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Comment and Reflection

A NEW world order is being planned by the foes of democracy. It is now clear—if there ever was any doubt of it—that the sole guiding principle in this reconstruction is that might makes right. The dictators sneer at the weaknesses of the democracies. It would seem, then, that we should gain their respect by adopting a policy of firmness. Ironic indeed, therefore, are the recent outbursts of totalitarian temper at our progress according to their own standards—at the embargo of armaments; at our vigorous defense program; at the recent Pan-American agreement.

THE boastful strength of the dictatorships may not be a strength per se, but only an apparent weakness in the democracies, whose very nature is tolerant of imperfections. However, in these very imperfections democracy is far more efficient and progressive than the rigidly regimented dictatorships. Democratic nations are of necessity in a state of flux. They are like clay, capable of being moulded to suit new needs as they arise. On the other hand, the totalitarian states have been forcibly cut out of granite. Any further evolution, any new needs of human beings, aye, *any hope for freedom*, can only come through some violent outburst which must shatter the totalitarian concept. From what we know of the indomitable strength of the human spirit, is this hard and unmalleable construction so strong? Extreme hardness is often associated with great brittleness! Let us appreciate that our "weaknesses" may be our strength, and our salvation.

HOWEVER this may prove in the long run, we are momentarily faced with a very real and grave situation, with respect to the fearful onslaught of the dictators. Not the least of our worries is that South America may be pulled into the orbit of the totalitarians. It is feared that a trade "invasion" of our Southern neighbors will be followed by diplomatic representations to entrench the foes of democracy in the Western hemisphere. Thus will the way be paved for the establishment of enemy military bases on this side of the Atlantic.

WE are beginning to realize that, to solve this harrassing problem, basic economic relations must be considered. We recognize that the strength of the dictators in this hemisphere is the promise of doing a substantial business

with our Latin American neighbors. To pull South America in our direction we must open up our markets for her. To accomplish this end, we must increase the purchasing power of our people, and South America must do likewise. But no sane proposal to effect this has yet been offered. Instead, all sorts of ridiculous schemes have been suggested. Among them is the proposal to lend money to the South American countries, to enable them to purchase our products at prices higher than charged by other nations, thereby retaining their good will by buying it. Such unnatural schemes must fail, as they always have failed in the past, whether applied within or among nations.

IS there any remedy better than the sane and natural one of complete free trade? We should be willing to accept the full implications of this. Real free trade means the free exchange of goods between free and peaceful people, on equal terms. The policy of the United States has been an endeavor to export goods and insist on payments in gold. This is manifestly not in accordance with fundamentals. It has served only to provide us with a useless monopoly of the world's gold, which we are hoarding under the ground, and also to arouse the resentment of the other countries. It is this as well as our tariff policy that has made South Americans wary of our plans. To them the totalitarian bait of barter without currency seems relatively more promising. If we are to gain good relations with our Southern neighbors, and the rest of the world, we must assume, not a mandatory, but a bargaining attitude. On the other hand it is no violation of the principle of free trade if we refuse to ship war materials to the States that are now seeking to destroy freedom.

SPEAKING of preparedness, we feel that the present defense program of the United States will bankrupt the country unless we abandon the idea of supporting it out of taxes on industry and incomes. Such depletion of our already low earnings will continue to reduce purchasing power and throw more out of work. That there has been no proposal for raising the large amount required for an adequate defense system is illustrated by the low wages offered to those engaged in military service—\$21 per month. The present emergency can be met with comparative ease, if the tremendous sum we need is obtained from a direct levy on the land values of the nation. This is the only tax that will not bear upon production—in fact, it will increase production. It is the only source of revenue that will be adequate for our vast defense program.

The Land Problem in Mexico

By JOSEPH M. SINNOTT

THE history of Mexico is a history of a struggle for the soil of the country.

Mayas, Zapotecs, Toltecs, Anahuacs, in slow succession rose to power and affluence, became luxurious and corrupt, and disappeared before the onslaughts of fresher, more vigorous tribes who fought to possess the land.

No matter how they may have differed as to tribal and religious customs, all these ancient Mexicans had common ideas regarding the soil. Land was not held as private property. Its ownership was vested in the tribe. Each family, however, was allotted a piece of land which it cultivated independently. Certain lands were reserved for the expenses of the government and the support of the priests. These lands were cultivated by the common people.

In the fifteenth century, in the territories controlled by the Aztecs, the last of the Anahuacs, the powers of the nobles were increasing and some of them had acquired lordship over lands which had belonged to conquered tribes and had reduced their inhabitants to serfdom. A feudal form of society was thus in process of development.

It was against this sort of social structure that Cortez hurled his gold-thirsty adventurers. Aided by other dissident tribes he soon conquered the effete and luxurious Montezuma, Emperor of the Aztecs, and hushed the country into peace by the power of his sword.

Along with his awe-inspiring equipment Cortez also brought the feudal ideas of his homeland. The conquered lands, belonging nominally to the Spanish Crown, were divided in most part amongst his officers. Later, when the cross followed the sword, lands were also granted by the crown for the benefit of the Church. All these lands were cultivated by the original inhabitants who became mere serfs.

For himself, Cortez obtained the Marquesado del Valle which measured 25,000 square miles, contained 22 towns and counted a population of 100,000 souls. Mines, woods, waters, the entire civil and criminal jurisdiction, and the right to the labor of the inhabitants were included in this entailed estate which, being inalienable, passed to the direct descendants. One lieutenant got 10,000 square miles with its rich silver mines. Another received Xilotepec which included 130,000 vassals. Others received grants in proportion to their supposed merits.

On all of these great entailed estates the natives were ground with a remorseless fury. At first the Church protested against the barbarous cruelties inflicted upon the hapless people but soon, it too, was involved in the process of wringing wealth from the serfs and the soil. The Spanish Crown, despite its many shortcomings, did its futile best to curb the ferocious power of the landlords.

The poor natives whipped by man and scourged by famine had but a choice of suicide or flight to enable them to escape their harsh taskmasters. Thousands chose both these avenues of release from a life of unremitting misery.

It was to lure the Indian back from his retreat in the jungles and mountain fastnesses that the ejido was conceived. The ejidos were plots of ground that were allotted to the native. They were supposed to be inalienable and from them, in his spare time, he was expected to raise his own sustenance, the King's tribute, and contributions to the clergy.

No sooner were the ejidos granted than the great landlords by dint of force, bribery and deception began gradually to enclose them. Thus began the struggle between great land lord and poor peasant which has survived to this day and which has caused one bloody revolt after another.

The revolutions of Mexico have been essentially agrarian in character—a struggle between the landed and the landless.

It was the disinherited and ragged outcasts who flocked to the standards of Hidalgo and Morelos in 1810. For that it was a burning agrarian struggle. And that was chiefly the reason why it was defeated. The land holding interests combined and were too powerful to be thrown off.

In 1823 the Mexican Congress abolished the further encroaching of estates, but too late to repair the damage. The Cortez heritage, for example, had grown to include one city, 157 towns, 89 great estates, 119 farms and 5 ranches with a total population of nearly 200,000 souls.

Meanwhile the Church also had entered the picture on a grand scale and by mortmain controlled "not less than one-half the real estate of the country." That was the estimate of Lucas Alaman, the clerical leader. It held mortgages on most of the remaining agricultural properties and had become the national money lender. Owing to special clerical privileges and exemptions, independent agriculture suffered a constant handicap and the Church was able to undersell other growers, thereby lowering market values. The Church, of course, paid no salaries, rents, interest, excises or taxes of any kind.

It has been estimated that the Texan revolt and the subsequent war with the United States in 1845, cost the people of Mexico one-half of their land. President Grant, a participant in the war, later characterized it "as one of the most unjust ever waged by a stronger against a weaker nation."

In 1856 the feeble Comonfort government ordered the sale of clerically owned estates to the lessees at a price based on a rental value of six per cent, or, should the renter desire to buy, the property could be condemned and sold at the highest bidder. This effort was no stronger than the government that sponsored it and was soon discarded.

Emperor Maximilian and Empress Carlotta were shocked by the conditions they found. They decreed in vain that the peasant was responsible only for his own debts and not

those of his father. In vain did they seek to shorten his hours of toil. In vain was corporal punishment forbidden.

The Great Reform Laws of Juarez in 1867 also attempted to restore the lands to the people but were checkmated at every turn by the combined weight of landlords and clergy. Nevertheless constant effort was exerted to relieve the condition of the disinherited.

