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THE AMERICAN WAR ECONOMY

Beware the Cartel *Economy in Transition*

All Right, Let's Go to War

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War is the game from which both parties must arise the losers. That is true of peoples. But it is not true of special classes who profit and wax strong at the expense of the masses of the people. —Henry George in The Standard.

All Right, Let's Go To War

EDITORIAL writers and columnists with extraordinary vigor are intent upon the need for saving civilization. It would be unfair, young men, to debunk the fervor of these far-seeing oldsters.

Politicians, beyond the legal fighting age, insist that the country is in danger of invasion, that all we hold dear in these United States must be preserved without consideration of cost.

From his ivory tower a college professor warns pacifist students that there are spiritual and moral standards for which sacrifices must be made.

Perhaps they are right. It may be that something in this social set-up is worth preserving. Things might be worse. An argument can be made for a surcease of reason in the face of a world disaster.

Let's go to war. Let's forget that the present situation is the product of tariffs, channeling of goods and credits, profit-hungry cartels, reparations, pressure politics, land speculation—all the schemes of exploitation which restrict that free exchange of goods and services necessary for peaceful living.

Let us concede that the world is very sick, so sick that drastic emergency treatment is the only way to help it now.

However, if we make the sacrifice necessary to save the world, ought we not demand that the world agree to get on the road of right living afterward? Have we not a right to insist that the causes which brought about this debacle be removed, so that the next generation will not have to go through it over again?

After we come back from the wars—if we do —will there be jobs for us, or shall we be faced with the "no help wanted" signs that greeted the returning heroes of 1918? Shall we have to work, if we are lucky enough to get work, to pay off the bonds issued to the home patriots who fought with their money while we fought with our lives? What kind of depression will greet us on our triumphant return?

Unless we look upon war as a make-work program, or a method of getting rid of surplus youngsters, there should be a sort of moral contract between the soldier and his country, with stipulations for a curative policy.

First, the disparity in the pay of enlisted men and of commissioned officers should be removed by paying the enlisted men a greater proportion of their normal income in productive work. It's no fault of theirs that they are being obliged to leave productive work to engage in wholly destructive work.

Second, the army, officers and men, must be drawn from all classes. No cushy jobs, at home or behind the front, for the sons of the privileged!

Of course, the men over forty who have been unable to find jobs during the past ten years may have a grudge against the country that denies them employment opportunities. If their support is to be won, restrictions on production that bar full employment must be abolished.

As for the million migrant farm laborers who do not have much in the way of homes to fight for, land should be promised them, and it must be made accessible for their families.

Finally, the ten million unemployed have no stake in the present order to defend. The restoration of full employment would give them one.

Moreover, the terms of the contract should include some guarantee that the war actually will result in a better world.

To avoid an unnecessary increase in the national debt, all the rent of urban, agricultural and mineral land and of power sites, radio channels, etc., should be appropriated by the government to defray the cost of war. No taxes should be levied until, and unless, the rent fund is found insufficient. This provision will also assure the soldiers that the land they are fighting for will actually be their own when they return. That's worth dying for. There's no sense in fighting for land which belongs to others who will make you pay to use it after you have risked your life to ward off prospective foreign landlords.

Abolition of all tariffs must be included in the agreement. Since the stupid scheme of preventing our people from buying from other nations results not only in depriving ourselves of their good products, but also prevents them from getting what they need from us, there is bound to be friction. Friction leads to fire. Let's free trade so that everybody can buy in the best market all over the world, thus stimulating business and creating jobs for everybody.

We could do without patent monopolies and pressure groups which thrive on the taxing power of the government. But these are minor pests. It will be a worthwhile world if taxes and tariffs are abolished and the land returned to the people.

Will the advocates of war meet these terms?

How Free is Freedom?

SOMEBODY should make a factual study of the relation between the amount of their production which peoples have been forced to contribute toward the maintenance of their respective States and the degree of individual freedom which these States have permitted the peoples to enjoy.

Contemporary history indicates that there is an inverse ratio between taxation and freedom. In totalitarian States, where the identity of the individual has been merged in the mass, the right to private property of any kind is at the sufferance of the political power. Taxation is no longer a means of raising revenue; what is vouchsafed to the individual is at the expense of total production, which in principle is the property of the State. Even where private property is allowed, the permission is granted only when the State is best served, and it may be abrogated when public ownership seems more desirable to the predatory committee in charge.

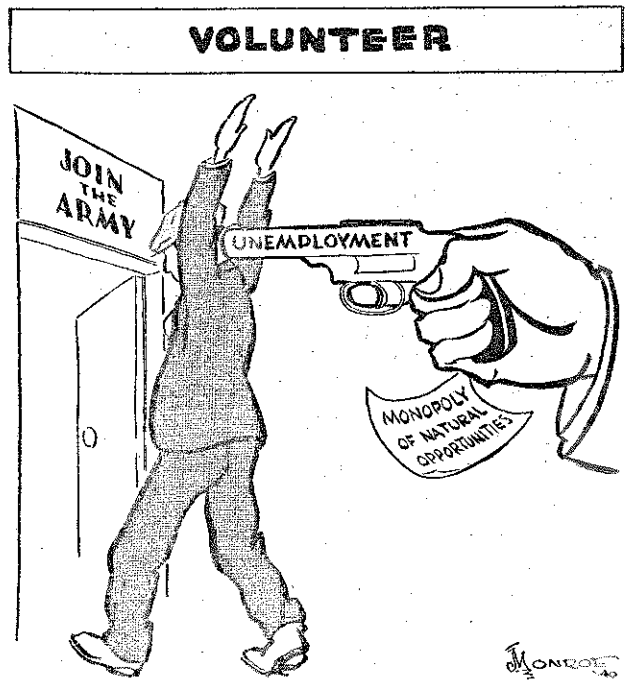
The point is that in the totalitarian countries the complete absorption of production by the State has been accompanied by the complete disappearance of individual freedom. The object of the study suggested would be to show whether gradual increase in the tax burden is likewise accompanied by a gradual curtailment of the freedom which constitutional forms are supposed to safeguard.

The thesis can well be maintained in logic. If the premise that man belongs to himself is accepted, then it follows that the product of his labor belongs to him alone. Any forcible taking of this product, whether by another individual or a community of individuals, is more than robbery; it is a denial of the basic premise of his existence. Once infringement on his property right is accepted as a principle, the right to existence transfers from himself to those who have acquired right in his property. Thus taxation is in principle a denial of human rights. It works out that way in practice.

These thoughts on the relation between taxation and freedom come to mind as we read of the stupendous sums which our government is appropriating for defense, and the prospect of considerably more which will be expended. These expenditures will be met by new conscriptions of labor products. A contemplated change in our income tax law will increase by 2,000,000 the number of workers who must contribute to the cost of the war machine. But this is merely an omen. In England even a newsboy earning five dollars a week is subject to an income levy, besides paying sales taxes.

We leave it to statisticians to estimate how much of the total production of the nation will be absorbed in this and future generations by the expense now being incurred. Our present concern is the possible extinction of individual freedom which this burden portends.

Will the American State find it necessary to suspend or abrogate the hard-won civil liberties—freedom of speech and assemblage, for instance—when dissatisfaction with the depressed economy begins eventually to assert itself? Will the curtailment of production which follows in the wake of taxation, and the consequent lower living standard, result—*at the demand of the economically enslaved*—in the totalitarian idea of life?



The fate of France teaches an unmistakable lesson: Only a mechanically equipped, trained militia of citizens fighting to preserve liberties that are really theirs can be relied upon to defend America's freedom. An army of boondoggling mercenaries is no bulwark against barbarians.

Beware The Cartel

IN AUGUST, 1916, Woodrow Wilson approved the Act forming a Council of National Defense. That law, never repealed, forms the basis for the industrial mobilization which is the present purpose of Franklin D. Roosevelt.

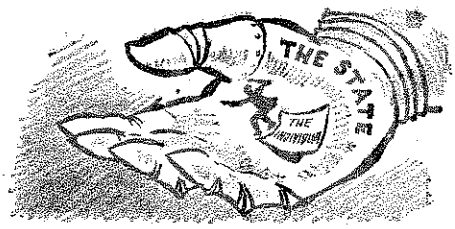
Not until March, 1918—a year after the United States declared war—did that centralizing scheme begin to function effectively. In fact, it succeeded in its purpose only when it was at that date freed from all democratic controls and was clothed with dictatorial powers. That is, the Council, consisting of six Cabinet officers, was succeeded by a War Industries Board without definitive legislative powers but armed with the personal backing of the President. Planning and democracy do not mix. The one country in which socialism succeeded in putting its doctrine into practice, Russia, did so only because the leaders deliberately abandoned all democratic processes.

The War Industries Board started on a program for complete control of our national economy which was interrupted by the war's end. Its regulations embraced uniformity of clothing for all civilians, sizes of tires, styles of bathing caps, kinds of coffins. By a priorities system it could control production by channeling raw materials, fuel, transportation, etc. It fixed prices.

As a war instrument it worked fairly well. Its fixed prices were of course circumvented; values are as subject to regulation as the rays of the sun. Favoritism by the Board's agents in allocating contracts reached the proportion of a national scandal. "War profiteering" is still remembered. Cooperation of business on a patriotic basis enabled the Board to function in its appointed object of supplying the army and keeping some order in the daily life of the country. But, because private ownership of capital was not abolished and some freedom of enterprise was permitted, the Board was a haltering device. Had the war lasted another year complete control of our national economy would have been effected, said Bernard Baruch, the Board's chairman.

England under Chamberlain went through a similar split-character economy. *The Economist*, London's famous economic journal, railed against the inefficiency of self-control-in-industry which prevailed in the Ministry of Supply in that ill-starred government. This rather conservative commentator frequently and almost reluctantly alluded to the cartel system that arose. The head of each control was usually the head of the largest unit in that industry; thus he was able to learn the secrets of his competitors, to determine who should and should not get contracts and under what conditions. Cartels—industrial cliques with government sanction—enriched themselves at the expense of the war machine.

Time, New York, May 27, tells hows the steel cartel worked. The Steel Control Committee was identified with old-fashioned, high-cost mills. William John Firth, an anti-banker industrialist,



brought engineers from the United States to build a continuous strip mill. The British Government induced him for military and social reasons to establish his plant in an economically undesirable town. The extra cost of building ruined his budget, and he found it necessary to borrow some $30,000,000 from the Bank of England. With the loan, control of the business went to the cartel. Sir William was ousted. At the time Herbert Morrison took over the Ministry of Supply the best steel mill in England was working at only two-thirds capacity while its rivals had a back-log of orders.

Now that the United States is again engaging in war—for preparation is as much a part of war as are the battles—let us not be squeamish about facing the facts. Let us admit frankly what our reason proves incontrovertibly: war and democracy cannot exist simultaneously. For one is the antithesis of the other.

Therefore, we should prevent a repetition of our own errors of 1917-18; we should heed England's more recent experiences. We should stop all pre-

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tense of individual freedom. War is a condition—temporary, we hope—in which the individual relinquishes to the State every claim to existence: property, political rights, life. If that is the way to win the war, let's have no prolonging of the agony and the expense of it by half measures.

Maybe we will have to fight the State afterward for the right to life, liberty and the pursuit of happiness. But, if we want war, we must insist that the State lay hold of private property with as much compunction as it destroys life. Any other procedure must result in some people gaining economic advantages while others are dying, and will justify the conclusion that war is waged for that purpose.

Europe Gives Production Sense

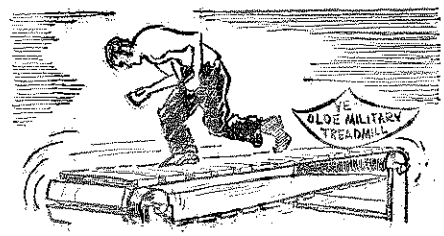
PRODUCTION IS LIFE. The ethics of production is one of the bitterly learned lessons of war. In the light of reports on the present economy of Europe the fulminations of "amoral economists" are as satisfying as mustard without meat.

If production is the making of things, regardless of the purpose to which they are put, then the maximum activity of a civilization bent on destroying itself is production of the highest order; and if the definition of wealth is restricted to any combination of labor and land, whether or not such combination serves to satisfy desires, Europe must indeed be in a very prosperous condition.

