

Beware The Haunting Spectre

By HARRY GUNNISON BROWN

"A spectre is haunting Europe—the spectre of communism." In these words, almost a century ago, Marx and Engels began the famous COMMUNIST MANIFESTO. And their concluding words were: "Let the ruling classes tremble at a communistic revolution. The proletarians have nothing to lose but their chains. They have a world to gain. Workingmen of all countries, unite!"

Since these words were penned, ninety-one years have passed, nearly a century of peace and war, of suppression and inequality and exploitation, of monarchy and republicanism and "democracy" and tyranny, of trade rivalry and tariffs and colonization and partition. And now the spectre is no longer a spectre only. It has taken form. It is embodied in a great nation,—the United States of Soviet Russia. With the support of the Soviet armies, yet with little resistance, it has swept over a large part of what, for twenty years, has been Poland. It is threatening the states that ring the Baltic Sea. It is feared in the Balkans. If the war now on continues until war weariness weakens the prestige of the property-owning Germans, it may easily engulf Germany. And what, then, of (say) the British aristocracy! And if these nations succumb, what, eventually, of the United States of America?

The tremendous inequalities in property ownership and in income within the so-called democratic states—to say nothing of the fact that many of the largest incomes have no demonstrable relation to desert or to productive contribution—must certainly be the cause of considerable discontent. Such discontent may be not altogether conscious and not very vocal. It may be latent rather than active. Yet it does undoubtedly make the "democratic" states far more vulnerable to communist propaganda than if there were greater equality of opportunity; and it probably makes them more liable to col-

lapse in a long and exhausting war. For why should not millions of the poor easily conclude that communism would be better, for them at least, than the capitalism they know,—a capitalism in which they are but tenants or laborers, "ill fed, ill clothed and ill housed," with relatively small chance of a better future, and in which recurrent depressions make them periodically dependent on private charity or public relief? And especially, why should they not, in the last extremity of war distress, decide that for them capitalism is not really worth fighting for?

Capitalism as it might be—but, unfortunately, not as it is—would be, I think, beyond any reasonable doubt, the economic system best adapted to promote both the freedom and the economic welfare of the common run of folks. For capitalism as it might be would reward men on the basis of their efficiency, thrift and consequent productive contribution and would so tend to stimulate the virtues of efficiency and thrift; yet it would give far greater equality of opportunity than now and, especially, would put men on an equality with reference to natural resources and community-produced site values. Capitalism as it might be would have no place for the gaining of income by unfair business methods or by monopolistic prices or by disruptive changes in the purchasing power of money or by charging others for permission to make use of the resources of nature and for community-produced location advantages. The gaining of income by charging others for natural and com-

munity-produced advantages can be prevented, while maintaining the capitalistic system of industry, only through public appropriation (presumably by taxation) of the annual rental value of natural resources and sites. And to appropriate this rental value would make possible the abolition or—at least—the very great reduction of the present heavy tax penalties on industry, efficiency and thrift. Men would be free to produce without being penalized as they now are for doing so and they would be free to use the natural resources and sites which are now, in effect, monopolized through speculative holding.

It might be supposed, by an inquirer sufficiently naïve, that the unpropertied and poorer sections of the population would eagerly and enthusiastically support these essential reforms in the capitalistic system and that, therefore, communism would have no appeal for them. But the unpropertied and poorer people are the very ones who have had least opportunity for education and for whom careful discrimination among the elements and factors of our economic life is most difficult. They are the very ones who will most easily and naturally attribute the evils of our economic life and their own inadequate incomes and precarious employment to "capitalism" as such or "the profit motive" or "the capitalists." To many of them the essential distinction between income from land and income from capital is not easily made clear. That income from capital is an added product of industry made possible by the capital and that the capital is itself made possible by saving; that, therefore, those whose saving has made the capital possible are not robbing the workers when they receive a return on their capital; that, however, natural resources and location advantages are not due to individual work or thrift; and that privileged private income from these sources, as well as the speculative holding of

land out of use, does involve robbing the workers,—all this is not easily grasped by people whose intellectual background is pretty much limited to the tabloids and the movies. It is intellectually a lot easier just to conclude that "the boss (capitalist) don't pay me what I earn."

And so, a large section of the population in every "democratic" and capitalistic country is likely to be, under favorable circumstances, quite responsive to communist propaganda. The owning classes in (say) Germany and Great Britain may well tremble for the future of the capitalistic system if, with a long and exhausting war, the masses have also a reasonable chance to absorb such propaganda.

Perhaps the only way to stave off communism would be for the possessing and educated classes to make a studied effort to clarify these distinctions as to sources of income and to reform capitalism along the lines above suggested. But this is something very few of the propertied and

educated classes seem to be interested in doing. On the contrary, most of these are apparently opposed to any such reform of capitalism, and they will defend as violently—perhaps even with greater heat—the "right" to derive tremendous incomes through the exclusive control of natural resources, including subsoil deposits and power sites, and through collecting great rentals from **community-produced** location advantages, as they will defend the enjoyment of income from capital which would not exist at all except for the individual thrift which the income rewards.

The Russian leaders assure us that Russia will remain neutral in the present war. Perhaps the Russian trade agreement with Germany has been made with a sidelong glance by the communist leaders at the possibility of prolonging German resistance until all the warring countries are discouragingly ripe for a proletarian revolution and the establishment of communism. And if communism and communistic propaganda

engulf Western Europe, how long shall we escape? For without leadership among the propertied and educated classes in fundamental reform, without, therefore, a truly disinterested leadership by persons in these classes, there must apparently be a choice between the unfreedom of a regimented communism and the inequality of an exploitive capitalism. And what security have the propertied classes that communism will not be the choice of the discontented masses? The aristocracy of Russia were confident, too, in their day, that the Czarist régime would continue. Will conservative supporters of the status quo among us be equally determined to block fundamental ameliorative reform until reform is no longer possible and until only revolution will satisfy a raging Nihilist mob? Will our conservatives rather risk the eventual adoption of the communism they profess to dread and to hate than work to get us a decent and self-consistent capitalism?