In the late eighties and nineties, under the aegis of Porfirio Diaz, the pendulum swung the other way. The peon reached his nadir. This was the era of railroad construction and influx of foreign capital. As a consequence, tilled and untilled lands acquired new values. A great wave of speculation swept over the country. The foreigner was quick to scent the exploitive possibilities of the situation and the condition of the people became more and more intolerable. They partially threw off the yoke in 1911 and then followed the revolutionary movement, aimed at land reform, which has continued to this day.

A succession of leaders promised, deceived—and were overthrown or assassinated. Then a champion, Emiliano Zapata, purest and fairest of all, glowed like a bright star against this sombre background. His slogan was "Land and Liberty." He demanded freedom from the feudal oppression of the great estates and restoration of the ancient village lands. Zapata was betrayed and slain, but not until he had advanced considerably the cause of the peasants.

Plutarco Elias Calles was the next important political figure to dominate the scene. Calles really seemed to have the interest of the peasants at heart and pushed agrarian reforms with unceasing zeal. He advanced the cause of the ejido and loosened the clutching grip of the Church. In the fields of labor his right hand man, Morones, organized the *Confederacion Regional Obrera Mexicana*, or C.R.O.M., as it was popularly called. This was a confederation of craft unions organized on the same basis as the American Federation of Labor.

However, it soon became apparent that though the zeal of Calles continued, as far as agrarian reform was concerned, he seemed to manifest a marked antipathy toward urban labor developments. In some peculiar way, known only to Senor Calles, he had become one of the richest industrialists in the country. His interests embraced many industries and he became particularly incensed at any threat of strike on the part of labor. There was a clash of interests. The original crusading zeal of the once poor school-master was quenched.

Senor Morones and the small clique who dominated the C.R.O.M., were also faring very well. They dashed about in the most expensive automobiles and the diamonds flashed by Morones became a public scandal. They all lived lavishly and their week-end parties in the suburb of Tlalpan were notorious. They formed a club called the Grupo Accion, which for luxury was unequalled except by millionaires' clubs in the United States.

Now Calles had always chosen the current presidential candidate. Against the advice of conservative friends he selected Lazaro Cardenas to succeed the safe and pliable gambling concessionaire, Abelardo Rodriguez. He was sure that he would be able to control Cardenas as he had controlled Rodriguez, Ortiz Rubio, and other presidential puppets. But this time it was different.

Everyone winked and grinned when Cardenas spoke of land reform, better conditions for labor and a democratized army. They had heard all this so many times before. But when the new president swung into action and began to put his reforms into effect, the grins faded.

Meanwhile, the Marxian-inspired Vicente Lombardo Toledano had broken off from the old, corrupt C.R.O.M., and formed the Mexican Confederation of Labor or C.T.M., as it is known. It was organized on the basis of Industrial Unionism and it established friendly relations with the American C.I.O.

The Army* stood firmly behind the new president. With the backing of peasants, workers and soldiers, Cardenas was able to drive Calles, Morones and their satellites from the country.

Let no one be so naive as to suppose that Justice and Liberty have but to raise their heads to have Injustice and Bondage flee before them. Over and over again they have been trampled into the bloody mud. And so after centuries of struggle, sacrifice, torture and death, the advent of Lazaro Cardenas in 1934 still found the Mexicans in the grip of the great estates. The reason for this is simple. When the landed interests found themselves defeated in the agrarian areas they transferred their maleficent activities to other spheres. They packed the state governments, the courts, the labor tribunals, the local magistracies and the police, with their creatures. Their company guards roamed the countryside and spread terror in the hearts of the people. On an average, it required five years to press a successful suit through the courts.

Cardenas, supported by the rising tide of the labor movement under Lombardo Toledano was able to purge all these agencies of their reactionary and venal elements. New life seemed to surge through the courts and the monotonous line of decisions in favor of the landlords was broken.

Although from 1913 through 1934 about 20 million acres of land had been distributed, yet ninety-five per cent of all farm land was in holdings of over 250 acres (i. e., sufficiently large to require several outside laborers). 55 per cent was in holdings of over 25,000 acres each.

During the five years of the Cardenas incumbency more peasants have received land than in all the previous years put together and the per capita share has been almost twice as large. From 1915 through 1934, 20 million acres had been distributed. From 1935 through 1938, nearly 40 million acres. From 1915 through 1934, 759,000 heads of peasant families

had received land. From 1935 through 1938, 813,000. It has been estimated that by the end of 1938, 41 per cent of the arable land had been turned over to ejidos. And the process has been continuing since.

To sustain these moves Cardenas has set up a new institution, The National Bank of Ejido Credit, with branches in the chief agricultural regions.

There is a new Agrarian Department, a large part of whose duties consists in care and advice for ejidos. The members of this department flow from the newly established agricultural schools.

The Irrigation Commission is in process of revitalization and has borne fruit already in the great Laguna cotton growing region where the Palmito Dam has been constructed.

Furthermore, since 1935 the majority of new ejidos have been set up in collective form and on a bookkeeping basis. Moreover they have been set up in precisely those regions where collective agriculture can be most effective, namely, the regions of the great commercial crops—cotton, rice, hemp and wheat. A beginning has also been made in sugar cane and bananas. By the end of 1939 about one-third of all ejidos were in collective form, and they controlled the majority of Mexico's chief cash and export crops.

Though, as before stated, these gains are due chiefly to the revival of the labor movement and its effect upon the whole federal administration, yet Cardenas has steadfastly refused to allow himself to become a pawn in the hands of the Marxist labor leaders. He is, above all, a patriot, a Mexican and true to his Indian heritage.

Here is the man of the centuries, defender of the oppressed, champion of champions. And while he fights the privileged groups of his homeland and struggles against governmental pressure from abroad, he must whirl to stamp out the treachery inspired by greed of gain in his own ranks. He has the brave heart and the sturdy will that seeks economic freedom for the masses. *But he does not know the way.*

A presidential election has recently been held in Mexico. The results, not yet announced, will decide whether the liberal policies of Cardenas will be followed, or whether the forces of oppression will once more gain the upper hand. But even if the man of Cardenas' choice is elected, the hopeless economic maze constructed by the liberal government is not the solution.

Would that a copy of "Progress and Poverty" were put in the hands of Mexico's leaders!

THE New Order in Europe:—Two-thirds of the Netherlands' poultry, and one-half of Denmark's cattle are being slaughtered—"because of a feed shortage"—and the carcasses are being exported to Germany.

A Glance at Brazil

BRAZIL today presents a complex aspect. It is a large country, larger than the United States, and its 4 million people are made up of native Indians, African Negroes and Europeans (mostly Portuguese, Spanish, Italian, German and Polish). Out of this strange mixture, a more or less homogeneous race has evolved. The Brazilian economy is predominantly agricultural, but the country is seeking to industrialize itself and is trying to build up trade relations with the rest of the world. It is still a new and undeveloped land (comparable to the United States in its early days), and yet it finds itself in the midst of the complicated and advanced economy of the rest of the civilized world.

The Brazilian economy today is as distressed as any other. Trade is depressed, and there is industrial stagnation. As with other countries in similar circumstances, the government is assuming more and more importance. Labor legislation, workmen's compensation, public works, relief, and all other legislative symptoms of a country with unsolved economic problems, are in full force. As a corollary, Brazil is leaning strongly toward nationalism. For instance, all insurance companies must become nationalized, that is Brazilian owned.

However, some favorable progress is being made in legislation. Brazil formerly had a very reactionary government concerned mainly with the welfare of the great landed interests. The present government, while by no means doing all that can be desired, is at least open-minded to progressive reforms. One of the latest proposals is that titles to land be clarified and legalized, and only title to cultivated land be recognized. The purpose is to discourage holding land out of use.

Brazil is rich in natural resources. It has the largest iron ore and alluvial gold deposits in the world, and is the greatest producer of coffee, wild rubber, and matte. The trade possibilities are great—if trade were free—but present war conditions have greatly upset Brazilian exports and imports. Exports to Europe have declined, and it is extremely doubtful whether the United States can make up the difference despite good intentions.

Japan and Germany both are important rivals of the United States in trade with Brazil. Despite Pan-American agreements, Brazil—as is natural—wants the best customer. She does not want to lean too strongly in one direction, at the sacrifice of other markets. Any cooperation we seek to make with her must be based upon performance.

In the July issue of *Brazil* (published by the American Brazilian Association), William Mazzocco writes: "I believe that the time is opportune for everybody concerned in the promotion of business between North and South America to do all possible to remove any obstacles that prevent the building of a reciprocal, lasting, substantial volume of business, between Brazil and North America."

The Struggle for Freedom In South America

By DR. FELIX VITALE

I EMIGRATED from Italy to Rio de la Plata, called the promised land, in the fall of 1889; but I forget now why it was that I landed at Montevideo instead of at Buenos Aires.