But it is not. The tremendous activity of sixty million workers in feeding and supplying thirty million men in arms seems to promise a condition of abject poverty. Famine stalks this so-called production. The making of things which do not satisfy the desires of men is done at the expense of these desires, and the effort exerted is sheer waste. Life suffers. There is no production.

Nor is it possible to store up satisfactions in anticipation of a complete stoppage of production. We live from hand to mouth. Germany is learning this lesson with emphasis. Seven years ago the Reich began robbing her laborers in anticipation of the present complete stoppage of production; yet, three days before the Polish campaign her grain reserves, the Government reported, were only 8,600,000 tons —less than one-third her normal annual consumption. Poland was ravaged for the purpose of supplying the deficiency in her food supplies; but the loot was meager, and millions of starving Poles can produce little, particularly under the lash, beyond enough to keep themselves alive. Now that Argentine wheat has been cut off by the British Navy, Germany turns in vain to Balkan fields denuded of workers by the menace of war. Fish, an important item on the German menu, is not produced by submarines or mines. "Only a miracle," writes a reporter, "can rescue the Third Reich from a repetition of the starvation of 1918." The "miracle" would be acceptance of the truth that production is nothing but the satisfaction of human desires.

All over eastern Europe soldiers garrisoned in idleness are literally eating the head off the economy of their countries. Millions of refugees in England, France and the "neutral" nations are devouring tons of rationed food. The condition of Italy is indicated by the reported arrest of some thirty-odd thousand "hoarders." Mussolini has been "producing"



so many engines of destruction that he cannot compete with the belligerents in the Balkan food supply market; his only resort is to use these engines to steal what he cannot buy.

Spain demonstrates what Europe will be. The almost complete destruction of her capital handcuffs her depleted manpower; she is starving. Holland, Belgium, Norway, Denmark are stripped, and the armies of occupation are as productive as locusts: their insatiable maws leave little for the enslaved workers, out of the little that slaves produce.

Russia, where production by ukase has ceased to have any human purpose, was reported to be short of potatoes and milk before the invasion of Finland began. Stories seeping out of that blacked-out wilderness hint of a repetition of the famine of 1932-33. Robbery of the peasants by millions of non-producers in uniform and in mufti has turned her farms into garden patches; the worst winter in a decade has sabotaged what little was produced.

France has been called upon to import 70,000 field workers from her colonies. How much will

these inefficient laborers raise beyond what they consume? The women farmers are in munition factories making what no woman can use in the satisfaction of desires. And a million refugees from Spain, Germany, Belgium and other countries are "star boarders."

England's food plight broke through the traditional fences surrounding 3,000,000 acres of aristocrats' sacred grassland. But where are the workers who produced the things which used to be exchanged for the bacon and dairy products supplied by the now fettered workers of Denmark and Norway? Rationing may temporarily relieve the situation, but a hungry worker makes a poor leaning post for civilization.

The picture is dark indeed. Europe is on the breadline now. What will follow this war of extermination? Extermination. But, if anybody is left to philosophize about it, particularly an economist, civilization may be revived if the concept prevails that the satisfaction of desires is the only thing that gives production sense.

A Ray Of Hope For England

BECAUSE THE ENFORCED DIET of hospitalization results in a healthier figure is no reason for undergoing an appendectomy to reduce one's weight. But, if the operation is necessary anyway, it is solace to know that unexpected benefits may accrue.

It is not necessary to suffer destruction of life, property and civil liberties to bring about a better

social order. Yet if war does come it is to be hoped that the economy which caused it may be improved, as a matter of necessity, during the holocaust.

As a matter of historical record, the socio-economic results of war are deleterious. The genesis of war being privilege, its character to protect privilege, its conduct per se a denial of all individual liberty, it is difficult to conceive of any result other than the entrenchment of privilege.

But totalitarian war, if continued to the point of exhaustion, may bring about the debacle of privilege itself. The terrific demand upon production which such a war necessitates may weaken the structure of tradition and legality upon which privilege rests. As predatory interests fatten on production, a complete diversion of the productive processes for war purposes may call attention to the true nature of these interests.

Some such hope for Englishmen at least (the Germans, because of their complete conditioning to slavery, seem doomed, regardless of the outcome of the war, to a dismal fate for generations) arises from the hardly heard remarks which their parliamentary system permits. For instance, the following by R. R. Stokes, Laborite Member from Ipswich, in a debate on the budget*, is a hopeful indication:

"I think the Government should make it a penal offense for any man to allow valuable land to lie idle. In the borough of Ipswich there is a total area of 8,692 acres, an industrial area in which there is only one cow, and of this area 3,500 acres are absolutely unused, and, being derated, make no contribution to local rates. ...

"There is a further example in the same area. The community has grown, and the power station is too small. The electric light authorities decided to build another power station. They did not choose the most delectable site in the middle of a residential area, but they chose what was, in fact, the worst possible site. It was land which had never been used except to graze a few sheep. ... They had to pay £13,000 for 84 acres when they wanted only about half of that land, so that really they had to pay over £300 per acre for what they needed, as the landlord would not let one half of the area go without the other. ...

"The easiest way to cure unemployment is to force all this idle land into use, and the right way to do that is to put a tax upon it and collect its communal value for the community. But you have this absurdity—another example of the inequality of sacrifice; what is considered as useless land is being taken for camps, aerodromes and factories. It is a great secret; it is not in the public interest that we should know what has been paid for it! Does the Chancellor of the Exchequer propose to take back from the landlords the sums which the Government have paid? Does he propose to take 100 per cent of their excess profits on land sales for the benefit of the community? If not, the fighting men will say that while they have been asked to go and die for their country, they must first buy the land before they do so."

Again, consider this lesson in fundamental economics delivered by Colonel J. C. Wedgwood (Newcastle-under-Lyne, Labor), in the same parliamentary debate:

"The committee will agree that in this budget we are raising £1,234,000,000 by taxation and £1,400,000,000 by inflation. I ask the Committee to consider what this inflation means. It means that everybody . . . is finding that his investment is being deflated. ... He is being hit. But not everybody is being hit. The people who own the factories, who own the machinery, who own agricultural stock are not suffering from inflation. As the pound goes down, in the pocket of the person who has saved it, the value of the stock and the machines keeps on going up. We are getting, by this system of inflation, an exceedingly unfair taxation. Most of all is it unfair when it is considered that the inevitable result of inflation in every country in the world where it has taken place is that, as the currency depreciates, the salable value of land rises. Far more than the machinery, which wears out, or the stock, which dies off, the value of the land is rising all the time as inflation goes on. The owners of the land are in the blessed position of being able to improve their position relatively by inflation. ... They are in an ever better position to extort from the people who have to use the land, a higher price for the privilege of producing wealth from that land.

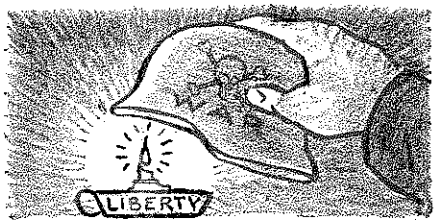
"All the wealth about which Members have been talking is ultimately produced by labor out of land. Unless you force the people who own the land and raw materials to allow the man who wants, can and knows how to produce wealth, to do so, the State is positively assisting by inflation to prevent the production of the maximum amount of wealth."

One must not hope for too much from such slight currents of sense in the hurricane of war. But there is at least some hope for England in that such sense may find expression. Maybe the country will be forced to take heed.

* Remarks by Mr. Stokes and Col. Wedgwood from "Land and Liberty," London.

An Economy In Transition

WE ARE ENTERING the final stages of a war economy. The establishment of the National Defense Commission is the signal that the technique of living on a partially free basis is coming to a close.



From now on—and no one can foretell when or how a reaction toward free enterprise may set in—the marketplace as the determinant of our ways of satisfying desires will gradually be replaced by the mechanism of planning.

The market has never been free. The appointment of a regulatory body by the president does not in itself signalize a complete reorientation of our economy. It simply announces that the disease from which we have been suffering since the inception of our American way of living has reached the critical stage. The tendency toward a controlled economy can be traced to the first tax law, the first grant of land, the first statute that enabled one man to live by another man's work.

The first privilege given by organized society to any individual or group set the pattern for an economy in which the privileged wrest from the workers the product of their labor. Poverty is the consequence. Poverty begets poverty—including the consequent social ills—and the process is accelerated by the invention of more and more privileges. Eventually there must be a contraction of all privileges into the hands of the privilege-granting body, that is, the State.

That is a war economy. War and the fear of war—particularly the fear—make politically possible the transition from a partially-free, partially-monopolized economy to one completely monopolized by the State. The formation of the National Defense Commission is notice that the transition has begun.

Let us hope that it is for the duration of the war only. But of that we cannot be certain. Reason and experience tell us that freedom cannot be attained until it is understood. The inception and extension of monopoly economy is the result of ignorance; for instance, ignorance of the nature of taxation, or the function of rent. Education is the only hope. But that hope grows dim in the face of the complete control of all educational means, which is a necessary corollary of controlled economy.

The task for those who understand the economy of freedom becomes more difficult.

Patents For Production Only

AN INCONSPICUOUS NEWS ITEM frequently reveals a basic principle more vividly than scholarly investigation. (Indeed, the latter method, which snubs the obvious, often tends to obscure rather than reveal.)

A case in point is the problem which the President's demand for a 50,000-a-year aircraft production presents. The bottleneck is the engine. There are numerous models on the market, each containing some desirable device covered by patent. A com-

posite of these devices would produce the best engine which technological knowledge is capable of producing, and a standard unit would permit the needed mass production.

The bottleneck, then, is not the engine, but the patent privileges which prevent the engine from being made. Every patent owner demands a price for permission to use his government-granted privilege.

Instead of abolishing the preventive patents, the government now proposes to sponsor licensing contracts by which the originators of selected models would farm them out for mass production. The Treasury has employed aeronautical experts to select the standardized models.

Thus the government becomes an agency to promote the sale to itself of patent privileges which it has created. It forces the pooling of patents, but it does not abolish the price advantage which the Patent Office has given to the companies. When the government buys the engines it will pay the extra price which these patents enable the companies to demand. That is, the people's representatives will collect taxes for the benefit of the patent owners.

Leaving aside this incongruity, the point of interest to our general economy is that patents tend to prevent production. It needed the power of government, and an emergency situation, to break down this barrier.

The dream of the inventive genius is to make something that will benefit mankind. Our patent laws make of this dream a nightmare.

"The Lady Doth Protest Too Much"

NOW that our national sympathy is openly with the Allies, it would seem that our sincerity might be questioned if we put a price on that sympathy. Particularly since the popular passion is that the Allies are fighting our war we ought not to put ourselves in the position of helping them only at six per cent per annum.

Some such imputation might result of the Treasury Department's recent tariff order.

The English pound is at this writing worth on the market about $3.50; it may be lower when this reaches the reader. The English government has arbitrarily fixed the price of the pound at a few cents over four dollars.

England needs a lot of American goods with which to wage the war. She pays for these goods with credits in American dollars. The more goods she can sell us the more credits she will have to spend in this market. If we really want to help her win the war we ought to facilitate these exchanges.

The United States Treasury either does not share the popular passion, or has some esoteric sense of sympathy which is denied to the ordinary mind. An order recently issued directs customs officials to compute tariffs on English goods at the four-dollar price of the pound, no matter what the market price may be. Thus the price of the goods to the American consumer is raised; higher prices mean fewer sales, and hence diminished credits for the purchase of the things England needs to help her win the war for us.

We must not be too hard on Uncle Sam for insisting on his full pound of tariff flesh. His solicitude for England, it should be remembered, is counter-balanced by his deep concern for his own tariff-protected industries. And his own nephews (almost unanimously pleading that help be sent to the Allies) must not be swamped with low-priced goods from England. His position is indeed a delicate one.

Yet, ordinary and straightforward decency prompts the suspicion that this upping of the tariff on English goods dilutes our protestation of sympathy for the Allies. It looks as if our tariff-protected patriots were as sympathetic as profits permit.

Beware the Nth Column

THE REAL DANGER to our nation is not in the subversive elements in our midst, or in the ideologies they espouse. These are but effects of an economy which must breed dissatisfaction and arouse destructive passions.

It is in the Nth, not the 5th column that danger looms. For instance, when the Welfare Commissioner of New York reports that one-third of the city's population has been on relief at one time or another in the last six years, he has said that two and three-quarter millions of our people, in the richest city of the country, have tasted the ignominy of being public wards. Among these patriotism must be at a low ebb.

