is the result of the efforts of Gene Inocencio, a recent graduate. Mr. Inocencio is at present in New York. He has arranged for the books and lesson sheets to be handled from a Manila office, as the great distance and consequent delays make it inadvisable for the courses to be handled directly from New York.

Mr. Inocencio expects eventually to return to Manila, and will then assume personal direction of the Philippine Islands Extension.



Born in Scotland in 1861, Alexander Hamilton was the son of what Sir Walter Scott would have called "a douce

guidman wha held his ain ploo." His childhood was spent on a ranch of about 350 acres which was improved so much by underdraining, liming, breaking up, etc., that at the end of his father's occupancy the rent was doubled. Of this Mr. Hamilton says, "A lesson in landlordism."

At sixteen he decided to learn a trade in order to work his way to the New World where he could be his own "laird." So he learned masonry and having earned his passage, came to America when he was twenty-one. When he told the immigration official his name, the officer said, "If you do as well in this country as your illustrious name-sake you will be all right." But Hamilton says he found he had "much more in common with Thomas Jefferson than with my illustrious name-sake."

For many years, in many States and in Canada Hamilton continued his "stone-hewing." He became a member of the Knights of Labor in Victoria. At the first meeting he asked for literature explaining more fully the aims and objects of the Knights and was handed a copy of "Progress and Poverty"!

In 1889, with W. W. Forrester and Thomas Turnbull he published from New Westminster a little monthly paper called "The Single Tax Advocate" which set in motion the influences that led parts of Western Canada to make a deep thrust against land monopoly. They took most of the taxes off improvements and levied them against land values.

He moved in 1902 to a farm on Pender Island but not till 1909 did he achieve his life's ambition: "to reach a position where I could apply my own labor to Dame Nature's breast directly—when it would become unnecessary for me to ask leave of any fellow creature for liberty to produce wealth."

## The Freeman

A Monthly Critical Journal of Social and Economic Affairs

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\* \* \*

Cuts for our illustrations are by Horan Engraving Co., Inc.

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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 writers contribute their services as a living endowment to the cause for which The Freeman stands.

### Freeman Writer Goes Over

NEW YORK, N. Y.—A member of The Freeman's staff of volunteer research workers prepared an article on international trade, which was accepted by a popular monthly magazine. Since the editors of The Freeman had collaborated on the article, the writer decided to contribute the check to the School.

### Cost of Defense Profits

NEW YORK, N. Y.—A friend of the Henry George School has a printing business, and has accepted a number of orders from the Federal Government in connection with the defense program. He has just been informed that in order to hold the business he must hire a number of armed guards to patrol his plant, and also build partitions to divide his shop into rooms. The regulations will commit him to a \$3,000 outlay.

Readers of The Freeman who plan to take advantage of the anticipated boom resulting from war orders take notice.

### Invitation to Readers

The Freeman needs more subscribers. In order to get them, it must become a better magazine. You can help make it better if you will, by your criticisms and suggestions. Please make your criticisms as specific as you can; we get some vague complaints which are useless to us, because they don't enable us to put our finger on anything. If you and the teachers in your Extension are not using The Freeman in their teaching, why not? Experience has shown that theoretical teaching is useless without practical examples; it is such examples that we try to supply in The Freeman. If they are not practical enough, don't mope and keep your mouth shut; tell us, so we can do better next time.

The news pages are, in one respect, the most important section of the paper. Please cooperate by sending in news items from your locality.

A portion of a talk on The Freeman, delivered before the Conference delegates, appears in this issue on page 238.



## Objections Overruled

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

**Q. What is the difference between speculation in land and in other kinds of property?**

**A.** If all the products of the world were cornered by speculators, but land were free, new products would soon appear and the ill effects of the speculation would quickly pass away. But if all the land were cornered by speculators, though everything else were free, the people would immediately and thenceforth be dependent upon the speculators for a chance to live. That illustrates the difference.

**Q. How can it be possible that speculative land values cause business depressions when, as any business man will tell you, the whole item of land value—whether ground rent or interest on purchase-money—is one of the smallest items in every business?**

**A.** You overlook the fact that the item of speculative rent is the only item which the business man does not get back again. The cost of his goods, the expense of clerk hire, the rent of his building, the wear and tear of implements, are all received back, in the course of normal business, in the prices of his goods. Even his ground rent, to the extent that it is normal (i. e., what it would be if the supply of land were determined alone by land in use, and not affected by the land that is held out of use for higher values), comes back to him in the sense that his aggregate profits are that much greater than they would be where ground rent was less. But the extra ground rent which he is obliged to pay in consequence of the abnormal scarcity of land is a dead weight; it does not come back to him. He can not recoup his excessive ground rent or purchase-price unless or until his site rises in true value to the level of its speculative value. Therefore, even if infinitesimal in amount, as compared with the other expenses of his business—and that is by no means admitted—it is the one expense which may break a thriving business down. Besides, it is not alone the ground rent paid by the business man for his location that bears down upon his business prosperity; the weight of abnormally high land values in general presses upon business in general, and by obstructing the flow of trade forces the weaker business units to the wall. It is not quite safe to deduce general economic principles from the ledgers of particular business houses.