On my arrival I found a terrible industrial depression, or crisis, which was clearly the result of recent land speculation, but which was attributed to many secondary causes and not to the fundamental one.

In a decade I witnessed three insurrections, pompously described in South America as revolutions, but which were nothing more than periodical fights for power between two groups which dignified themselves by the title of "Parties." Their only aim and ideal was the partition of the spoils of public office. No other problem was at issue. I am sorry to say that today there is little improvement.

At the beginning of 1900 I had to go to New York on business. There I met Antonio Molina, a friend of Henry George and the Spanish editor of the *Scientific American*. He was born in Puerto Rico, and educated in New York. While he helped me in my work, his hobby was to convert me to the doctrines of his friend, and he succeeded. After three years of unsuccessful attempts to bring to a conclusion the business on which I was engaged, I returned to Montevideo, where with a full enthusiasm I began my preaching, believing with the ingenuousness of a neophyte that the truth would be easily understood and accepted in a country where the relation between man and land is more evidently perceived than in an old civilization where man forgets that he is a man and animal. Mine was the fallacious illusion of the visionary who believes and hopes for a better world in a short time.

Buried in the deepest oblivion lay the memory of Rivadavia, first president of the Argentine Republic, and of his faithful and great interpreter, the Uruguayan statesman, Andres Lamas. One of my first converts found in a private library the little book written by Andres Lamas and published in 1881, *La Obra Economicas de Rivadavia* (The Economic Work of Rivadavia). The genius of Bernardino Rivadavia as a statesman was wonderful. He had to devise everything in a republic which had just turned out the Spaniards, its conquerors, and was born out of the turmoil of wars of independence. It may be that his visits to France and England had made him acquainted with the work of the Physiocrats or the discussions about taxation in the English Parliament between Walpole and Sir William Wyndham.

Since his first days in public life, Rivadavia had made up his mind on the agrarian question. In a decree dated Septem-

ber 1st (? 4th), 1812, providing for a survey of the lands comprised in the Province of Buenos Aires, he declared "that the object of this proposal was to distribute proportionately to the citizens of the country building sites and arable land under a political system which would ensure the establishment of population and the happiness of the many families, victims of the cupidity of the powerful, who are living in poverty and oppression which is shocking to reason and prejudicial to the true interests of the state." Nothing came of this at the time, for Rivadavia went out of office.

On May 18, 1826, Rivadavia submitted to Congress a law dealing with the public lands, which at that time were most extensive. The first section provided that public lands (the sale or transfer of which had been prohibited by an earlier decree of Rivadavia) should in future be granted in emphyteusis for a term of not less than 20 years, reckoning from January 1st, 1827. Emphyteusis is a system of land tenure in which the use or usufruct of the land is transferred to the holder for a long period, but not the whole right of property. The other sections of this law provided for a rent to be paid to the state in accordance with a valuation to be made by a jury, and for the rent to be revised in the same manner at intervals of ten years.

Describing his proposals, Rivadavia said in an explanatory report to Mr. Woodbine Parish that "if the State offers to sell the lands which are public property, it will, besides transferring them at a price which will be more than doubled in four to six years, put in the hands of a few dozen speculators the fortune of every foreigner, poor or rich, who would emigrate in order to employ himself in any branch of agriculture."

This law remained in existence for only three years from 1826 to 1829. Rivadavia was exiled and his law was abrogated and the recollection of it sank into oblivion. Corrupted and stupid governments squandered the land by selling it at two or three thousand pesos per league, instead of renting it in accordance with the far-sighted plan of Rivadavia. Rosas, the dictator who succeeded him, by one decree alone placed 1,500 leagues of land on sale, and by a law of 1839, he gave at a nominal price six leagues to his generals, five to his colonels, four to his lieutenant-colonels, two to majors, one to captains, to officers below that rank three-quarters, and to non-commissioned officers and men one-quarter.

Forty years ago the incubus from which these republics suffered was the continuity of civil wars. My first statements about private property in land fell like a bombshell. Rivadavia and his interpreter, Andres Lamas, were hardly remembered except for the records in the libraries of a few erudite lawyers.

A daily journal instituted a competition for the best diagnosis and remedy for the troubles of the country, offering three prizes. My pamphlet got the third prize. The first two were awarded to two literary men. Their works were written in nice language and attempted to show that wars are due to

political ambition and the ease with which peasants who are lazy and indolent and warlike by nature can be enlisted for such fights. No economic or land question was touched on by them. About a thousand copies of my pamphlet were distributed, either sold or given away.

My first convert was the distinguished Uruguayan statesman, Dr. Manuel Herrera y Reissig, who subsequently published a valuable book entitled *El Impuesto Territorial* (Land Taxation); and we were greatly helped by a business man from New Zealand, Mr. C. N. Macintosh, a thorough single taxer with wide knowledge of all the financial and business details which crop up in discussing the entanglements of official political economy. I do not know how the doctrine was spread in Buenos Aires, but I think it was due to this co-worker, who was very influential and in contact with business men in his own affairs.

One of the recent Presidents of the Argentine Republic, Dr. Roque Saenz Pena, originator of the law for universal suffrage, speaking in 1912, at the opening of the fifty-first Assembly of the National Congress, said: "I consider it necessary to levy a tax which some nations have adopted with success and the lack of which does not indicate the distributive justice which should prevail amongst us; I refer to the tax on the value of property which does not arise from private effort or work but from the collective effort. All necessities of life and all industries, as well as the labor of man that gives him but a small return are taxed but not the enrichment which is obtained without personal effort but by the action of the community. A compensation is needed for such a glaring privilege. . . . I think that a desideratum of a good administration is simplification of our tax system till we reach the establishment of one single tax imposed upon land which is the tree upon which grows all wealth, and so we will leave free the branches of all industries from a pruning by the state which makes the trunk bleed twice over."

We are still in the beginnings, but new ideas about property in land are coming to prevail. "Property in land," said the Minister of Agriculture, "must have its limits. It will be recognized so long as it does no harm to the progress of our country population, but it must help the object of colonization." There is nothing practical in this, but it is the first step, a weak step, but nevertheless a step in a country dominated by landed gentry. About forty-five schemes of colonization have been presented to Parliament. Not one of them is practicable; the expense of carrying them out makes each one impossible. The socialists are united with a group who call themselves radicals. They have many seats in the upper and lower house. They propose and help the passage of small reforms which, like the lump of sugar, satisfy some working men, but leave intact all the vested interests, nay, make them stronger. They do not interfere with taxation. The following table will show how little the value of land contributes to the expenditure of the nation.

Customs and port dues	.....	.....	\$300,000,000
Inland revenue.....	.....	.....	170,014,000
Land tax	.....	.....	29,000,000
Income tax	.....	.....	101,485,000
Sales tax.....	.....	.....	31,020,000
Stamp duties	.....	.....	62,500,000
Licenses	.....	.....	2,100,000
Petroleum and mineral royalties	.....	.....	4,000,000
Inheritance tax	.....	.....	116,500,000
Post and telegraphs	.....	.....	41,000,000
Lottery	.....	.....	17,000,000
Exchange profits	.....	.....	24,000,000
Miscellaneous revenues	.....	.....	24,100,000
			\$922,719,000

This represents only the national revenue. Each province and municipality raises revenue by heavy taxation of small industries and staple commodities.

I have not at my disposal complete statistics to illustrate the distribution of land, but some illustrations will give a picture of the situation. Very near my house one gentleman owns an estate of 22 miles in extent. Four families own between them more than 4,500 square miles of land in the province of Buenos Aires. In the same province there are 1,031 landowners with more than 12,500 acres each. These and the four previously mentioned are proprietors of more than one-third of the entire province.

There is a great fuss about *latifundia* (great estates) for people realize that they need land and that it is not possible to gain access to it. Thus the sacred right of property presents itself to the human mind in these countries where everybody knows that the ownership is due to violence and robbery through political tricks and corruption.

In the Province of Cordoba, the governor, Dr. R. J. Carcano, a courageous man, defied the press and applied a tax to the big estates, and managed it with wise judgment. The legislature of Cordoba raised the taxes on large areas of land and reduced the taxes on small industries, the excise, etc., so that to some extent the working man finds work easier to get and the cost of living cheaper. It is not, of course, the whole of our ideal. The federal taxes prevent a complete improvement in the system. The largest item of this is the customs duties, which are taken for granted as a necessary source of revenue.

Undoubtedly our cause seems to advance slowly, and that makes us impatient; but no reform involving a complete revolution in an old system can go quickly. To understand the problem of free land and free trade the human mind must be guided by a deep democratic feeling. That there has been some step forward in Argentina is shown by the outcry against big landowners, by the idea that property in land must be limited in the interests of progress, by recognition of the needs of the agricultural laborers wandering from one Province to another in search of work, and by the

idea that land is not a kind of wealth which should be inherited in large amounts. Politics are so corrupt, that business, land and public offices are divided like the garments of Christ.