Or, when the Public Works Administrator points out that nearly a million persons on relief are unwanted workers over 40 years of age he identifies a sore spot on our body politic.

Loyalty does not feed on charity. Rather, the moral depravity that results from unrelenting, hopeless poverty is the strength of all "fifth columns."

To Abolish War Make Peace Profitable.

William N. McNair Had A Purpose

AN INTERVIEW

"That's old stuff." Bill McNair has the philosophic attitude. His experiences have importance to himself, if at all, only objectively. Therefore, if you want him to talk about his three turbulent years as mayor of Pittsburgh you must indicate that your queries are not just gossip. If your purpose is in some way to advance the Georgist movement he will not hesitate to give you many details you did not expect.

I had heard that his sudden resignation from office in 1936 had its roots in a fight to force Pittsburgh land speculators to pay up delinquent taxes. But since this campaign, extending over his three years in office, was hardly reported by the press, not even in his own city, the story is known to only a few people. What is known about McNair, thanks to the newspapers, is that he ate apples in public, had himself arrested, played a fiddle very poorly, and generally behaved in a manner unbecoming the high office he held.

If his odd behavior had no purpose McNair might be considered a psychopathic case. Indeed, his political opponents had him trailed by brain specialists in the hope that some such charge might be brought against him. But to those who know McNair, and are familiar with his troubles in office, his antics did have a purpose.

For many years he had been running for office, any office, without hope of ever being elected, for the opportunity political action gave him to talk about the principles of Henry George. "I wanted an excuse for using a soap box," he explains. When the Roosevelt landslide in 1932 made him mayor, to the astonishment of everybody, mostly McNair, he continued his crusade. Also, he opened up the schools and other public buildings to the Henry George School of Social Science, which at one time conducted forty classes with an enrollment of a thousand students in Pittsburgh.

But, the public press completely ignored his Georgist speeches. That he came late to a public gathering was headlined; but the editorial blue pencil worked overtime on his references to the land question. Unless your knowledge came from other sources than the press you would never know that McNair had any social philosophy or fiscal policy.

The campaign of silence was on. A Pittsburgh newspaper man told me that editorial orders were to "lay off" McNair. But McNair was always "good copy" because he was always doing something a mayor shouldn't do. One day, for instance, he had himself arrested; that is, he insisted on the execution of a warrant obtained by his political opponents, who hoped he would follow the quiet procedure of putting up bail. Not McNair.

He called in a police officer, had himself taken to jail, sent for some apples and a copy of "Progress and Poverty," and proceeded to explain to his fellow jail-birds that they were not to blame for their predicament, but were the victims of a wrong economy. The arrest of a mayor is obviously front page news. But only one paper, in a small paragraph at the end of the story, mentioned his speech to the prisoners; and yet, that was why he had himself incarcerated.

His attempts to break through the conspiracy of silence failed. In the light of this failure one wonders whether his antics were ill-advised. But, hindsight is futile; and it is questionable whether any other method would have had more success in breaking into the landlord-controlled press. Judgment of McNair must be based on his unwavering adherence to principle, not on his methods.

"My troubles started when I started something unheard of in Pittsburgh—forcing tax dodgers to pay up. My Law Department told me it could not be done; that even if I did foreclose for taxes, the City would have to satisfy the mortgagors before title could be obtained. As a lawyer I knew this was bosh. I fired the Law Department. Action against tax dodgers resulted in the collection of millions of dollars. In order to start proceedings against these tax dodgers I had to advance from my own pocket the necessary legal fees, because the Council would not vote me the money."

How land speculators and their political henchmen operate when a fight on their privilege is precipitated is disclosed in the following incident.

"I aimed only at the big downtown tax dodgers, mainly because here was the greatest haul. Besides, the little fellow is rarely delinquent because the bank which holds his mortgage sees to it that he is not. The big landlord either has no mortgage or is not bothered about taxes by his bank.

"One day the newspapers, which hadn't given much attention to my tax-collecting campaign, came out with a story that I was squeezing the little home owner. I denied it. The next day they published the names of several small home owners against whom action had been started. Some clerk, evidently coached,

had slipped these phonies into the pile of papers handed me to sign. The newspapers never mentioned the names of the downtown landlords I was really gunning for."

The collection of delinquent taxes was actually necessary to keep the city functioning. Each year the Council would appropriate a million dollars less than McNair needed to run the City; each year he would collect the million, and would have something over for the general funds. Which brings up a question: how much of our rent, even under the present inadequate system of taxation, is illegally retained by our landlords?

The politicians learned soon after McNair took office that he would not "play ball" and schemes to get him out of office began almost immediately. The incident which led to his resignation traces back to one of his first official acts. The political leader whom he had appointed City Treasurer was in the insurance business, and expected to act as broker for the city's insurance; the commissions totalled about $20,000. McNair wanted to give some of this business to an indigent henchman. The City Treasurer wanted all of it. So, McNair advertised that the insurance would be given to brokers who were delinquent in their city taxes. "In that way," he said, "some brokers who were in danger of losing their homes benefited, and the city got the revenue."

Politicians do not forget.

Under the law judgments obtained by the city for tax delinquency are outlawed after five years, unless renewed—by the mayor. The job of listing these judgments for the mayor's signature, done by rubber stamp, is a chore of the City Treasurer. The Treasurer's office did not choose to do this job within the specified time, the city lost some $300,000 in judgments, and the mayor was legally at fault. Malfeasance is a criminal offense.

McNair discharged his treasurer. Thus the blame was legally placed where it properly belonged. But the City Council, which had fought the mayor throughout his term, refused to confirm any nomination he made. They wanted the same treasurer because, aside from being politically safe, he represented the legal means of getting rid of McNair.

A "ripper" bill designed to abolish the office of mayor in Pittsburgh had already been passed by the Pennsylvania legislature. McNair's term in office was therefore of doubtful duration anyway. The prospect of fighting a criminal action was distasteful. Without a City Treasurer bills and payrolls could not be met, and while the fight with the Council was going on the municipality was practically at a standstill. Bill McNair resigned.

"I found," he says, "that I had less chance to expound the theories of Henry George in office than when I was soap-boxing. The Georgist who thinks he can advance the cause as an office holder does not know that he cannot hold office unless he keeps his mouth shut. If he talks up it won't be long before he is out of office.

"That's probably as it should be. The politicians give the people what they want, if the people know what they want and are articulate about it. We cannot and should not expect land value taxation until enough people ask for it, and do so intelligently. The School is building that educable elite which brings about real reform always."

I asked him about the Pittsburgh Graded Tax Plan.

"All right as far as it goes, but it doesn't go far enough. Taxing buildings half as much as land has the tendency to encourage building. But rents in Pittsburgh are very high, indicating that the exemption of buildings simply raises the value of land. The speculators discount the exemption.

"Besides, unless the people know what he is trying to do, the man in office is helpless to effect permanent reforms. You can overcome the differential of the Graded Tax Plan by merely raising the building assessment."

And then, in his characteristically informal manner, he uttered a profound truth:

"You cannot change the folkway of the people overnight. Pittsburgh simply did not understand what I was trying to do. If we had had a few thousand graduates of the Henry George School who could have explained my purpose to their neighbors maybe I would have accomplished more."

Maybe McNair has had an effect on the folkway of Pittsburgh.

—FRANK CHODOROV.

"Crackpotism" Or Common Sense

The following significant passages are taken from "The Single Tax Principle—'Crackpotism' or Common Sense," an article by Professor Harry Gunnison Brown published in a recent issue of "Education":

A high tax on capital or on the income from capital may decrease the available amount of capital for industry to use. A high land-value tax, up to the entire annual economic rent of the land, will not decrease the available amount of land.

* * *

Even if a heavy tax on capital did not at all discourage the accumulation of capital, it would certainly diminish the investment of capital within the territory taxing it.

* * *

But a community or country can take, for the benefit of its entire public, as much of the community-produced annual location value of sites and resources as it desires, without decreasing its land at all.

* * *

For land-value taxation, while it does not, of course, increase the total amount of land in a community, does increase the amount available for use. A study made a few years ago by Dr. Ernest M. Fisher indicated that the number of lots held vacant in various large American cities which he investigated, was from a third to a half or more of the total. In other words, in the typical American city there are very often as many or nearly as many (occasionally more) lots held out of use as there are lots used. This involves a waste in transportation and travel, in street paving, in water and gas mains and in electric light and telephone wires. A land-value tax system would make such speculative holding of land out of use unprofitable.

The Riddle of Fourteenth Street

By SIDNEY J. ABELSON

Fourteenth Street is not the ideal route for a rubberneck tour of New York. Except for the subway kiosks and whatever a wayward glance north or south at avenue intersections might reveal in the way of skyscrapers, you would hardly recognize it as an important metropolitan thoroughfare.

True enough, you will find on it the headquarters of the Salvation Army—a sure sign, of course, that big town poverty exists not too far away. One or two large buildings, a concentration of movie houses on one block and of sizable stores in another section, are also symbolical reminders; yet strangely, these concentrations have the flavor of a down-in-the-heel Main Street rather than the class of Gotham. Except for the living models parading in the second-floor window of a cloak house —a bit of "showmanship" that, I take it, could happen only in New York—Fourteenth Street is decidedly fourth or fifth or fourteenth rate. No, this is not the spot to show your out-of-town friends when they come to see the sights.

If, however, your visitor is a student of economic problems, he may not begrudge the experience of seeing how land speculation works—or, rather, how it prevents work—in the very heart of the world's most ambitious city. But seeing the effects would not be enough, for that would not necessarily prove the point. Fourteenth Street's untidiness, its uneven development, its lack of decent industrial, mercantile and residential improvement, despite the teeming tens of thousands who daily jam its sidewalks literally to overflowing—these observations do not show why such a thoroughfare athwart the flow of life in a great metropolis stands out as a relic of small town backwardness.

Fourteenth Street may be small-townish in appearance, but by no means is it anything less than a super-metropolis in transit facilities —one of the most favored measures of desirability in the mind of a New Yorker. The sons and daughters of Father Knickerbocker like to go places and do things—in a hurry. And Fourteenth Street, as much as any other section with the exception of the Times Square-Grand Central Station zone, offers them superb opportunities to come and go with a minimum expenditure of time and carfare.

The accompanying article is based upon research done by Mr. Daniel Goodman, instructor at the Henry George School of Social Science.

This recital of transit facilities may bore the blasé Gothamite, but it will interest the socially conscious visitor; for his benefit let it be noted that the Fourth Avenue, the Seventh Avenue, the Eighth Avenue, and the Broadway subways all have express stops at Fourteenth Street. The Sixth Avenue line, nearing completion, will soon join this goodly company. Fourteenth Street also boasts a crosstown subway line which continues on to Brooklyn Borough via an East River Tube. Fourteenth Street further enjoys a direct rapid transit connection with Jersey City and Newark by means of the Hudson-Manhattan Railroad which parallels the Sixth Avenue tracks. Three elevated lines, the Second Avenue, the Third Avenue and the Ninth Avenue, complete this grand array of rapid, five cent* transportation means. Crosstown busses and north and south busses on every intersecting avenue fill out the facilities so that whoever wants to get to Fourteenth Street from anywhere can do so quickly and inexpensively.

According to the city assessor's office the land on Fourteenth Street, from the East River to the Hudson, is worth $24,039,800.** This tidy sum betokens a high productive capacity, and one would conclude that only acts of God could prevent a group of sites so generously favored by transit facilities from being the scene of a determined effort to bring forth its maximum possibilities. But what are the facts? And wherein lies the explanation for them?

First of all, you could show your visitor one—just one—interesting statistic so dramatically significant to the trained mind as to call forth psychic gasps of astonishment. On $24,039,800 worth of land there stands but $8,914,800 worth of construction! Whole sections of Fourteenth Street are "improved" with ancient shanties, "taxpayers," "reconditioned" buildings held up by seemingly death-defying rules of engineering, or left vacant altogether.

What acts of God have stunted Fourteenth Street? What calamities have nullified Father Knickerbocker's efforts to make this thoroughfare the site of a great establishment for the satisfaction of human desires? What happens to the values daily reestablished by the hordes of men and women who take advantage of Fourteenth Street's cheap and convenient transit facilities?