## On the Margin

Extension secretaries who do not send in their news items to *The Freeman* are neglecting an important opportunity. What happens in your corner of the world may seem pretty humdrum to you, but depend upon it, somebody a thousand miles away will be interested. Even if you only have a Georgist bridge party or picnic, people in other places will read about it and enjoy it.

The news pages are the most difficult to fill up, simply because the news is not sent in, or arrives late. It should reach us by about the 19th of each month. If I am shy an article, I can usually manage to fill up the space; if worse comes to worst, I can write one myself. But if the news doesn't come in, there's no way I can get it.

Encourage your students to write for *The Freeman*. We need writers—that is, writers who are willing to do real work in digging out facts. Talk about *The Freeman* to your students, and get their reaction to it; then let us know. As long as our paper is the work of a half-dozen people who provide most of the material for each issue, it will be a second-rate paper. Are you doing your part to make it a first-rate paper? You needn't do very much. No individual need do very much, if only a great many will cooperate. If you are doing nothing about making *The Freeman* a better paper, why not? It's largely up to you, you know.

Editors have their troubles, especially when those upon whom they should rely display indifference and apathy. The bright spot in *The Freeman's* sky is the artist staff. I cannot speak with sufficient enthusiasm for the people who draw our pictures. Getting somebody to write an article, or even a book review, is like pulling teeth; but getting an artist to draw a picture is a pleasure.

John Monroe, of course, has been drawing pictures for us almost since the beginning. Recently we have added pictures by Mildred Baldwin, Claude Buck, and Eda Casterton, all of Chicago, and by John Frew, Hubbell McBride, and Sylvia Wren, all of New York. In addition, credit goes to the Horan Engraving Company, managed by one of our graduates, who provides us with the cuts as his contribution to the School. To me, the cooperation, the reliability of these people is a marvel and a deep gratification. They are doing their part, and a good deal over.

If every one connected with the School would do his part just half as well, we could publish a paper which people would fight to get.

PAUL PEACH

## Letters to The Editor

I maintain that we should stop using "Progress and Poverty" as a text book except for advanced and purely academic study. We had once over five million copies of this book in circulation, and failed to effect our reform. Now we have a paltry few hundred thousand, and I believe that even if we again finally reach five million, we will fail again. I propose instead that we use "Protection or Free Trade?" as an introductory text.

If we will present our reform in this or in some equally practical way, the American people will accept it. They need it now, desperately. But if we propose to them now, as we have all through the past, to build "theaters and baths" for them, they will still refuse us their confidence—"philosophical" or "mathematical" improvisations by such bright youngsters as Zalles and Peach notwithstanding.

Aram Bashian, Boston.

Editor's Note: The concluding reference in Mr. Bashian's letter is to papers read at the First International Conference of the Henry George School by Reginald Zalles and Paul Peach.

\* \* \*

Some months ago you had an article in *The Freeman* concerning the Climax Mining Company. It was a splendid piece of work. I am in a position where I happen to know the situation. I am engaged in mining, in a small way, within a few miles of the Climax mine. I have been there often, and have first hand knowledge of the way the mine has operated and its growth and profits.

Incidentally, about 150 miles southeast of the Climax is a deposit of molybdenite that is probably the greatest in the world. Where the Climax has a mountain of ore, low grade but lending itself to open pit mining, the deposit I refer to, and which I have personally inspected, is a vein upthrust in the middle of a mountain, and will average over 80 feet in width, 1800 feet in height above millsite level, and extends for over 600 feet across the mountain, with constant outcroppings. The ore assays over double in value that produced at Climax, but the latter has steadily prevented its development.

Vernon J. Rose, Kansas City.

Editor's Note: "Climax," the article to which Mr. Rose refers, was by David Asch and appeared in our February issue. *The Freeman* takes huge pride in the work of Mr. Asch, which has won high praise from a great many critics.



## At the Convention

Two delegates came to the Convention with tomahawks, looking for the editor of *The Freeman*—these were **Edith Siebenmann** of Chicago and **Elisabeth Breese** of Syracuse, N. Y. Both had had their names spelled wrong in recent issues of *The Freeman*. After much persuasion, they reluctantly agreed to lay aside their tomahawks and shake hands.

Some of the delegates came considerable distances; **Helen Denbigh** of Berkeley, Calif., hung up the record, but the **Lincoln** family from Phoenix were close seconds, and **Richard H. Cole** of Houston, Texas, next in line. Mr. Cole feels that it is rather illiterate of New Yorkers to pronounce Houston as if the Hous rhymed with Mouse. The Deep South was represented by **Edgar Bridge** of West Palm Beach and the prairie country by **Dr. Lydia Johnson** of Pierre, So. Dak.