In Uruguay in 1914 we had high hopes. A Bill was presented by the Exchequer, increasing the tax on land values and exempting improvements. It excited some enthusiasm, but not enough. Later on, a party led by a demagogue took the matter up again, and in 1930 a daily paper published my proposals, omitting to mention that they were mine. But such people have no exact idea of the day-to-day evils of private property in land, and are unable to draw the distinction between confiscation and compensation.

In the Argentine Republic the population is generally more conservative and reactionary than in Uruguay. But I hope that an appeal to patriotism and the memory of Rivadavia, to whom the people have dedicated a monument, will help to change people's minds. Landlords have tradition and money. We have neither. I am looking to the English-speaking peoples. The great revolution against private property in land was born among them; it will ripen there; we will emulate it.

The Cordoba System

From *Nueva Argentina*

Fortnightly Journal of Economic, Agrarian and Social Issues
Published at Buenos Aires, Argentina

TRANSLATED BY WILL LISSNER

CORDOBA is an important issue in current public debate. The administration of Dr. Amadeo Sabattini (Governor of the Province of Cordoba, Argentina) has ardent partisans and implacable opponents. Let us see what is happening in this Province that singles it out in such an unusual manner from the other Provinces in the union of more or less independent States constituting the federal government system of Argentina. In Cordoba, under the new regime, the land value tax is a reality. The latifundists are setting up a tempestuous clamor; the press which is at their service amplifies their voice.

For this reason, it is just that the defense of the Córdoba administration be given a hearing. We therefore present, with doctrinal reservations, an extended report* by the Finance Minister of Cordoba, whose remarks are of the highest interest despite certain Socialistic leanings.

REPORT OF THE FINANCE MINISTER

When, after the change of administration (in 1936), operations were begun, the state of the provincial finances presented alarming problems. Debts had been contracted on wages and salaries of the administrative personnel up to

*The text of the report is not here presented in full, some technical financial points having been omitted.

nearly one-half million pesos. And during 1935, the administration had been illegally disbursing part of the appropriations budgeted for 1936.

The national debt had not been attended to in any way between 1931 and 1934. The recorded public debt of the Province suffered an increase of 9½ million pesos up to the first of January, 1936. The floating debt, which had been consolidated on December 31, 1931—at the beginning of the former regime—increased this sum by about 3 million pesos; thus making a total public debt of 12½ million pesos. And yet, in the budget for 1936, the public debt did not receive preferred claim on the revenues of the State.

The new administration's outlook for achieving financial stability could not have been less promising. The estimate of State revenues on April 30, 1936, showed a drop of 1¾ millions compared with the preceding year. But the new chief executive was a man capable of handling the difficulty. Opportune and prudent measures were undertaken for improving the financial situation. Adjustments were made in the means of collecting taxes. Liberal opportunities were given to the slower taxpayers. Improvements were introduced in the methods of assessment and in estimating the public revenues.

The condition of the public finances grew better within the first few months of the administration, reaching the point where it concluded the first period with a surplus of more than one-half million pesos. In succeeding periods the results were even better. Operations under the budget of 1937 left the considerable surplus of 3¾ million pesos. The period of 1938 was concluded with a surplus of 2½ millions. With the confinement of present expenditures to the estimates of the revenues, it is to be presumed that there was in the following period a surplus of no less than one million pesos.

HOW THE PROBLEM WAS SOLVED

In the policies that have been imposed, the chief executive has reduced the burdens on enterprise by means of suppression of patents and the reduction of taxes on business, with the exception of those levied on branches related to luxury or vice; and he has increased, in the place of these taxes, the direct tax on the valuations of the holdings of the great landed proprietors. This was done with the double purpose of assuring that the tax burden would be distributed in a progressive form with respect to the value of the properties; and of combating the feudal land-holding system (*latifundismo*) by stimulating the subdivision of the land.

The chief executive expressed his ideas in the message which accompanied his legislative proposals for the year 1939: "The laws imposed are not, and cannot be mere fiscal expedients for the State. They cannot respond solely to a fiscal aim, *without also making for true social justice*. This aim has been accomplished with the increase in the rate of the progressive tax on land, and the exemption of improve-

ments; and at the same time, each contributes according to his means, as contrasted with the sacrifice which is involved in the payments of regressive taxes. The great land-holders collaborate in proportion to their economic capacity to the work of building up solidarity and social justice, which is being realized in many forms by the State."

As inevitably happens in connection with all such fundamental reforms, the large land-holders are agitating for the modification of the rate of taxation and are carrying on a systematic campaign against the new legislation. These wealthy proprietors, who fall within the highest classes of the progressive tax, comprise only some 300 taxpayers out of a total of 287,000 landed proprietors registered for tax purposes in the Province.

The Supreme Court of the Nation has repeatedly declared that the principle of equality as the basis of taxation and of public burdens must be harmonized with the realization that this equality can be effected only among those of the same condition; and that it is good public policy to let the weight of taxation fall upon those who are the least distressed by it. Jeze has phrased it thus: "The economic capacity of an individual does not vary proportionately to his income or his fortune, but progressively."

PUBLIC DEBT REDUCED AND PUBLIC WORKS INCREASED

The public debt of the Province, which up to May 16, 1936, had risen to 75,334,532 pesos, amounted to 70,721,086 pesos on January 31, 1940—a reduction of 4,613,446 pesos; to which can be added 12½ millions paid out for debt service. The public debt has been reduced, but no new bonds have been issued, and yet great public works have been constructed.

An integrated system of public water supply has been completed. Throughout the Province, school and administrative buildings have been constructed. There were also established school dining rooms; more than 600 offices were built for teachers; the pay of the teaching personnel was raised and bonuses provided for teachers; the Sanitary Station of Noroeste was established, as was the Textile Trade School; the President Roca School was enlarged; the subsidies to hospitals were increased; and an appropriation was given the office of the General Director of Revenues for mechanical equipment which assured the rapidity and exactness of its operations, permitting the complete drawing up of the poll of taxpayers, and facilitating the calculation, currently and exactly, of the estimate of the revenues.

The above-mentioned public works and many others, such as the creation of the office of the General Director of Waterways and Waterworks, the organization of a symphony orchestra, and the establishment of the Saenz Pena Department, has raised the budget to more than 34 million pesos, surpassing by about 7 millions the initial budget of the present administration. However, in all the budget periods, as has been pointed out, the operations ended with surpluses.

The Latin American Crisis

By ROGELIO CASAS CADILLA

UP to the first World War, the South American countries administered themselves under simple formulas. Immigration laws were scarcely known, and the customs-house were tolerant. The states could be developed more or less freely. Argentina and Brazil, to which most of the emigrant repaired, received the greatest benefit from the enormous human resources which arrived on their shores. The cities were populated rapidly, and the vitality of these countries was invigorated. Wealth circulated in abundance. In general South America was making rapid progress.

The post-war crisis produced a great economic reversal. Prices of goods fell. The budgets of the governments were not reduced. The great landed proprietors accepted only small increases in taxes (in proportion to the benefits they received), and all the countries fell into the fatal error of imposing higher customs duties on imported goods. This course eventually led to poverty and catastrophe. Each day saw higher duties heaped upon necessities. A new privilege was born, called "home industry." And with it was also born another form of privilege, the combinations of working men.

Today all South America is burdened with restrictive laws. Its nations oppose the import of goods. They also forbid the entry of persons, which results in a further diminution of wealth. Ships no longer go to their ports, because people and goods may not enter through them. With the reduction of commerce, freight rates have increased, and the little trade that remains is not worth mentioning. On the whole, the South American economy presents a desolate aspect. At the wharves there are almost no shipments to be seen. The governments have tampered with their monetary systems. The apprehension that the government will devalue the currency and suppress the natural workings of the market has caused a tremendous destruction of wealth. Although all these governmental restrictions may seem to be born of necessity, they run counter to economic laws, and thus bring disaster to the economy of the nations.

There is only one way open to the South American countries to sustain and renew themselves: To return to the natural law, and permit people to enter their territories freely; to permit the free entry of goods; to permit competition to exist, so that prices will be lower and wealth accessible; and finally, to collect taxes only from the ownership of land and public services, that is, the profits of privilege. This is the only course to follow to establish liberty and justice.

At the head of the government of the United States there are some men, such as Cordell Hull and Sumner Welles, who understand the problem of trade. With their cooperation South America has a splendid opportunity to solve some of her difficulties in the new and more dangerous crisis created by the second World War. Her economic life and sovereign liberty are being threatened. Will she heed the warning?