Fourteenth Street is a "low-priced" shopping center. It is the lure of bargains which draws to it these armies, in the hope that they can make meager earnings do a bigger job in the way of filling their needs. Custom has inured people to a false way of thinking; they confuse thrift with niggardliness, they mistake scrimping for saving. The story of Fourteenth Street is a striking example of how our customs prevent the possibility for real saving and force millions to resort to scrimping. Fourteenth Street, ironically enough, could be the site of a major production effort, for its "improvement" value is hardly more than one third of its land value, while in New York as a whole improvement and land valuations are about the same. Instead the Street is relegated to the function of a last resort for the underpaid, a final hope for those who

* The fare is five cents for a continuous trip of any length on all these lines except the Hudson and Manhattan.

** 1937 figures. All figures given in this article are as of 1937, the latest available for this research.

have little with which to shop for their needs and must make that little go far.

To explain this situation to your visiting friend you would have to consult the assessment records of New York. Among other things you would find that on Fourteenth Street the John Jacob Astor Estate owns two parcels of real estate assessed in total at $340,000 for the land and $120,000 for the improvements. Under our present tax system the Astors can well afford to keep title to this property indefinitely, for the tax load is no doubt well provided for by the income derived from the comparatively small improvement. How inadequate this improvement is, from the point of view of potential productivity of the site, is made plain enough by the fact that on this same block (adjoining the Astor property) the National Biscuit Company has a $507,000 plant standing on a plot worth $158,000.†

Now take your friend from the Biscuit factory between 9th and 10th Avenues to the Spingler-Van Buren Estate which occupies three whole blocks in the very heart of Fourteenth Street, from Union Square to Sixth Avenue. You will be well repaid for your three or four block journey—if you are looking for facts that show how speculative withholding of land from productive use thwarts economic progress, forces out the margin of production, depresses employment and wages and all but compels the abandonment of sites favored by nature and by society's restless activity.

These particular blocks included in the Spingler-Van Buren holdings are especially favored by New York's great rapid transit system. They lie at or within a stone's throw of the convergence of three subway lines, adjoin a fourth, are but a block or two away from a fifth and two or three blocks away from a sixth. Yet the Spingler-Van Buren properties are among the least developed of all on Fourteenth Street—and Fourteenth Street itself represents one of the lowest points of development in the city!

One parcel of land in this group is valued at $280,000—and bears on it not one penny's worth of improvement. A $170,000 plot has on it a structure valued at $15,000. A $40,000 plot is "improved" to the extent of $2,500. A $230,000 site supports a $40,000 building. The total land holdings of the Estate (on Fourteenth Street) add up to $3,894,500; the total improvements, to $799,000.

The New York City general average of improvement value to land value is about 1 to 1.

The Fourteenth Street general average of improvement value to land value is 1 to 3.

The Spingler-Van Buren ratio of improvement value to land value (on Fourteenth Street) is 1 to 5!

Our system of speculative land holding has served to choke progress, first on the Spingler-Van Buren acres; then, since these are at the very heart of Fourteenth Street, on the Street as a whole; and finally, it has had its deadening effect on the entire city.

But since unproductive city people are poor customers for farm products, the farmer too is going to feel the effect of this system which permits the Astors, the Spinglers and Van Burens to withhold land from use at the pleasure or convenience of their checkbooks. And so a vicious cycle is established, a cycle which begins anywhere that land is being held out of full production and ends on the same spot, encircling in its course, as in a ring of steel, a thousand evil effects on the social body.

Your visitor has now had a first hand view of the Riddle of Fourteenth Street—which is also the Riddle of the Whole Economic World. But he has had the Riddle solved for him, not merely in logic but in startling, unanswerable fact.

Should your visitor continue his way, seeking to vary a vacati journey with changing scenes, fe reting out the unknown or unfami iar, the bizarre, the strange and t sensational, he may speed on to t far north or the far south, the eas the near east or the Levant, he ma view a hundred different peoples an as many markedly different ways c life—but wherever he should stop t investigate the reason for povert existing amidst plenty or amids plentiful resources there would ris up before him this same Riddle o Fourteenth Street. Fortunately, th Secret has been penetrated. Th Riddle has been solved. No marmo real, Sphinx-like silence need entom the Answer. George stated i forthrightly: "Make land commo property."

† The National Biscuit Company also owns two adjoining plots valued at $108,000 and $158,000, having improvements assessed respectively at $15,000 and $77,000. If the National Biscuit Company's holdings are taken as a unit they total up to $424,000 worth of land and $599,000 worth of buildings, a proportion which is quite satisfactory in view of New York's general average. Why a $507,000 improvement has to be crowded onto a $158,000 site while another adjoining site of comparable value in possession of the same owner bears but a $15,000 structure is a separate subject for investigation. The point worth noting here is that on the whole, the Biscuit Company is using its land holdings productively and thus bears a fair share of the city's budget burden.

NEWS FROM WASHINGTON

U. S. Financing Nazi Agents?

The Treasury, following a New Deal policy (prompted by the silver states monopolists), buys foreign silver at 35 cents an ounce. Rumor has it that Hitler, via Mexico, is selling us silver looted from invaded countries, the proceeds being used to finance Nazi activity here.

McNutt on Family Life

From Paul V. McNutt, Federal Security Administrator, comes a two-page announcement that he has created the position of "Consultant in Family Life Education." The lady appointee (Ph. D) will "assist the States in developing programs of education for home and family life." One wonders how we learned to build successful homes and develop family life for so many years without such expert (and expensive) advice.

Woodruff on Tariffs

The argument that tariffs prevent prices from rising was offered by Representative Roy O. Woodruff (R., Wis.). The free entry of Cuban sugar might drive home industry out of business, he declared recently in a debate on the reciprocal trade agreements, and the result would be the skyrocketing of sugar prices. Only a protectionist could think that one up.

Henry George, The Scholar

By FRANCIS NEILSON

The accompanying paper was read by the author at the New York HGSSS Commencement exercises and is here reprinted in response to many requests.

Henry George was thirty-two years old when he wrote his little book, **Our Land and Land Policy.** His son tells us that his Alma Mater was the forecastle and the printing office. He was poor, unheralded, unknown. What advantages of education were at hand in the western country when he was a youth must have been meagre. There was no Carnegie in that day, to endow libraries where the poor man might find food for his mind and refreshment for his soul; nor, in that day, were there any short-cuts to information, such as **The Family Book of Knowledge** and Bartlett's **Familiar Quotations.** The pursuit of knowledge in that time, to a man like Henry George, meant toiling to the heart of the subject, along the rough way of thorny problems; the best way in the end for a man to equip himself with the thought of his worthy predecessors.

He must have been an unusual man—one possessed of intellectual courage—to set to work to write **Our Land and Land Policy.** I have often wondered what Henry George was doing, during the six years after he wrote that short book, to gather the material for the work which he began in 1877 and published three years later under the title of **Progress and Poverty.** The reason I have pondered this question so often, for a period of at least forty years, is that no matter how often I return to the book, I am more and more impressed with the fact that George reveals in it not only a tenacity of purpose, but a thoroughness of review which covers the known works of the chief economists who wrote in English during the eighteenth and nineteenth centuries. Moreover, **Progress and Poverty** reveals a familiarity with works which lie on the fringe of the science of political economy. There are innumerable references to authors who are not mentioned by writers on economic subjects, even so late as John Stuart Mill. The skill manifested by George in selecting his quotations from these authors indicates clearly that the more facets of reference and substantiation he could gather to prove his point, the surer would be the literary effect to be produced.

Many men have asked me: where did he get his learning? I remember years ago spending some time with Dr. Hodgkin at Barmore Castle in Northumberland. I had gone down

to the constituency of Berwick, for which Sir Edward Grey sat in the House of Commons, to speak—not in support of Grey, but solely on the question of Land Values and Free Trade. One night after we returned from meeting, we were gathered at the supper table. There were several of the doctor's friends at the board, and he suddenly said to me, "Neilson, I have heard all this before. Now where? It wasn't Grey when he was a young man." Then his daughter rose from the table and, in a few moments, returned with a book and placed it before her father. He picked it up, looked at it for a moment, gave it a slap of affection and said: "Here you are, Neilson, Henry George's **Progress and Poverty.** Bless my life, I had forgotten all about it!"

It was one of the early editions—many parts of it inter-leaved; nearly every margin had a note. He said, "It must be over twenty years since I read this book, and let me tell you, Neilson, I was never so impressed with a secular work as I was with this." Then the famous old doctor opened out and, for many minutes, treated the men at the board with a perfectly beautiful dissertation on what was revealed in George's work. Numbers of similar instances have occurred in my life.

The point I want to get home is this: that George had no educational advantages; he was poor, but he had youth and health, and these two boons enabled him to do an intellectual giant's work. If George could do that sixty years ago, what can the poor man of natural ability do now, when every educational avenue, closed to George, lies wide open to a youth today in any village in the land; for it would be a very unusual country town that could not boast a library.

What was the secret of George's endeavor? First, he was a unique observer. The old saying, "he kept his wits about him," is here directly applicable. He viewed the conditions in the drama of life as it passed before him; and, to use another homely phrase, "he put two and two together." He witnessed every day the game of the land monopolists grabbing the land for a rise, and quickly he discerned what brought that rise about. The patch of land might be bare—not an improvement on it; not a man putting in a spade. Nearby, someone builds a little house, a shop or a chapel. Round the patch of bare land the people gather and make their improvements and, just as the improvements increase, so does the value of the bare patch increase. That had been going on for centuries and centuries. But no one saw in it the whole problem of the labor question as George saw it.

Then came the idea. That was

sufficient; for, when an idea starts in the mind of a man like George, it begs to be clothed. It demands education. It is unceasing in its beseechings to be put into fine intellectual raiment. That is the wonderful thing about an idea. A poor man, almost uninstructed, once an idea takes root in his mind and thrills his spirit, can, in a few years, make of himself a scholar.

The short introductory chapter to **Progress and Poverty** prepares us for the literary treat which is to follow. There is a reference on the first page to a great man, which stimulates our curiosity. He mentions Priestley. What brought Priestley to George's notice? Who was Priestley? Joseph Priestley was a parson and a chemist who lived in England. He wrote a history of electricity. Late in life he emigrated to Pennsylvania and died there in 1804. He discovered nitric oxide, and was the first to use carbon dioxide in the preparation of mineral waters.

We read on a few pages and a prophecy of Macaulay is brought to our notice. Further on, in one paragraph we are reminded of the gulf between Dives and Lazarus. At the end of that same paragraph, he tells us: "The fruits of the tree of knowledge turn as we grasp them to apples of Sodom that crumble at the touch." A perfect sentence. These names taken from the Bible indicate to me that George was a profound student of the Old and New Testaments. Indeed, **Progress and Poverty** shows on every page that its author moulded his style to conform to Biblical standards.

The time expended on a thorough survey of the economists of his day must have been great. Perhaps he had become acquainted with several of them before he wrote **Our Land and Land Policy.** Even so, it was a great task he set himself, for we must remember that he had to make his living and care for his family while he educated himself and prepared the material for his work. It is no easy task to read **The Wealth of Nations**, for that is a work which grew as Smith proceeded from chapter to chapter, but George read it with understanding. No one before had attempted to examine closely the terms Smith employed.

To pass from Adam Smith to Sir Henry Maine increases our estimation of the width of the range of the intellectual journey George set upon. I doubt whether there are many economists in the universities of today who are familiar with Maine's **Ancient Society** and his other excellent works. The geographical knowledge of George was wide. Within a few pages we have references to the pyramids and the Nile valley, the St. Gothard Tunnel, the Suez Canal and many other distant places. He read William Godwin's **Inquiry Concerning Political Justice.** Then, in dealing with the Malthusian theory, George writes:

"Agassiz, who, to the day of his death, was a strenuous opponent of the new philosophy, spoke of Darwinianism as 'Malthus all over,' and Darwin himself says the struggle for existence 'is the doctrine of Malthus applied with manifold force to the animal world and vegetable kingdom.' "

Here is a striking illustration of George's thoroughness in pursuing an idea to its source. I doubt whether there were many authors at the time George was writing, who were familiar with Montesquieu. The author of the **Spirit of the Laws** was not popular, and I doubt whether his book at any time was catalogued as a best seller. George says:

"Since Montesquieu, in the early part of the last century, asserted, what was then probably the prevailing impression, that the population of the earth had, since the Christian era, greatly declined, opinion has run the other way. But the tendency of recent investigation and exploration has been to give greater credit to what have been deemed the exaggerated accounts of ancient historians and travelers, and to reveal indications of denser populations and more advanced civilizations than had before been suspected, as well as of a higher antiquity in the human race."