The first meeting of the Lord High Office Boys of the Henry George School took place at the convention, attended by **Ed Ross** (Philadelphia), **Harold Power** (Boston), **John Monroe** (Chicago) with **Teresa McCarthy** (Newark) presiding. (It may not seem quite fair to classify Teresa as an office boy; she never looked lovelier than she did at the Convention.)

The Convention may have been dry in some respects, but the Scotch was on tap twenty-four hours a day in the pairson of **John Grrrrray** (Boston) who, despite forty years in Beantown, has not become Irish whatsoever.

Part of the Chicago delegation stayed over the week end. **Eileen Campbell** and **Edith Siebenmann** (no misspelling this time!) seemed to enjoy it, but **Henry L. T. Tideman**, director of the Chicago Extension, was impatient to get back to his job. We all do so love to be on the job, don't we?—especially when the boss is looking.

**Nathan Hillman**, Director of the Hartford Extension, couldn't come, but Hartford was represented by **James McNally** and **Ethel Stannard**. Mr. McNally had the privilege of presiding over the reading of a splendid paper on forestry by **Lawrance Rathbun** (Concord, N. H.).

**Aram Bashian** (Boston) thought some of the papers were too theoretical and visionary, while **Sanford Farkas** (Brookline, Mass.) thought the scientific aspect ought to be stressed more. Mix equal portions of each for an average. Boston did well for itself at the Convention—papers by **John R. Nichols** and **Reggie Zalles**, and more delegates than any other community outside the New York area. The fair sex was represented by **Grace Dahl** and **Isabel Klein**. **John Codman**, dean of the Boston School, was obviously proud of his group—with reason. And white-haired, smiling **Winthrop Upton**, of Boston's Statistical Department, won everybody's heart, especially that of the Assistant Editor of *The Freeman*.

**Jerry Walsh** (Montreal) arrived early—two days before the Convention started. He, too, started to win everybody with his charm; but now everyone in New York is sore at him, because he took **Margaret Bateman** back to Canada with him.

Next to Boston, Philadelphia had the largest representation—five delegates. They were **Olive Moore**, **Samuel L. Green** (not to be confused with our own **Lancaster Greene**) **Lester Jenks**, **Julian Hickok**, and, of course, **Ed Ross**. And there were more New Englanders—**Fred Horner** of Somerville, Mass., and **Mrs. F. A. Faust** of Woodbury, Conn. **Grace Colbron** registered from New Canaan, Conn., but she doesn't fool anybody; Grace is a citizen of the world. **Jean Lackey** registered from Delavan, Wis., but she didn't fool anybody either. Jean is our new globe-trotting Acting Assistant Director.

There were about two hundred delegates altogether. Most of them, of course, were from New York and New Jersey. We thought of them as part of the reception committee, rather than as guests. But among them was one of the Grand People of the Georgist movement—**Charlotte Schetter** of Northport, N. Y. We New Yorkers have a soft spot in our hearts for Miss Schetter, and were glad to see her in such good health and spirits.



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

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

P & P 2:12—"Transportation is Production" (219). The distinction between production, which includes all the steps in getting wealth to the consumer, and distribution, which is the process by which are allotted the shares of land, labor and capital, is not always readily grasped by the beginning student. Emphasize it.

P & P 4:21—"How the German Republic Was Undermined" (230). Show how, when the producer is deprived of a just share in his product, we must provide him with a negative incentive—that is, the desire to escape punishment: he must be reduced to the status of a slave.

P & P 6:9—"Let's Abolish the Price System" (221). See also "OPAX and History" (224).

P & P 6:32—"Case Studies of Consumers' Cooperatives" (234).

P & P 10:30—"How the German Republic Was Undermined" (230). Current history has no more important lesson for us than the fate of German democracy. Hitler came to power by perfectly constitutional means.

P & P T 2:1—"My First Crusade" (226). All of us find it easy to believe that which we wish to be true. Since such belief is usually the result of self-deception, we cannot call it hypocrisy; and its quasi-sincerity makes it the more difficult to deal with.

P & P T 6:30—"The Armament of Democracy" (228). There is a great temptation here to bring in illustrations from current history. Such an attempt should be made with the utmost discretion, if at all, since neither the Henry George School nor the Georgist philosophy are properly either "interventionist" or "isolationist." Remember that people as a rule do not react rationally towards questions with which they have a personal concern, because of race, nationality, self-interest, etc. If you must discuss wars, try to pick a war in the discussion of which your student will not be under a psychological handicap.

# DEMOCRACY VERSUS SOCIALISM

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

By MAX HIRSCH

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