The Incas of Peru

By CECIL CARROLL TUCKER

THERE is a happy tendency among modern historical researchers to subject ancient systems of government to an emotional analysis. This is perhaps caused by the pressure of our need for accurate knowledge of the past to assist us in determining present courses of action. The sighing for the "glories that were Greece" is no longer in vogue. The attitude has become, "Let us read history to learn lessons."

With a sympathy of treatment that is truly touching, Clement Roberts Markham, a historian of the old school, relates the saga of the Incas. He tells of their music, poetry, and drama, of their beautiful religious mysteries, of their arts and architecture, and of their government. Their system of government inspired Markham's intense admiration. It was a Utopian socialism, he said, in actual working order. It was a benevolent despotism under rulers whose genius for government "far surpassed that of the Spaniards who conquered them."

Guinness, a later writer, is less sanguine. He realized the socio-economic implications of a totalitarian regime. The Inca rulers extirpated poverty—"but at what a cost!" The people were treated like children—and children they remained. They were the property, body and soul, of the state. Their labor and persons were conscripted by the state at the discretion and whim of the rulers. Personal initiative did not flourish under such a system. The great body of the population was conditioned to be satisfied with a full stomach, the worship of idols, and reasonable protection from physical violence.

If a book could be written containing, on one side of the page, Max Hirsch's "Socialism, the Slave State," and on the other side, the history of the development of the Inca civilization, the deductions of Hirsch and the facts of the history would exhibit a striking parallel. Certainly there remained no virility in a people who, themselves numbering more than eight millions, could be subjugated by a band of one hundred eighty Spaniards.

There were extenuating circumstances, of course. The Spaniards rode the first horses the Incas had ever seen. And it must have been terrifying to the Incas to see a cannon—a beast that could come apart into two pieces, and was, moreover, "apparently able to control thunder and lightning." Yet the North American Indians were introduced to firearms—the awkward way—by their invaders, but through the stubbornness of their resistance, they acquired firearms and became proficient in their use. Only internal decay could explain so easy a conquest as that of the Incas of Peru.

The facts substantiate the deduction. The Inca civilization was rotten to the core. At the time of the Spanish conquest, the Benevolent Despot was directing, from his luxurious quarters in the nation's capital, the resistance against armed insurrection promoted by the Inca version of

the Crown Prince. Revolutions can be inspired by hatred of oppression, or desire to enjoy the fruits of privilege. In this case it was probably both. To the Inca rulers were not only the power and the glory, but also two-thirds of the produce of the nation's industry.

A "system of land-tenure" might more exactly be called a "system for distributing the products of labor." The one involves the other. In Peru, under the Incas, the State was the absolute owner of the land. All cultivated land (the extent of which was vastly increased by elaborate systems of terracing and irrigation) was divided into three parts. The produce of one-third went to the support of the royal line. Another third supported the religious system. To the producers was returned the remaining third.

The State was also the absolute owner of the people. It decided what production should be carried on, and selected the producing personnel. The State undertook the education and training of the producers. It carried out large-scale colonization of loyal subjects in provinces of doubtful party regularity, for purposes of espionage and consolidation. The State directed scientific research, and designated the scientists. It is true that a remarkable degree of knowledge had been acquired. The surgical operation of trepanning was practised. Silver and gold were extracted from the ore. Ruins of public buildings contain blocks of stone weighing up to 150 tons, which had been moved several miles from, and raised hundreds of feet above, the quarries from which they were hewn. But a great portion of the labor was wasted in preparations for defense against internal and external aggression, and in the carrying on of empirical conquests.

Unless its foundations be laid in justice, the social structure cannot stand. The monuments remain, but the Empire has crumbled. According to Sarmiento de Gamboa, mouth-piece of the Spanish viceroy Don Francisco de Toledo, the tyranny exercised by the Incas over their people provided the justification for the seizing of those lands by the Spanish Crown. Whether the three gentlemen who sat around a table in Panama and planned the conquest of Peru were motivated by pity for the natives, by a pious desire to substitute monotheism for idolatry, by a lust for gold, or by mixed feelings, cannot be stated with certainty. At any rate, the despoilers of that remarkable civilization found conditions badly in need of mending. And so the cycle completes another turn.

Five hundred years before the Spaniards came, the rich Peruvian plateau was the seat of another highly-cultured race, the Yuncas. The Incas, then in the vigor of their barbarism, overran this civilization. The size of the Yunca capital city of Chan Chan gives an index both to the character of the conquered civilization and to the power of the conquerors. It was larger than Manhattan, being over fourteen miles long and over five miles wide.

The Spanish conquest of Peru was yet a step in advance, despite its attendant evils. The Catholic Church, through its Spanish military arm, planted, in the ruins of a rotting civilization, the seeds of progress.

Canada's Economic Status

By HERBERT T. OWENS

THIS article will deal with the economic status of Canada as it now is, and as related to the Georgeist program for the ultimate collection of economic rent for all purposes of government.

A Royal Commission on Dominion-Provincial Relations was set up in August 1937, to examine into our constitutional and public finance set-up, and its Report was tabled in May of this year. Its statistics are based on the fiscal year 1937. It is known for short by the name of its chairman, Mr. Joseph Sirois, and will be designated as the Sirois Commission's Report throughout this article. A remark of Campbell-Bannerman's concerning a political opponent—"a fine chap-pie but na sound on the land"—epitomizes this Report. There is no awareness in it of the primacy of the land rent question.

HOW CANADA RAISES ITS REVENUES

Municipalities raise their principal revenues from a tax on land values and on improvements. There is also an assessment on business usually based on the value of real estate

used, but in British Columbia there is instead a schedule of licenses which yield about as much revenue as the Business Assessment of Eastern Canada. For 1937, the Sirois Report shows \$308,000,000 as municipal revenues, of which \$245,000,000 came from real property; \$20,000,000 represent chiefly business taxes, based usually on "real estate" and also (in the Maritime Provinces) personal property taxes. Sales and income taxes accounted for \$6,000,000; licenses permits and fees produced \$10,000,000; public utility contributions yielded \$6,000,000, while other current revenues—rentals, interest, penalties, etc.—totalled \$21,000,000.

Provincial revenues are largely based on income tax, succession duties, gasoline tax, automobile licenses, corporation taxes, public domain, liquor taxes and profits, federal subsidies, and in some cases taxes on land and on improvements. Automobile and gasoline taxes are the most productive, being 27% of the revenue of all Provinces for 1937. Liquor revenues were 12%; corporation taxes and company fees and licenses yielded 17%; succession duties produced 15% and personal income taxes 5%. Public domain revenue yielded 9% of the total, and federal subsidies 8%. The total revenues of the Provinces for 1937 were \$244,000,000.

	Assessed Land Values	Assessed Improvement Values	Business Assessment or Equivalent Licenses Assessed	Personal Property Assessment	Differential Assessment Favoring Improvements	Farm Buildings	Taxation on Land Values for Provincial Purposes
Nova Scotia	Not Separated		Assessed	Assessed	None	Taxed	Provincial Timber Land Tax Yielding about \$80,000—(1938)
New Brunswick	Not Separated		Assessed	Assessed	None	Taxed	Wild Land Tax \$57,000—(1938)
Prince Edward Island	Not Separated		Assessed	Assessed	None	Taxed	"Real Estate" tax yielding about \$86,000—(1939)
Quebec	Not Separated (a)		Assessed	None	None	Taxed	None
Ontario	Separated	Separated	Assessed	None	None	Taxed	None
Manitoba	Not Separated (b)		Assessed (c)	Assessed	One-third exemption mandatory	Exempted 100%	None
Saskatchewan	Separated	Separated	Assessed	None	Urban and non-agricultural exempted 40% (e)	Exempted 100%	Public Revenues tax—2 mills on assessed taxable valuation including buildings \$2,000,000—(1940-41)
Alberta	Separated	Separated	Assessed	None	Local option as to total or partial exemption	Exempted 100%	Wild Land Tax \$25,000. Social Service Tax \$1,250,000—1939-
British Columbia	Separated	Separated	Licenses	None	Local option as to total or partial exemption (f)	Exempted up to \$1500	Land Tax on "Real Property" \$1,500,000 Wild Land, Coal, Timber Land \$400,000—1938-39

(a) Montreal area, comprising about one-third of Quebec's population, separates value of land from that of improvements.

(b) Winnipeg area, comprising bulk of population, separates value of land and improvements. The Manitoba assessment Commission advises that in assessing, the separation is made as a matter of practice but that tabulated returns do not publish the information or make it available for the Canada Year Book.