Yes, investigation and exploration have now given to us the Peking Man, which reveals to the anthropologist and the archaeologist a civilization half a million years old, and that man was a land animal then; his profession was agriculture; he was a capitalist, and he saved his surplus for a rainy day.

In **Progress and Poverty** evidence comes before us time and again that George knew his English history. For example, he says:

"The just principles of English law have been extended by an elaborate system of codes and law officers designed to secure to the humblest of these abject (Indian) peoples the rights of Anglo-Saxon freemen."

I doubt whether either Maitland or Sir Frederick Pollock would have stated the condition in different terms.

In quoting from Macaulay's **Essay on Lord Clive,** George makes it clear how the terror of conquest affected the people of India. And he says:

"These famines, which have been, and are now, sweeping away their millions, are no more due to the pressure of population upon the natural limits of subsistence than was the desolation of the Carnatic when Hyder Ali's horsemen burst upon it in a whirlwind of destruction."

George saw to the very heart of the problem which both Macaulay and Edmund Burke failed to touch. Read that chapter again, and read it carefully—the one in which George deals with the Malthusian doctrine in connection with the conditions in India which harrowed the mind of Macaulay.

George was not only a scholar; he was a prophet. In his book there are many passages which describe vividly the condition we have reached in this country. It was written seventy years ago when, to many in Europe, this country seemed to be a bright dawn breaking; its rosy flush beckoning to the millions in Europe to cast off their shackles and enter the land of opportunity. But George saw clearly the evils taking root in society, and he warned us, while there was time, to attack these evils and rid the body politic of them. Alas, we took no heed. The result he describes vividly in the following passage:

"The type of modern growth is the great city. Here are to be found the greatest wealth and the deepest poverty. And it is here that popular government has most clearly broken down. In all the great American cities there is today as clearly defined a ruling class as in the most aristocratic countries of the world. Its members carry wards in their pockets, make up the slates for nominating conventions, distribute offices as they bargain together, and—though they toil not, neither do they spin—wear the best of raiment and spend money

lavishly. They are men of power, whose favor the ambitious must court and whose vengeance he must avoid. Who are these men? The wise, the good, the learned—men who have earned the confidence of their fellow-citizens by the purity of their lives, the splendor of their talents, their probity in public trusts, their deep study of the problems of government? No; they are gamblers, saloon keepers, pugilists, or worse, who have made a trade of controlling votes and of buying and selling offices and official acts. They stand to the government of these cities as the Praetorian Guards did to that of declining Rome. He who would wear the purple, fill the curule chair, or have the fasces carried before him, must go or send his messengers to their camps, give them donatives and make them promises. It is through these men that the rich corporations and powerful pecuniary interests can pack the Senate and the bench with their creatures. It is these men who make School Directors, Supervisors, Assessors, members of the Legislature, Congressmen. Why, there are many election districts in the United States in which a George Washington, a Benjamin Franklin or a Thomas Jefferson could no more go to the lower house of a State Legislature than under the Ancient Regime a base born peasant could become a Marshal of France. Their very character would be an insuperable disqualification."

There is a passage to which I wish particularly to draw your attention because it not only reveals the quality of George's knowledge, but to a great extent, the depth of his thought. He is dealing with two fascinating problems: first, the physical improvement in the race; and second, the mental improvement in it. These are questions with which the greatest thinkers from age to age have grappled in an attempt to reach a decision. This is the way that George presents it to us:

"The assumption of physical improvement in the race within any time of which we have knowledge is utterly without warrant, and within the time of which Mr. Bagehot speaks, it is absolutely disproved. We know from classic statues, from the burdens carried and the marches made by ancient soldiers, from the records of runners and the feats of gymnasts, that neither in proportions nor strength has the race improved within two thousand years. But the assumption of mental improvement, which is even more confidently and generally made, is still more preposterous. As poets, artists, architects, philosophers, rhetoricians, statesmen, or soldiers, can modern civilization show individuals of greater mental power than can the ancient? There is no use in recalling names—every schoolboy knows them. For our models and personifications of mental power we go back to the ancients, and if we can for a moment imagine the possibility of what is held by that oldest and most widespread of all beliefs—that belief which Lessing declared on this account the most probably true, though he accepted it on metaphysical grounds—and suppose Homer or Virgil, Demosthenes or Cicero, Alexander, Hannibal or Caesar, Plato or Lucretius, Euclid or Aristotle, as re-entering this life again in the Nineteenth Century, can we suppose that they would show any inferiority to the men of to-day? . . . We of modern civilization are raised far above those who have preceded us and those of the less advanced races who are our contemporaries. But it is because we stand on a pyramid, not that we are taller. What the centuries have done for us is not to increase our stature, but to build up a structure on which we may plant our feet."

Because of space restrictions The Freeman is unable to print Mr. Neilson's paper in full in this issue. The concluding section of "Henry George, The Scholar" will be printed here next month.

The Technological Dodge

By C. O. STEELE

Technological unemployment is a social problem. Being a social problem, it is not concerned with shifts within the ranks of labor, with individual experiences or isolated cases as such. It is concerned solely with the effect that technological development exerts on labor as a whole, for nothing is a cause of unemployment in the social sense unless it results in a decrease in the total number of persons employed.

And yet, various bodies of opinion and persons of high position are continually talking of technological unemployment, and condemning the machine as a menace to labor, without offering the slightest evidence that labor as a whole has been harmed. The technocrats, though favoring the use of the machine in their plan for revolutionizing the present economic system, admit, as they put it, that the machine brings disastrous unemployment. President Roosevelt, in a message to Congress, said, "We have not yet found a way to employ the surplus of our labor which the efficiency of our industrial processes has created," and, "To face the task of finding jobs faster than invention can take them away is not defeatism."

Philip Murray, vice-president of the United Mine Workers of America, told his union's convention that the new continuous process of making steel will displace nearly 90,000 steel workers in the early future. Mr. Murray's figures deal not with what has happened but with what he expects to happen. Even if soundly based these figures prove nothing concerning employment as a whole, since they apply to a single industry. As it happens, technological changes in the past decade have not caused unemployment in the industry. The United States Steel Corporation, for example, increased its average number of workers from 224,980 in 1929 to an average of 261,293 in 1937, though practically all of its labor-saving mills had been installed by the latter year.

Steel output slumped badly in 1938, with a consequent decrease in the number of workers employed by U. S. Steel. Recovery set in in the following year, and in December employment by the corporation had risen to 260,000. For the steel industry as a whole, employment in 1939 averaged 425,000. This was some seven per cent below the 1929 average, but steel output in 1939 was sixteen per cent under the 1929 production. In December of 1939, a boom month, employment in the industry reached 503,000. Thus we find shifts in the number of workers engaged in making steel, but these

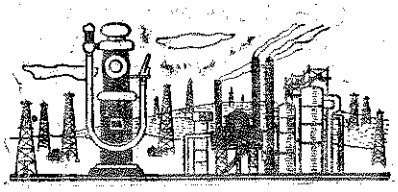
are due to seasonal influences and the rise and fall in general business. There is nothing to indicate that total employment has been decreased in the slightest by the introduction of more efficient machinery, nor, if past experience affords any clue as to the future, that Mr. Murray's doleful prediction is soundly based.

John L. Lewis says that each recovery period carries the seeds of a new depression. Just as soon as business begins to pick up, he asserts, manufacturers install labor-saving machinery, and men and women are t h r o w n out of work. Through loss of purchasing power their status as consumers is lowered, which in turn results in other workers losing their jobs. The process continues to repeat itself, says Mr. Lewis, and a new depression is on the way. These are but a few of the opinions, emanating from supposedly authoritative sources, which bolster the belief that employment in the aggregate is decreased by the development of new and more efficient machines.

It is not denied, of course, that labor-saving machinery often leads to the displacement of particular groups of workers, and may often cause great hardships to those workers, particularly if they have spent years in acquiring a highly specialized skill. This is the first effect of the introduction of labor-saving machinery. But the machinery is introduced only because it improves the quality of the product or reduces costs of production. In either case it tends to expand the market for that product, either by giving consumers something better for their money, or the same thing for less money. As a result more men than ever are frequently employed in that industry. But even if lower production costs and consequent lower prices do not increase the sale of a product—because demand for it may be inelastic—it remains true that because of the lower prices consumers have more money left with which to buy other things. As a result, employment increases in other lines.

By development of the assembly line and constant improvement in mechanical operations Henry Ford has brought the labor cost per automobile down to a fraction of what it was thirty years ago. That would imply a great displacement of human labor, would it not? Does anyone believe that Henry Ford, having through improved machinery brought the automobile within the reach of millions, whereas formerly only the rich could buy it, is employing fewer workers today than thirty years ago? And that is but part of the story. Think of the chauffeurs, mechanics, truck drivers, repair men, gas station attendants, workers in glass factories and steel mills supplying the auto trade, and the workers in tire plants and in factories where the hundreds of parts and accessories are produced that go into an automobile but are not ordinarily made in the automobile plant. Are not their jobs the direct result of the popularizing of the automobiles through better and better machines?

The rayon industry is frequently cited as one which has caused widespread unemployment among producers of silk and cotton. It is also claimed that the steady improvement in the production methods in the industry has made for a constant decline in the number of workers employed in the industry. Let us look at the figures. World production of rayon yarn in 1925 amounted to 186.5 millions of pounds; in 1937 production had climbed to 1,198,760 millions of pounds, **or 6,400 times as much.** But in the same twelve years, world production of silk—88,052 millions of pounds in 1925, and 88,366 in 1937—was off only about 5%, which might be attributed to the Japanese-Chinese war. World production of cotton in 1925 was 16.1 millions of bales, and 18.9 millions in 1937, a gain of close to 15%. Clearly, then, the development of the rayon industry has caused no decrease in production of the older textile basics with which it competes. Moreover, despite the amazing advances that have taken place within the rayon industry in the way of more efficient machines, it is inconceivable that the improvement has been sufficient to turn out more than 6,400 times as much rayon without an increase, rather than a decrease, in the number of workers employed. And even if the industry had been completely mechanized and no human labor was any longer required, employment in the aggregate would still have been enormously increased by the vast numbers of workers now engaged in converting rayon yarn into fabrics and finished goods.



The fact is that while more efficient machinery displaces workers temporarily and alters the relation between industries, in the long run it creates jobs. The population of the United States in 1870 was 38,558,371. In 1930 it had increased to 122,775,046, a gain of 220%. During that 60-year period the world probably saw more progress in the development of the machine than was seen in the previous 600 years. If men were permanently to be displaced by machines, then was the time of all times that it should have occurred.

But what happened? In 1870, according to figures of the Bureau of Census, there were 11,909,736 persons gainfully employed in the United States. In 1930, the number was 48,829,920, **a gain of 310%**. Stated another way, the number of gainfully employed in 1870 was equal to 31% of the country's population at that time. Sixty years later, when labor-saving devices undreamed of in 1870 had come into common use, the number of workers employed equaled 40% of the population of the country.

Thus, during the period when, according to technocrats, politicians and labor leaders, the steady advance in the efficiency of the machine should have wreaked havoc with employment, the number of persons gainfully employed increased much faster than did the population of the country. If anything were needed to prove that the self-styled experts on machinery and employment are talking through their collective hat, these figures would appear to do the trick.

If They Mean To Have War

By GROVER CLEVELAND LOUD

Inscribed upon a stone near the border of the Green at Lexington are the words spoken by Captain Nathaniel Parker to his homespun handful of Minutemen as they faced a battalion of redcoat regulars on the morning of April 19, 1775.

"Stand your ground," he said. "Don't fire unless fired upon. But, if they mean to have war, let it begin here."

They were fired upon. And the volley shattered their thin line. But noonday found them reinforced behind the ramparts of the bridge at Concord where they "fired the shot heard round the world."

These were freemen who tilled their own soil. They were fighting for their right to the land they had cleared and made fruitful, for the homes they had built upon it, for their families within the homes, for their way of life—exemplified by the Town Meeting of New England.

Their great-grandsons stood on the ridge at Gettysburg and turned back the tide of chattel slavery upon the land at its high watermark. Nor were they alone. A regiment of New York Irish led by Colonel O'Rourke fought to the last man to hold Little Round Top and a brigade of Germans knew just about enough English to say: "Ve fight mit General Sigel!"

Enmities of that distant day at Lexington and Concord and of that desperate struggle eighty-eight years later on the heights of Gettysburg have long since faded with time and the realization of common inheritance and identical aspiration.

It is the pity of human misunderstanding that both at Lexington and at Gettysburg men of the same breed and heritage were ranged against each other. But they were united when another generation, infused and leavened with the strains of all the children of men, upheld their tradition at Chateau Thierry and in the Argonne.

Even so has the spirit of America grown and spread and deepened. At its roots persist the independence and the responsibility of the individual consonant with the rights of man, and the consciousness of these rights burns brighter whenever they are infringed or threatened with destruction.

Equality and unity in loyalty to the indigenous ideal of Americans from the beginning to the present are attested by the very names of those who went out from Concord to offer their lives for it in the First World War.

There they are on a memorial shaft not far from the God's Acre of the heroes of the Revolution, the once strange foreign names of the sons of many peoples from beyond the seas alongside the names of the descendants of the Minutemen who were summoned from their homesteads in the night by Paul Revere.

Their monument, however, was to a lost cause, lost after they had won it in battle, lost by the victor nations that put the protection of privilege above the safeguarding of their own existence. In 1918 obligations to set economic houses in order were not fulfilled. Succeeding years brought a train of consequences that culminated in marauding dictatorships. France and Britain have paid a fearful penalty and the United States must heed the example.

For America is something to be lived for, striven for and, if need be, died for. It has come a long way and has strayed far since farmers fought for the earth they plowed in Lexington. Land monopoly in this century is bad enough as it is, but it will be intolerable under Nazi masters; death is preferable to such abject bondage of body, mind and soul.

Title or no title, the land still belongs to the people. Fighting in defense of it can free it.

Totalitarian "Efficiency"

The success of the Hitler military machine seems to be calling forth from many non-militaristic persons a grudging admiration for totalitarian efficiency. Let the truth be stated: totalitarianism is efficient. This is no longer a matter for debate. The facts are convincing far beyond the possibilities of any attempt at counter-rationalization.

The question, then, is, not whether totalitarianism is efficient or not, but, at **what** is it efficient? Is it efficient in gratifying the varied and spontaneous desires of humankind? Or is it efficient in gratifying the lust for power of a few megalomaniacs?

To ask these questions is really to answer them. It is obvious that in a totalitarian country there is no way of measuring the gratifications enjoyed by its inhabitants.

Lacking a freedom of choice—in political leadership, in selection of occupation or employment or, for that matter, in choice of ordinary economic goods—they lack also the only objective means for judging satisfactions, the market place.

Totalitarianism achieves an astonishing degree of efficiency by almost completely curtailing the market place (already seriously obstructed in democratic countries by tariffs, taxes, and land monopoly). Thus, this kind of efficiency is the result not of expanding means for the satisfaction of already existing desires or for the gratification of more widely diversified desires, but of delimiting permissible desires, of "standardizing" these desires and ultimately organizing human beings into a robot existence. It is the belt-line, mass-manufacturing system of industry applied to man and his earthly mission.

But the astonishing degree to which totalitarianism has been efficient in "robotizing" existence and brutalizing men is more than matched by the efficiency of a comparatively free market in gratifying

the endless desires of civilized man. Any modern general store (not to speak of the great department stores) is a far more eloquent monument to civilization than would be a thousand **panzer** divisions. Your American grocery store is truly an outpost of efficiency that even an 80,000 ton dreadnaught could not match.

When we admire efficiency let us first ask ourselves, "Efficiency for what?"

H. G. JASPER.

Books in Brief

Freedom of Thought in the Old South. By Clement Eaton. Duke University Press. $3.00.

A history of the struggle for freedom of thought and of the press in the former slave area of America.

* * *

How Government Regulates Business. Various Authors, with an Introduction by Mayor F. H. LaGuardia of New York. Dynamic America Press.

A brief "explanation" of the principal federal and state laws which regulate business.

* * *

Migration and Social Welfare. By Philip E. Ryan. Russell Sage Foundation. 50 cents.

A short study of migratory population.

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Raw Materials and Foodstuffs. A publication of the Economic Intelligence Service of the League of Nations. Distributed by the Columbia University Press. 60 cents.

A statistical report of production by countries for the years 1935 and 1938.

* * *

Urban and Rural Housing. Published by The Economic Intelligence Service, League of Nations. Distributed by Columbia University Press. 80 cents.

* * *

This Struggle. By Dr. Edgar W. Culley. Published by the author. Melbourne, Australia.

"A symposium on Henry George's principles of social reform" issued in connection with the centenary of his birth.

* * *

Italy. By Camillo Pellizzi. Longmans, Green & Co. $2.00.

With a Foreword by H. E. Alberto de' Stefani, member of the Fascist Grand Council. An explanation by a competent Italian of Fascism, the main ideas of its founder and the Italian view of world affairs.

* * *

Economics for the Millions. By Henry Pratt Fairchild. Modern Age Books. $2.50.

A simplification of "the economic principles which have long been regarded the chief property of academic circles." Illustrated.

The Book Trail

SIDNEY J. ABELSON

Gandhi would have us believe that Satyagraha, his method of "non-violent direct action," contains the power of conversion rather than that of coercion. By means of mass civil disobedience and exemplary non-resistance to acts of force on the part of authorities, the Indian leader believes hostile and repressive governments can be made to see the light of truth. Hence, as Gandhi has it, it is a final understanding of justice and not duress of mass threats which leads officials to concede the rights of India's native lower classes.

But at least one of his followers is frank enough to admit that this is but bandying words. Krishnala Shridharani tells us in **War Without Violence** (Harcourt, Brace & Co. $2.50) that Satyagraha "fulfills the function of war," and, elsewhere in the book, "there is an element of what, for want of a better term, we shall call **compulsion** in it, if not of coercion, since the latter implies revenge and punishment." Then again, "it has become a revolutionary weapon for destroying an undesirable political order." It "aspires to be an equivalent of war." It "has given evidence of being an effective mode of revolution or civil war."

War Without Violence contains a seductively uplifting appeal. Every page is permeated with the deep spirituality of the **Swaraj** (self-government) movement; every episode throbs with the dramatic martyrdom of the natives reaching out in vain for a sublimation of their miserable lot. But what would it profit the Indians to gain self-government if at the same time they did not gain a solution of the basic economic problem?

The author's failure to think through to this point is all the more remarkable in light of his understanding of the question of means and ends—a question which I have missed no opportunity to discuss at length in these columns, and elsewhere as well. "The means," says Mr. Shridharani, "should be the e in process and the ideal in the ma ing."

If this is so, and I for one am co vinced that it is, then how can " equivalent of war" used as a mea lead other than to an end in whi coercive strife of necessity must a predominating factor?

The obvious and unquestioned si cerity of Gandhi and of his Saty grahis, including Mr. Shridharan makes it difficult for a conscientiou critic to belittle the appeal of a caus genuinely devoted to the defense human dignity. And yet truth mus not be denied on the ground of senti ments which cannot be sustained o practical grounds.

As far as I am able to discove Gandhi has no fundamental progran for economic reform. He has evolve a method of agitation which, to date has succeeded in gaining world-wide and deserved sympathy for the plight of the Indian victims of British imperialism (which is not to be confused with the traditional domestic ideals of British democracy). He has secured, through this means, a modicum of respect for his people; and he has brought to the Indians themselves a sense of self-respect and a ray of hope—a sizable accomplishment in itself.

Be this as it may, the fact remains that Satyagraha is a form of coercive mass action. As such it inevitably involves a debasement of rationality. It calls for a suspension of the thinking processes while men and women merge their individualities into a horde and press forward with impassioned impatience toward the achievement of a single objective. It is, despite its high purposes and its genesis in injustices that cry out for redress, a form of rabble-rousing. And not even Gandhi can make of rabble-rousing an instrument for the solution of social problems.

I found **War Without Violence** fascinating reading, despite my inability to reconcile the Gandhi method with the basic task before social reformers. Indeed, Mr. Shridharani's book is a "work" in the real sense of authorship. Its 300-odd pages present a well-rounded, carefully written account of a social movement in

which the author places great faith and in which he is participating as an active leader. It bears, then, the stamp of personal experience, of observation, of research, of conviction. Its style is simple yet finished, pleading yet fair-minded. As I read on from page to page I could not resist the recurring thought that such intelligence, energy and determination if directed to educating the Indians in fundamental economics might really have brought about a new state of affairs in the British Empire.

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Hindsighting the War

Under the ironically modest title **The Way Out of War,** (Macmillan Co. 60c) Cesar Saerchinger, radio commentator for the American Historical Association, reveals that "the conditions required for ... peace are no secret to thinking men." He sums up the "basic requirements" in the term "the means to live" and includes in these: "food-producing land, natural resources, and the right to trade on an equal basis with other nations."

To my mind even "unthinking men" understand these necessities for peace. The problem before mankind is how to secure these prerequisites on a world-wide basis.

Mr. Saerchinger's proposals are of the usual good-intentioned diplomatic nature ("If the League of Nations has proved inadequate to its task, the League can be reformed," etc., etc.) and need not be discussed here. He suggests no fundamental change in internal economic structures, forgetting that tranquillity begins at home.

But he does repeat one dangerously erroneous myth—that Germany is "over-populated" and "half-barren." He refers to the Reich as an "over-populated industrial country," saying elsewhere, that "she raised economic self-sufficiency to the highest degree possible in a half-barren land."

In the July, 1939, **Freeman** I published an article pointing out the fraudulent nature of Hitler's cry for "Lebensraum." I showed that if Germany is "over-populated" Switzerland is almost three times as badly off, for the Reich has but 811 inhabitants per **arable** square mile as against 2,111 for the Cantonal Republic. Yet, the Swiss, without the aid of colonies, enjoy a standard of living as high as that of any people in the world. Thus, it is hardly "over-population" that causes poverty or war.

Dr. I. Bowman, in his highly authoritative book, "The New World" states, regarding Germany (before the Austrian invasion), that **"no other country of Europe has . . . so large an endowment of natural resources."** Indeed, the figures speak quite adequately for themselves. Germany, far from being "half-barren," is a land flowing with milk and honey. But in Germany, as everywhere else in the world, a vicious tradition of land monopoly obscures this cornucopia from the view of those not trained to look closely at economic factors.

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Business Cycles

The secret of the business cycle has challenged some of our best intellects from Adam Smith to Wesley Mitchell. The modern attack on the problem has been from a statistical approach. Interest rates, bond prices, and stock prices have figured largely in such studies, inasmuch as turning points in these series usually occur before business itself turns up or down. A study of twenty-five business cycles, going back to 1831, has been made by Col. Leonard P. Ayres, Vice President of The Cleveland Trust Company. His book, **Turning Points in Business Cycles** (The Macmillan Company, New York, $2.75), demonstrates in a series of charts that interest rates are of prime significance, then espouses the author's favorite theory, that "capital issues" are the causative factor. In his final analysis, the author embraces nearly all of the usual theories, including monetary factors, the flow of gold, and international complications. But he stresses more than any other the capital issues theory, that changes in the volume of new investment going into business enterprise cause business to turn up or down at the bottoms or tops.

Col. Ayres would like to see more "risk" capital put to work, assuming of course that this capital would be used in production, leading to increased wages and profits. He feels that this "risk" capital is not working because of SEC regulations. In reality, however, there seems to be a more fundamental reason why idle capital and labor do not get to work, something which is not brought out in his statistical analysis, namely, that they cannot produce without land. If the price of land is speculatively high, capital and labor cannot make a normal return from it.

Of particular interest to Georgists are Col. Ayres' comments on the function of speculation, particularly land speculation, in business cycles. He points out that speculation always precedes a major panic and that depressions are of long duration if they follow exceptionally great real estate speculation. The mortgage holders do not really want to own real estate and the depression lasts until the properties have passed to those who do. This was said to be the situation in the depression that followed the 1929 boom.

Like so many other writers on the subject, Col. Ayres does not quite convince us that he has discovered the key to business turning points. Perhaps if he pursued further the path indicated by his reflections on land speculation his search would be better rewarded.