(c) The Manitoba Assessment Commission advises that under the Assessment Act Business Assessment may be placed either on a rental value basis or on a Personal Property basis. A large number of urban municipalities now use the rental value for

business properties and do not assess any personal property in the municipality.

(d) Quebec Province has just initiated some new tax levies of personal property nature: radio \$2; automobile water tax \$3; telephone tax 25c per month.

(e) The Saskatchewan law prohibits any higher taxation than 60% of the assessment of improvements, but municipalities can allow a greater exemption. Regina, the capital, has exempted buildings 70 per cent. since 1913.

(f) British Columbia has a statutory limitation as to the rate of taxation on land values. The general rate, aside from education and debt provision, must not exceed 35 mills

Federal revenues are based mainly on such consumption taxes as customs, excise, sales tax; income and corporation taxes, etc. The total for 1937 is \$464,000,000, made up of the following principal items in millions of dollars: Customs 105; excise 32; manufacturers 17; sales tax 138; liquor excise 27; utility 7; miscellaneous 11; corporations and companies 74; public domain 2; personal income 51. A total of \$337,000,000 or 72.6% thus came from consumption taxes. No wonder the Royal Commission found the Canadian consumer to be carrying "one of the heaviest consumption tax loads in the world." So much for the present set-up. We now proceed to the consideration of what sort of a substructure we have for the eventual total collection of economic rent.

SEPARATION OF LAND AND IMPROVEMENTS

The aim of Georgeists is to have public revenues in general collected from the economic rent of land. As a prerequisite to this it is necessary to have an assessment of land separate from other assessments. In both respects we can report considerable progress in Canada. The foregoing table shows what the present situation is as to assessment and taxation and by the same token indicates how much farther we have to go.

It will be noted that, aside from the three Maritime Provinces, the practise of separating the assessed value of land and of improvements in Canada is fairly general, for in Quebec and Manitoba the great centers of population do make the separation and the Manitoba Assessment Act requires that land be assessed for taxation at its full value and buildings (except when used for farm purposes) at two-thirds of their value. The totals under these requirements are unfortunately not made available for statistical purposes. It would not be difficult for Manitoba and Quebec to swing into line with Ontario and the other Western Provinces in this respect. So far as our information goes, the Maritime Provinces do not require the separation and even if made they do not yet make the separate figures available.

It is interesting to note that the Sirois Commission's Report has this to say of the Atlantic Provinces: "The Maritimes form the most mature, and the most chronically depressed, regional economy in Canada." Their attitude toward economic rent, combined with the tariff, has reduced one of Canada's former most flourishing sections to the condition described above.

EXEMPTION OF IMPROVEMENTS

The principle of some exemption of improvements is in practice from the Western boundary of Ontario to the Pacific Ocean. In Manitoba one-third off is a province-wide requirement. In Saskatchewan, the law requires a 40% exemption, but there is also a provision that "the assessment of buildings and improvements shall not in any year be re-

duced below the assessment for the previous year by a greater amount than 15% of the fair value of such buildings and improvements. The assessment of buildings and improvements may be increased beyond the assessment for the previous year by such amount as the council may determine." Under this provision it is possible for Regina, the capital city, to exempt improvements 70%, which she has done since 1913. Saskatoon, the second largest city, exempts buildings 40%.

In Alberta municipalities have local option in the matter of exemption or taxing improvements, and the exemptions range all the way from 100% to zero. Calgary exempts all improvements 50% and Edmonton exempts homes 50% and business premises 40%. The accompanying table shows the Alberta situation and it will be noted that an exemption of one-third on improvements is the prevailing rate in the towns and villages.

ALBERTA (1938)

Improvements Exempted	Cities	Towns	Villages
100%	----	1	4
50%	3	1	4
40%	1	3	4
35%	2	----	----
33 1-3%	----	35	125
30%	1	1	----
25%	1	3	2
20%	----	3	----
10%	----	----	1
0%	----	4	3
Not Stated	----	1	3
	7	52	146

British Columbia, like Alberta, permits local option as to amount of exemption subject to the restriction that the taxation on buildings shall not exceed 65% of the assessed value. There is a further restriction, namely that land values cannot be taxed for general purposes at more than 35 mills. Educational and debt service items may be added, which permits New Westminster to exempt improvements 100% and to levy a rate of 70 mills on land. New Westminster is about at its maximum mill rate now.

At one time there were 39 municipalities and districts in British Columbia which exempted improvements 100%. That number has decreased to 6, due largely to the restriction aforesaid of limiting the land value tax, as well as to the ignorance of the present generation of the principles for which their fathers fought. Nevertheless the following table shows that British Columbia takes more of the economic rent for municipal purposes than any other Province, and the most common rate of exemption of improvements is 50 per cent. It is significant that British Columbia is listed in the Canada Year Book as having the greatest wealth per capita (\$3414) in Canada.

BRITISH COLUMBIA

Improvements Taxed	Cities	Districts	Villages	Total
Nil	2	4	....	6
5%	0	1	....	1
10%	2	0	....	2
13%	0	1	....	1
15%	0	1	....	1
16 2-3%	0	1	....	1
20%	1	1	....	2
25%	3	2	....	5
30%	2	1	....	3
33 1-3%	2	0	....	2
35%	2	1	....	3
40%	0	1	1	2
50%	17	13	18	48
55%	1	0	....	1
60%	0	1	....	1
65% (Victoria)	1	0	....	1
	—	—	—	—
	33	28	19	80

REVENUES DERIVED FROM LAND VALUES

Every Province in Canada derives some revenue from the use of the public domain in the shape of fishing, hunting, game, trapping and mining licenses, timber, oil, grazing, land and water leases, etc. These public domain revenues are given in the Sirois Report as \$21,100,000 in 1937, as compared with only \$2,500,000 from national domain collected by the federal authority.

These revenues, however, are not in reality economic rent, as licenses, e. g., are on a flat rate not having any relation to land value. In Nova Scotia a small portion of provincial revenue is based on timber land value taxation and New Brunswick has a "wild land" tax, but in the other Eastern Provinces no levy on land values is made. In the Western Provinces, however, some substantial provincial revenues are based on assessed land values. By specific Provinces these are as follows:

Saskatchewan has a Public Revenues Tax derived from a tax of 2 mills on assessed taxable valuations including improvements. It is budgeted to yield \$2,000,000 in 1940-41. Of course, that part of the levy which falls on improvements is not economic rent, but *Saskatchewan* has the highest land value per capita in Canada—it was \$1011 in 1935.

Alberta collects a Social Service Tax levied on land values budgeted to yield \$1,250,000 in 1939-40. The municipalities levy a Hospitals tax assessed on both land and buildings. This specific Hospitals tax is peculiar to *Alberta*, which has for many years provided medical services for its people, and has built up a mobile medical force for the settlers something on the order of the much publicized Mounted Police.

British Columbia lists among its "land taxes" a provincial "real property" tax estimated to yield \$1,500,000 in the fiscal year 1939. It also budgeted for \$400,000 from Wild Land, Coal and Timber Lands.

All the Western Provinces except *Saskatchewan* levy "wild land" taxes — being taxes on privately-owned undeveloped lands.

The federal revenues for 1937 were \$464,000,000 and the items comprising that sum have been given above. Aside from the small sum of \$2,500,000 raised from national domain—timber, mining, trapping, national parts, etc.—the federal authority does not secure any revenue from land values. In that respect Canada is out of line with her sister Dominions of *Australia* and *New Zealand*, who have been collecting a small part of the national revenue from land or land value taxes for many years.

THE GEORGEIST AIM

The aim of Georgeists must be directed therefore along the following lines, in order to realize our full program:

1. To secure the separation of assessment in those Provinces which now lump assessed land and improvement values together.
2. To get the principle of exempting improvement adopted in those Provinces in which it is not now practised.
3. To secure an extension of the principle of exempting improvements in those Provinces which now practise it in part.
4. To induce the Provinces to levy on land values for more of their provincial revenues.
5. To persuade the federal authority to levy a federal tax on the rental value of land.

As for this last aim, the Sirois Commission Report makes a most retrograde recommendation. The Commission recommends that the Provinces should agree to surrender to the federal authority their present practice of taxing incomes, estates and corporations in return for being relieved of certain debt obligations and carrying charges. If the Province agree, the Commission proposes as follows: "The Dominion while retaining its unlimited taxing powers, would recognize an obligation to respect the remaining revenue sources of the Provinces." That is why we said that the Commission was not "sound on the land."

With so many forces to contend with, our only salvation is ceaselessly to educate the electorate on the fundamental principles of economics.

L & F Goes to Washington

FIFTY copies of the last issue of *LAND AND FREEDOM* were personally delivered to as many Congressmen by our good friends, Elizabeth Magie Phillips, and her associates. Each copy was accompanied by a letter appealing for free trade among the Americas and also for the financing of the defense program by a direct levy on the Nation's land values.