—JULIA HARMON.

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According to Ed Sullivan

In a story about Virginia City, Nevada, columnist Ed Sullivan in the New York Sunday News, tells of a famous theatrical enterprise that flourished in the prosperous days of that mining town—Piper's Opera House. Piper brought many celebrities to his stage, and the miners felt impelled to applaud—merely because the orator, opera singer or actor had been a "top" name in the East.

"Piper even had the erudite Henry George on his bill," writes Mr. Sullivan. "He didn't know much about George, so he advertised him as 'the smartest man the world ever knew—tickets $5; seats near the bar, $10.' "

The Freeman

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New York Commencement a Big Success; Diner's Cheer Neilson Speech, Ross Playlet

NEW YORK—A holiday mood prevailed at the New York HGSSS Commencement ceremonies as 483 graduates, friends and faculty members dined at the Cafe Loyale on June 3. Highlights of the occasion were Francis Neilson's illuminating paper on "Henry George the Scholar," Frank Chodorov's stirring appeal to the "educable vanguard" for intensified educational activity and the performance of "No Sunday for Friday," a farce by Laura and Edwin Ross that had the audience rocking in their chairs while the fun was on, and on their feet cheering at the close. William Quasha, instructor at the New York School, was master of ceremonies.

Five student speakers delivered short talks on their impressions of Georgism and the work of the School: Dr. Philip Sueskind, Assistant Professor of Dental Surgery at Columbia University School of Dental and Oral Surgery; Joseph Sinnott, former U.S. army aviator and an ex-officer in the Spanish-Loyalist army; Mrs. Gertrude Rubinstein, Miss Frances Olivier; and Martin Cohen, a recent high school graduate as well as an HGSSS graduate, who was selected to represent his class.

Mr. Neilson, former publisher of the original Freeman, the famous liberal periodical from which the present Freeman gets its name, a member of parliament during the last war (but now an American citizen), author of "Man at the Crossroads" and other books, and a Georgist for many decades, delivered his learned address to an intently interested audience which gave him a prolonged standing ovation. The subject of the address was "Henry George, the Scholar," part of which appears elsewhere in this issue.

After sketching the humble beginnings of the HGSSS, Mr. Chodorov, director of the School, reminded his listeners that "knowing how" was the secret of success. Oscar Geiger, founder of the Henry George School of Social Science, said Mr. Chodorov, knew how to teach Henry George. He bequeathed that knowledge to the School, the speaker continued, and now it's up to us to expand its effectiveness.

Last on the program came the Ross playlet, performed by a cast of 16 men and women members of the New York faculty and two 12-year old "chips off the old block." Shrewdly dramatic in its presentation of the fundamental social problem, "No Sunday For Friday" is nevertheless entertaining from the first line to the last. The authors make skillful use of numerous "double entendres." They hold up the weak spots of our misguided social system to a scorn that is expressed in laugh-provoking jibes. A dozen times during the performance the actors had to hold their lines so as not to "step on" the prolonged laughter. Mr. and Mrs. Ross were called out to take a number of curtain calls. Mr. Ross is assistant director of the HGSSS.

New York Summer Term

NEW YORK—Summer session enrollments at the New York HGSSS forged far ahead of last year's figures. The course in Fundamental Economics opening the week of June 17 had 702 students, a little more than twice as many as last year.

A new course in Logic, conducted by Paul Peach, has 30 students. This course is open only to HGSSS instructors, and students who have completed the advanced courses.

Two classes in the Science of Political Economy, with 47 students, also got under way.

On July 1 the special classes for recent high school graduates and students will begin sessions. At the present writing 164 boys and girls are enrolled.

Fellowship Elects Officers

OMAHA, Neb.—The Omaha Chapter of the Henry George Fellowship announces election of the following officers: President, E. C. Christensen; Vice President, George A. Rasmussen; Secretary, W. L. Presse; Treasurer, W. P. Carpender.

Required Reading

UNIVERSITY, Alabama—Prof. Brown's abridgement of "Progress and Poverty" is being used as required reading in the course in advanced education given by Prof. Paul E. Alyea at the University of Alabama. Students in the beginning courses have also shown an interest in Henry George. "We plan to spend from three to five class meetings discussing the philosophy of George," writes Prof. Alyea.

New Extension Announced

BRIGHTON BEACH, N. Y.—The Oceanside News reports that one of its editors, Irving Mills, who recently completed the HGSSS teachers training course at New York, will conduct a course in Fundamental Economics this Fall for residents of Brighton and Manhattan Beaches.

Georgists Hold Outing

PHILADELPHIA—"The Georgists," a group of HGSSS students and faculty, held their Annual Outing on June 16th at the single-tax colony at Arden, Delaware.

Fellowship Dance Success

CHICAGO—The alumni dinner and dance of the Henry George Fellowship, held at the Allerton Hotel, Saturday, May 25, not only gave a grand time to 125 guests but netted a profit of $75 to promote alumni and HGSSS activities.

The committee in charge was Miss Esther Davis, chairman; Maurice Welty, Lawrence L. Walter, George Menninger, Claire Menninger, Myron Goldenberg, Edith Siebenmann, Amy P. Lewis, Wilma Dougherty, Dorothy Borst, Doris Kreuser, Mrs. C. O. Watson, Mrs. Bruce C. Egan and Paul Kantrowitz.

Flowers were donated by Joseph Foerster, Chicago Georgist-florist. An attractive program contained fourteen pages of advertisements the revenue from which helped to make the affair a financial success.

Schalkenbach Report

The latest report of the President, Lawson Purdy, concerning the activities of the Schalkenbach Foundation discloses that efforts are being made, with heartening success, to have the name of Henry George placed in the Hall of Fame. About three hundred individually typed letters have been written to this end and the general reaction of the Board of Electors has been favorable.

Recent reprintings of Protection or Free Trade and Social Problems were announced.

Hartford Graduation

HARTFORD, Conn.—Thirty students attended the graduation exercises of the Hartford Extension of the Henry George School, June 19, held at the Hartford Y. M. C. A.

Joseph R. Manfrini, instructor at the New York HGSSS, spoke on "Why Fifth Columnists Succeed," showing that the only barrier to successful treachery is education.

A Busman's Holiday

MONTREAL, Canada—John Anderson invited Frank Chodorov, director of the HGSSS, to spend two weeks, beginning July 8, at his lodge near here. The invitation was accepted on condition that Montreal teachers and prospective teachers submit to an intensive training course for ten consecutive nights.

Teachers Training Class

NEWARK—Rapid growth of the HGSSS Extension at Newark has made necessary an increase in the local faculty. A Teachers Training Class, conducted by Alexander Goldfinger, will begin its sessions on Tuesday, July 2, at the Halsey Street Y.M.C.A.

St. Louis, Philadelphia Hold Graduations; Summer Sessions Open In Chicago, Detroit

Philadelphia

PHILADELPHIA—One hundred Georgists attended the Philadelphia Extension HGSSS Annual Dinner held at Van Tassel's restaurant on June 8th. Burton N. Jones, President of "The Georgists," acted as Chairman. The principal speakers were Charles H. Ingersoll, famous "dollar watch" man and editor and publisher of the Georgist publication "Democracy," and Arthur N. Seiff, instructor at the New York HGSSS. Thomas George, a Philadelphia extension graduate delivered an inspiring talk on the value of the Fundamental Economics course to him and his fellow-students.

Julian P. Hickok, Extension Secretary, awarded certificates to 22 graduates, and announced plans for the Fall season.

Miss Grace Isabel Colbron, veteran Georgist, was present and spoke briefly.

Detroit

DETROIT—William J. Palmer, HGSSS extension director reports summer activities as follows:

At the Michigan School of Religion, a class attended by 25 Negro preachers under the leadership of Rev. H. B. Bronson;

At the Cass Community Church, a class attended by 25 boys ranging in age from 14 to 16 and led by Rev. William Perkins;

Also at the Cass Church a class of 25 boys from 16 to 20 years of age under the same leadership.

In addition to the above Mr. Palmer will conduct two lecture classes at the Royal Oak High School summer session and four lecture classes at the Northeastern Detroit High School summer session.

Chicago

CHICAGO—Over seven thousand announcements of the summer term of the HGSSS have been distributed throughout the social science classes of the Chicago public high schools. The summer classes will meet twice a week (Monday and Thursday) for five weeks, beginning July 8, as follows:

DOWNTOWN—600 Garrick Bldg., 64 W. Randolph St., 7:30 p.m.

LINCOLN-BELMONT YMCA, 3333 N. Marshfield Ave., 7:30 p.m.

AUSTIN PUBLIC LIBRARY, 5609 W. Race Ave., 7:00 p.m.

HYDE PARK YMCA, 1400 E. 53rd St., 7:30 p.m.

BRAINERD COMMUNITY CHURCH, 88th & Throop Sts., 7:30 p.m.

St. Louis

ST. LOUIS—Fifty-five students were presented with HGSSS graduation certificates at exercises held on June 10th at the Hotel Melbourne. The St. Louis Extension conducted six classes last spring, resulting in this roster of graduates. The instructors were William Howard (2 classes), Elizabeth Angell, Charles Ryan, Everette Huegerich and W. E. Chinal.

Edward D'Arcy, prominent St. Louis attorney, spoke to the graduates and guests on "The Georgist Way—The American Way." N. D. Alper, extension secretary, presided as chairman.

A class in Protection or Free Trade will be conducted during the Summer, 22 students having registered for the course at the time of the graduation.

Speakers Bureau Report

Miss Dorothy Sara, Secretary of Speakers Bureau, reports these bookings:

May 22—Morris Van Veen at Morning Dew Baptist Church, Brooklyn, on "How to Abolish Poverty."

June 12—Grace Isabel Colbron at Friendship House, 1010 Park Ave., N. Y., on "The American Scene."

Builders Are Told

NEW YORK—The Dow Service is a "weekly building material price supplement," published for the benefit of builders and building supply houses. Its issue of May 23 reprints a letter by Irving Kass, President of the Building Chemicals Corporation, in which the writer emphasizes the monopoly character of land, and the difference between it and the other factors of production. Mr. Kass, a correspondence course graduate, tells about the School, and gives the address.

Quasha Speaks

BROOKLYN, N. Y.—William H. Quasha, instructor at the New York HGSSS, delivered an address on "Economic Consequences of the Present World War" to the Men's Club at the Wells Memorial Church, Flatbush, Brooklyn, on June 11. This was Mr. Quasha's second appearance here, having previously spoken to the same audience on the Housing Problem. As a result of these two talks the entire Men's Club is considering taking a course at the School this fall.

What's Amazing?

FESTUS, Mo.—The Jefferson County Leader recently carried a story entitled "An Amazing School."

This "Amazing School" turns out to be the HGSSS, which is the subject of an extensive and informative story giving the work of the school, its method of operation, and also mentioning N. D. Alper, the Extension Secretary in Missouri.

On the Margin

Indefatigable **H. W. Noren,** of Pittsburgh, carries the message of Henry George to bank presidents, Congressmen, professors, Supreme Court justices. Anyone who is somebody and who breaks into print with a socio-economic opinion gets a letter—and a good one too.

* * *

On Sunday, May 26th a seven pound baby girl arrived at the home of **Mr. & Mrs. Nathan Hillman.** Mr. Hillman is secretary of the Hartford, Conn., HGSSS extension. There's an outside chance that the new arrival will be named Henrietta Georgette, just to give her a vested interest in the movement.

* * *

Anna Elizabeth Cullinan, Vermont's pulchritudinous gift to the Georgist movement, visited her Alma Mater (HGSSS) over the Decoration Day week-end. Miss Cullinan plans to start a class in Burlington this fall.

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The name of **Julia Harmon** was inadvertently omitted from the list of Freeman Workshop members given in this department last month.

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To **Carey Colburn,** HGSSS extension secretary at Long Beach, California, goes the distinction of having traveled farthest from home to attend the New York Commencement on June 3rd.

* * *

Mrs. Edwin Ross, Sr., mother of Edwin Ross, Assistant Director of the HGSSS, was another participant at the Commencement who came from out of town. Mrs. Ross, who lives in Arden, Delaware, has been a follower of George for over 50 years.

* * *

Greater love hath no man—or woman. **Mrs. Richard W. Brennan,** New York graduate, and an employee of the New Yorker magazine, spent her recent two weeks' vacation taking a busman's holiday as a volunteer worker in the HGSSS office.

* * *

Does it pay to cultivate the margin? Ask **Benjamin Roberts.** He has been busy cataloging "marginal" volumes in the HGSSS library and turning them into cash. With the proceeds realized from this salvaging effort the School intends to purchase books on economics in order to enrich the reference library.

Public Ledger Takes Notice

The quotation from Henry George carried on the front page of the June Freeman was printed in big type just underneath the masthead of the June 8 issue of the Philadelphia Public Ledger.

ENGAGED TO BE MARRIED

By EDWIN and LAURA ROSS

Being a scene from the play "No Sunday For Friday," presented for the first time at the recent commencement exercises of the Henry George School of Social Science.

Scene: A doctor's office. The Doctor enters, speaking as he does so.

Doctor: Bring the patient in, Nurse. (A nurse wheels in Uncle Sam. He doesn't look so good. Besides having an enormous bandage on one foot, his clothes are rather ragged.)

Nurse: Right this way, Uncle.

Doctor: Hullo, Sam. Mind if we look you over?

Sam: Look away, son. I've had so many doctors working on me in the past few decades I guess one more isn't going to hurt much.

Doctor: I hope we aren't going to hurt at all, Sam. I'm a diagnostician, not a surgeon.

Sam: Well, I guess you'll be a change from Dr. Franklin D. anyway. He's a chiropractor.

Doctor: Let me feel your trade, Sam. (Sam extends his wrist.)

Nurse: (to doctor) How is it?

Doctor: (Sotto voce) It's so darn slow I don't see what's keeping him alive. (He inserts large thermometer.)

Nurse: Look at that mercury rise! Look out, it's going to break!

Doctor: (Snatches thermometer out) Man, look at that tariff! No wonder his trade is so slow.

Sam: (Complacently) I got Doc Cordell workin' on that tariff now. He's bringing it down some.

Doctor: Dr. Cordell, eh? and Dr. Franklin D.? How many doctors are tinkering with you?

Sam: Why, I got about a thousand of 'em. Each one has his own treatment. I must say, Dr. Frank, has the nicest bedside manner.

Doctor: And what's Dr. Frank's treatment?

Sam: Aw, you know Frank. He's just a sucker for all the patent medicines on the market. He'll try darn near anything once. You'd think his medicine ought to work at that. It sure costs a darn sight more than any of the others.

Doctor: What kind of medicines?

Sam: By gosh, you ought to know. You're the fellow that pays for them.

Doctor: You don't mean taxes?

Sam: Yep, that's right.

Doctor: And how have you been responding to Dr. Franklin's treatment?

Sam: It's mighty bitter tastin'. Bedside manner or no bedside manner. I couldn't see any sense to killing all those hogs, and ploughing under all that cotton, when all the time I'm one third starving and naked! And when he tried to pay for 'em by giving me another dose of taxes, I just up and recessed on him!

Doctor: Sam, I'm surprised at you. I should have thought once bitten twice shy as far as taxes went.

Sam: Should have thought so myself. If I recollect rightly I divorced my old woman for that very reason.

Doctor: You mean England?

Sam: Yes sir! She was a nice built girl, but she sure did tax me. I had the backache trying to keep up with her. I remember old Doc Washington and some of those earlier ones had a theory that I'd keep in pretty good health if I'd just keep away from those temptin' European wenches. Maybe they were right. I recollect that back in 1917, I forgot their advice and went on a spree with a few of those blonde hussies. It was supposed to be a Dutch treat, but those sirens haven't paid me their share yet.

Doctor: Well, Sam, your chart shows that you weren't quite in your right mind when you went out with those girls. Doc Washington may have been right when he said that you ought to keep away from them. But we want to find out what it is that makes you have that crazy urge to go on sprees with them.

Sam: I guess my girl friend would like to know that, too.

Doctor: Who's your girl friend?

Sam: Why, Libby.

Doctor: Libby?

Sam: Sure, Liberty. I call her Lib for short.

Doctor: Liberty? Why she's dead! They've got a big monument to her right in New York Harbor.

Sam: She's not dead. I've been engaged to her over 150 years. If I could get over this illness of mine, I'd marry her. But just now, I don't seem to have the constitution for it. Maybe I need a couple of new amendments.

Doctor: Well, we'll see. What's the big bandage for?

Sam: Doc Perkins put that there. I've got terrible labor pains. Some of the Docs say its a sort of a gout caused by over-consumption.

Doctor: At any rate, you have a surplus of labor.

Sam: Doesn't seem to be any doubt of that.

Doctor: (Lowers his voice) And how's your—natural resources?

Sam: Oh, first rate. Seem to have more than I can use.

Doctor: Well, now, let's check up. Your trade is slow. Your tariff is high, you're swallowing a lot of taxes, you have a large supply of idle labor, and you have a lot of idle natural resources. Sam, do you know what your trouble is? It isn't a very nice disease. It's not mentioned in the best nations. In fact, it's—(He whispers in Sam's ear.)

Sam: Landlorditis! What's that?

Doctor: It's a sort of parasitical animal like a tape-worm. It absorbs most of your wealth so that one third of you is starving and naked.

Sam: Landlorditis? Is that right? How do you spell it?

Doctor: L-a-n-d, land, l-o-r-d lord, e-a-t eat, U. S. us. (He wheels Sam out rapidly, the nurse following.)

●

Complete Script Available

Copies of the complete script of "No Sunday For Friday" are available at $1 each. Send order and remittance to the Henry George School of Social Science, 30 East 29th Street, New York.

Permission to stage the playlet without payment of royalty will be granted to extension branches of the School upon request.

Hollywood Contact

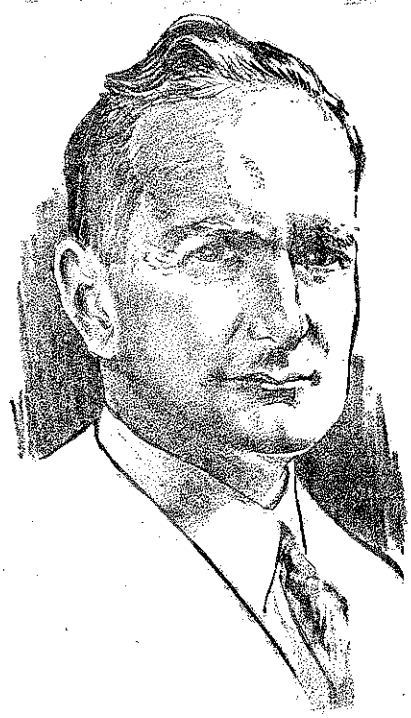
NEW YORK—The HGSSS has finally made contact with Hollywood via one of filmdom's fairest. Women's Wear Daily, New York, on June 17 carried a photograph showing Ezra Cohen, HGSSS trustee, locked in a handshake with none other than Tallulah Bankhead. The occasion? Oh yes, Mr. Cohen, in his capacity as president of The National Association of House Dress Manufacturers, Inc., turned over a $1,450 check to the French and British Relief Fund for purchase of an ambulance. Miss Bankhead represented the Fund.

George In American Literature

NEW YORK—In "A College Book of American Literature" (American Book Company), an excellent collection of representative writings, Henry George is included with The Problem from "Progress and Poverty," and chapters IV and VI from "Social Problems."

Who's Who in Georgism

Julian P. Hickok



Julian P. Hickok, Philadelphia extension secretary of the HGSSS, was born in Poughkeepsie, N. Y., September 25, 1887.

A graduate of Cornell University (M.E., 1911), the first shock to Mr. Hickok's traditional faith came from hearing an exposition of free trade by a Cornell professor of economics. His education in economics, however, really began when he heard a street corner Georgist speaker at 125th Street and Lexington Avenue, New York City. Such a dangerous doctrine, said Mr. Hickok to himself, must have a catch in it. But after two years of turning the principles over in his mind, he had to admit that there was no catch. A problem presented by a reader of the New York Globe led Mr. Hickok to write a letter to that paper advocating the Henry George program. Upon receipt of an inquiry for further information, he began reading "Progress and Poverty"—and he has been reading and re-reading the book ever since.

In 1920 Mr. Hickok joined the Single Tax Party (later the Commonwealth Land Party) of Pennsylvania. In 1926 he was nominee for governor on the party's ticket. From 1926 to 1928 he was associate editor and then editor of "The Commonwealth," published at Ardmore, Pa.

With such a background of effort on behalf of the principles of Henry George, it was natural to expect Mr. Hickok to be one of the first supporters of the HGSSS. He started the Philadelphia extension February 5, 1935. He taught the first ten classes alone, and 14 out of the first 15 classes. Today he conducts mostly advanced classes.

Since 1921 Mr. Hickok has been a teacher of mechanical drawing, and lately also of mathematics, in a Philadelphia public high school. As a student he was active in sports—football and track in high school, cross country at Cornell. Since beginning his teaching career he has coached high school cross country. He has been Nature Museum Director in Palisades Interstate Park for over seven years.

Mr. Hickok married Margaret Moore, September 25, 1914. They have one child, Chester Julian, and one grandchild.

Letters to The Editor

Call From the North

In a lone battle to save the lands and resources of Alaska from being monopolized and held out of use as in the rest of the world, a young Georgist, Jim Busey, has started at Seward, Alaska, a magazine devoted both to the philosophy of Henry George and to a free Alaska.

To assure absolute independence of his views, he has attempted to finance the magazine without advertising, by subscriptions alone. But as there are very few Single Taxers in Alaska, this has so far meant that he has had to finance "Frontier" out of his own modest salary as a school teacher.

Though I live across Alaska, many hundreds of miles away from Seward, at Fairbanks, I have watched his struggle with interest and admiration. I have subscribed for my own friends, but one person can do very little and there are so few up here yet who realize the great need of this magazine. Therefore, unknown to Mr. Busey, I am sending this letter to **The Freeman** in the hope that among its readers there will be a number sufficiently interested in both Georgism and in Alaska to subscribe to "Frontier." Published at Seward, Alaska, its yearly subscription is $1.00.

A friend of mine in Fairbanks was converted to Georgism by one of Mr. Busey's editorials. This made me realize what he could accomplish up here. Georgism is needed in Alaska as well as elsewhere. This great wilderness is being taken up and monopolized. Good farming land within any reasonable distance of a town can no longer be homesteaded, and almost all mining areas have been seized by professional claim stakers and held for speculation. — E. Stoy Reed, Fairbanks, Alaska.

A Grateful Graduate

Kindly allow me to extend my thanks for the privilege of studying the Henry George Correspondence Course in Fundamental Economics and Social Philosophy.

Probably the course has meant more to me than to the average student. Not only have I gained a valuable working knowledge of Social Economics, but this study has been the means of diverting a socially warped mind toward constructive thinking.

Being an inmate of a penal institution, it can be correctly assumed that monotony is the dominating factor. An unchangeable daily routine is not conducive to betterment; neither radio nor daily newspapers are permitted. We do have a voluminous library, which includes many of the old masters and some of the new. Henry George's works are listed. . . . The general trend of the reader (here) is toward lighter fiction, hoping for entertainment as a time eliminator, in lieu of educational enlightenment.

I have learned, though, that it requires but little urging to kindle a flame in the minds of those mentally qualified, to emerge from a deteriorated condition to one of creative betterment. The Henry George Correspondence Course has a powerful influence toward cultural and practical elevation. . . .

Although I have completed the course, "Progress and Poverty" will remain a part of my daily reading. Of course I would like to further my knowledge by studying the advanced subjects taught at the School, but at the present that pleasure cannot be contemplated, as I still have three years to remain here. . . .

Under separate cover I am requesting the authorities to send one dollar for a two year subscription to **The Freeman**.—R. R. V., New Jersey State Prison, Trenton, N. J.

Progress in Australia

In boldly proclaiming as we do here now "Land Rent For Revenue in lieu of Taxation" the public mind is being most extensively roused as to the value and importance of our teaching. Our popularity is increasing fast and the opposition is most active in fighting us, realizing what it is now up against.

—F. T. Hodgkiss, Victoria, Australia.

Praises "Civilization" Article

Your article, "Civilization or Caveman Economy," in the May issue was very good. I would have liked to hear you broadcast it before the Kiwanis in New York City. It is a good Georgist lesson.—Robert Blacklock, Irvington, N. J.

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