The American Farmer

By JOHN HARRINGTON

RECENT generations of American farmers have seen their farms getting away from themselves and their children, into the hands of money lenders, banks, insurance and trust companies, to such an extent that in the middle West, at present, nearly one-half the farms are operated by tenants. Year by year the percentage of tenancy is growing. Over a single generation the change comes almost unnoticed; but it may involve ten to twenty percent of the farms in a county. The census now under way should shed important light on the subject.

The prevailing conditions are important to those farmers and others who would like to look forward to future generations, not as a serflike tenantry of the European pattern, but as a nation of independent, upstanding American farmers, each owning and operating his farm home, and asking no favors nor charity from government, national, state or local—such farmers as were common when land was relatively free not many generations past.

Can our present farmers assure their children and grandchildren of such a future? Is it not more likely that three-fourths of middle western farms will be operated by tenants in less than three generations? Or can our farmers learn how to hold their farms away from money lenders, investors, banks, trusts and insurance companies?

My answer is that it can be done. Not only can, but must be done; and that there is only one way; and the brief answer is to take "Investment for Income" value out of the farm, and keep it out.

All incomes are derived from three sources—from the three factors of production: Land, Labor and Capital. The respective incomes are Rent, Wages and Interest. Any other incomes are negligible. Of these, wages and interest are earned incomes; rent, more accurately, ground rent, is an unearned income. Because it is unearned it is ruining the business of farming. It is the bait held out to all those seeking "something for nothing." Every investor, every banker, trust company, insurance company, land speculator, landlord, is combing the countryside for a good piece of land to produce him an "income without effort" on his part—an unearned income, or as he would call it, an "investment."

The operating farmer is also loaded down with taxes. The only tax he does not earn before paying is his land tax, payable out of ground rent. Taxes on his buildings, livestock, machinery and equipment are paid out of his earnings, wages, or interest on capital. Out of his earnings he must also pay numerous auto, gas, income, sales and other taxes—taxes on everything he purchases, and on most things he sells—direct and indirect taxes, import taxes and transport taxes.

Let the farmer wake up and abolish some taxes he now pays, and add the amount to his land value tax. Let him exempt from taxation his livestock, farm machinery and equipment, improvements and buildings, and make it up by an increased tax on land value. Let him repeal his income, sales, transportation taxes and add to his land value taxes. Thus he will in time have shifted all his taxes to his land value—that is, to ground rent—the unearned income—until all ground rent is taken. Being unearned, it has cost him nothing. His land will have paid taxes—less in most cases than his present taxes.

But his land tax will have done more; it will have paid his public expenses—his schools, highways, courts, public offices, parks, playgrounds, libraries, hospitals. And it will not have paid incomes to money lenders, banks, and investment companies. His earnings from his labor, and from his buildings and other capital equipment will be

secured to himself from the tax gatherer as well as from the investor. When ground rent is reserved for his taxes and public expenses his land is safe from the "investor for income." Land has no purchase price when it will produce no ground rent for an investor. But it has retained all its fine value for a home and for the production of crops and stock.

A note should be added here to forestall the question of assessment as commercial value disappears: At an early stage, land must be valued in terms of annual ground rent production instead of sales value.

Farmers have not had time to analyze the different forms of their income. It might seem to make little difference out of which pocket their taxes are paid. But it actually makes the difference between ownership and tenancy. If the farmer pays out of wages, ground rent is left for the landlord. If the farmer will stop and think awhile he can easily separate ground rent from wages. Rent is the part which a landlord will take when there is a landlord. Any farmer can apply it to his own land if he knows its value. If the law compels him to set ground rent aside for taxes, he saves his earnings, and more important, he saves his farm from investors.

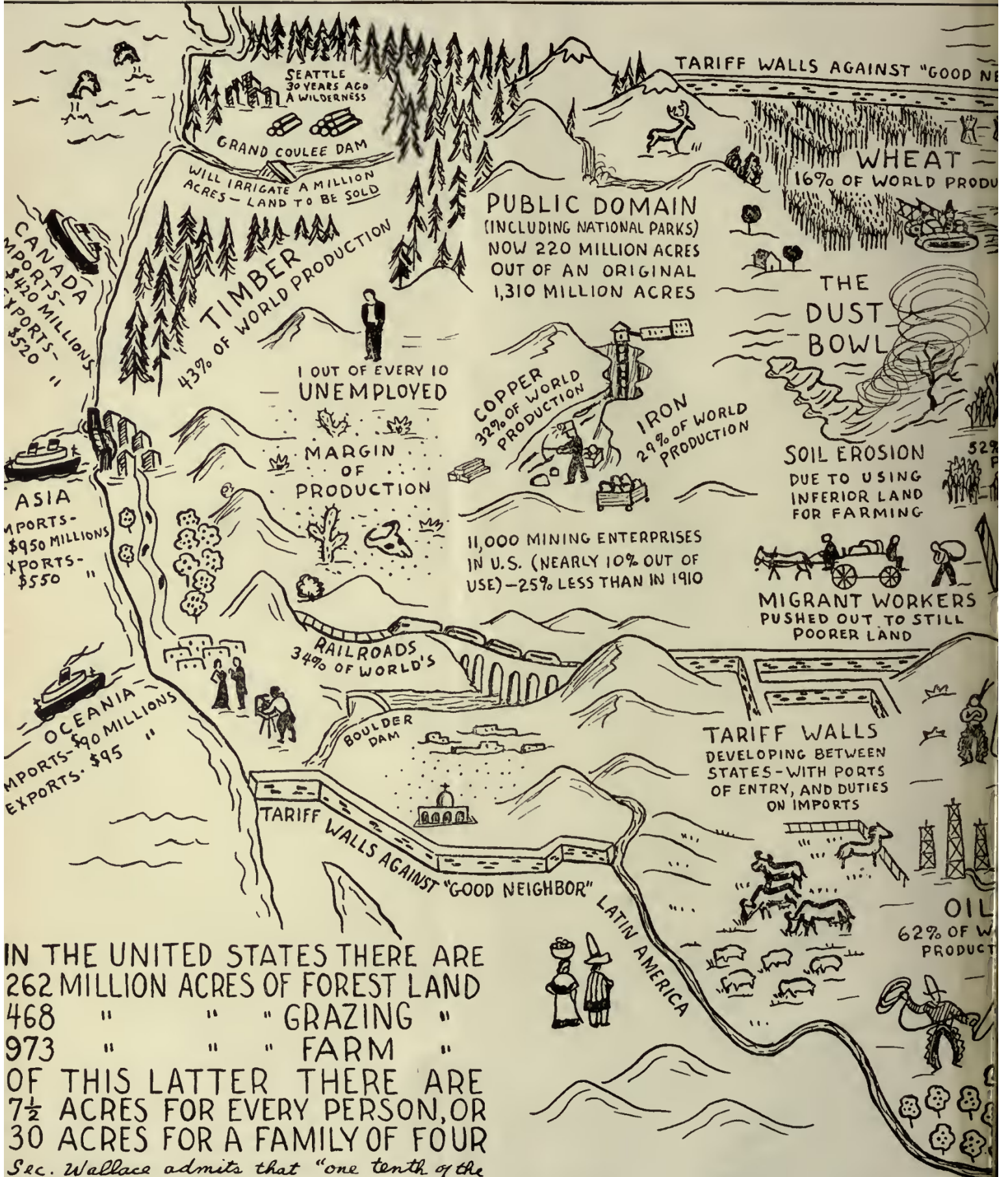
Consider the expense to be saved. Tens of thousands of men and women are now engaged in administering and collecting all the different varieties of taxes with which we are oppressed. A few men in the towns and villages assess, collect and disburse the land taxes; and in the cities the number is still smaller in proportion to population. Increasing the tax on land value will increase not much the number of officials required for its administration.

Our statesmen, our politicians and our "scholars" waste their time on the mock battle of "capital and labor". There is no conflict of interests between labor and capital except as caused by shutting men out from land. There are only two fundamental factors in production, Man and Land. Capital, the third factor, is only the tool of production—the factory and the machine, from the axe and sickle of our ancestors to the laboratory with a hundred smoke-stacks of today.

The "capital-labor" problem must be settled by the farmer who knows and loves the land. He must make it free to himself, his children and grandchildren down through the generations, and to all who want to live on and from the land. It is not that we need more farmers to support the population; but that we need more farmers to support themselves and their families; to make homes that cannot be mortgaged and which cannot be sold against their will; that hold out no inducement to the landlord, speculator or investor. When the farmer begins by exempting his buildings and improvements from taxation, and replacing that tax by a two or three percent surtax on land value, or as much more as may be needed to absorb all ground rent, he will never turn back. He will never again leave land as an open bait for the investor, who wants an unearned income. There will be no land owners except land users. But this work must be done, not by farmers who want to make money from farm work done by tenants, but by farmers who want to see tenancy an institution of the past, or at worst, of lands beyond the sea.

A Request

WE are in need of a set of back issues of LAND AND FREEDOM, covering the period from and including 1914, to and including 1925. If any of our subscribers have these numbers, or any of them, we would be grateful if they would communicate with us so that we might make arrangements to obtain same.



IN THE UNITED STATES THERE ARE
 262 MILLION ACRES OF FOREST LAND
 468 " " " GRAZING "
 973 " " " FARM "
 OF THIS LATTER THERE ARE
 7½ ACRES FOR EVERY PERSON, OR
 30 ACRES FOR A FAMILY OF FOUR

Sec. Wallace admits that "one tenth of the farmers receive half the produce, and nine tenths receive the other half."

NATIONAL INCOME (1939), \$69 BILLIONS

CANADA
 IMPORTS - \$420 MILLIONS
 EXPORTS - \$520 "

ASIA
 IMPORTS - \$950 MILLIONS
 EXPORTS - \$550 "

OCEANIA
 IMPORTS - \$90 MILLIONS
 EXPORTS - \$95 "

SEATTLE 30 YEARS AGO
 A WILDERNESS
 GRAND COULEE DAM
 WILL IRRIGATE A MILLION
 ACRES - LAND TO BE SOLD
 43% OF WORLD PRODUCTION

PUBLIC DOMAIN
 (INCLUDING NATIONAL PARKS)
 NOW 220 MILLION ACRES
 OUT OF AN ORIGINAL
 1,310 MILLION ACRES

TARIFF WALLS AGAINST "GOOD NEIGHBOR"
 WHEAT
 16% OF WORLD PRODUCTION

THE DUST BOWL

SOIL EROSION
 DUE TO USING
 INFERIOR LAND
 FOR FARMING

MIGRANT WORKERS
 PUSHED OUT TO STILL
 POORER LAND

1 OUT OF EVERY 10
 UNEMPLOYED

MARGIN
 OF
 PRODUCTION

COPPER
 32% OF WORLD
 PRODUCTION

IRON
 29% OF WORLD
 PRODUCTION

11,000 MINING ENTERPRISES
 IN U.S. (NEARLY 10% OUT OF
 USE) - 25% LESS THAN IN 1910

RAILROADS
 34% OF WORLD'S

TARIFF WALLS
 DEVELOPING BETWEEN
 STATES - WITH PORTS
 OF ENTRY, AND DUTIES
 ON IMPORTS

TARIFF WALLS AGAINST "GOOD NEIGHBOR"
 LATIN AMERICA

OIL
 62% OF WORLD
 PRODUCTION

AN ECONOMIC PICTURE OF THE UNITED STATES 1940

by Robert Clancy



"R" CANADA

AGRICULTURE'S "BREAD BASKET"

WORLD PRODUCTION

IN THIS REGION

- 75% OF GRADE A FARM LAND
- 35% OF FARM LAND VALUES
- 25% OF ALL FARM CROPS
- 50% OF THE LAND IS NOT IN USE
- 50% OF THE FARMERS ARE TENANTS

ELECTRIC POWER CENTER

35% OF WORLD'S

MANUFACTURING CENTER

50% OF STOCKS - 90% OF BONDS REPRESENT LAND VALUES

COAL 34% OF WORLD PRODUCTION

TVA

EUROPE

IMPORTS - \$750 MILLIONS

EXPORTS - \$900 " (DECREASING)

SOUTH AMERICA

IMPORTS - \$430 MILLIONS

EXPORTS - \$325 " (INCREASING?)

PUBLIC DEBT - \$40 BILLIONS

1939 TAX COLLECTIONS - \$13 3/4 BILLIONS, OR 20% OF NAT'L INCOME. ONLY \$2 BILLIONS REC'D FROM LAND VALUES. FEDERAL GOV'T REC'D \$5 1/2 BILLIONS, OR 40% OF ALL TAXES.

COTTON

50% OF WORLD PRODUCTION

IN SOUTHERN STATES

- 75% OF AGRICULTURAL WORKERS ARE TENANTS OR SHARECROPPERS

\$14 BILLIONS FOR DEFENSE

CENTRAL AMERICA

IMPORTS - \$280 MILLIONS

EXPORTS - \$320 "

UNITED STATES OF AMERICA

- AREA - 3 MILLION SQ. MI.
- POPULATION - 130 MILLION
- AREA PER PERSON - 15 ACRES
- POPULATION PER SQ. MI. - 43
- URBAN POPULATION - 75 MILLION
- RURAL POPULATION - 55 MILLION

Pres. Roosevelt admits that "one third of a nation is ill-clothed, ill-housed and ill-fed."

NATIONAL WEALTH, \$300 BILLIONS - LAND VALUES, \$175 BILLIONS

The Decentralist Movement

By WILLIAM W. NEWCOMB

HERE is Rurban Corners. Rurban is that kind of community that is established outside the speculative green-belt area of our cities by a dozen or more families who have bought their land at farmland prices because they tired of paying high urban rent to landlords. Rurban is the community created by an ever-growing decentralization movement on the part of people who no longer want to live in over-crowded cities. The adult male members of this community will keep one foot in the city, taking from its sustenance that which is necessary to build houses, buy cars, and the other mass production goods that today can only be secured from monopoly. But beyond that, these people will not contribute one iota of money or population to monopoly land values. They will produce the primary necessities of life of their individual one or two-acre plots, and produce them at less cost (labor cost, mark you) than in the exchange market.

Consider the outgo of the average \$1500 to \$3000 family income. A fourth of it goes for shelter (and in New York this factor comes closer to being a third of a man's income). Food and raiment take most of the rest, leaving possibly fifteen per cent for transportation, luxuries, health requirements, insurance, and gratuities. In order to satisfy the desires of the average family it has become commonplace for the wife to take a job in industry or commerce. Startling repercussions to our social life have resulted.

Ralph Borsodi, who conducts the School of Living, at Suffern, N. Y., in the realization that most \$1500 to \$3000 families living in big cities either do not own their homes, or spend a life-time paying for them, asked the question: Why not encourage a way of life that promotes home-owning without sacrifice to other needs? Why not make it possible for the young housewife to produce at home for direct consumption what she was producing for exchange in the office or the store or the factory? Why not find a means whereby children will be considered an asset, as of old, and not a liability, as they are today?

Mr. Borsodi realized that so long as Georgeists continued to aid landlordism by supplying urban centers with their population, just so long would they be nurturing the condition we are trying to rectify. Consequently, he removed his own family from the city to set up its rurban productive homestead. He established the School of Living in the first productive homestead community that was developed from his researches and instruction.

Here is Rurban Corners, a hypothetical homestead community started outside any city in America. This community, let us say, was created out of the endeavors of a couple of families who discussed the possibilities of collectively improving their economic status in a strangulated economy of exchange. When there are a half dozen couples in this group,

a credit union is formed, and incorporated. This little banking institution creates a credit backlog on which money can be borrowed from a bank or loan association for the purchase of land at farmland prices within commuting distance of the city.

With this land as equity the first group of prospective homesteaders takes the plunge. An architect, possibly one who has joined the decentralized group, draws plans for the houses. Perhaps some of the homesteaders will use basic plans that can be procured from the School of Living, because these plans embody the experience of homestead dwelling construction.

Each family, as it pays off its loan from the credit union, replenishes the banking fountain with funds for the development of new homes, by the enlarging group of urbanites who will be following the initial participants.

Throughout all this program of rurban preparation and rurban living, it is valuable for every homesteader to seek the services of the School of Living. Bulletins have been prepared showing the contrast in the cost of direct production of foodstuff and raiment against the cost of these needs in the exchange labor market. It is conservatively estimated (based on five years of homestead statistics compiled by the School of Living) that the average housewife who plans her work as she would have to do in the city job will spend less hours of labor a day. Her productive effort should average about a thousand dollars a year.

But have not most economists argued for an extreme division of labor? Yes, but Henry George himself has pointed out that there is a point of diminishing return in that division ("Progress and Poverty," Book I, ch. 5). I propose to show that decentralist homesteading not only offsets the so-called economies of mass production, but serves as a powerful factor in bringing socially-minded people into the Georgeist fold, and bringing Georgeism into our economy.

The price of an article in mass production has always been established at its point of manufacture. This is usually about one-fifth to one-third of what the consumer pays for it. Warehousing, cross-country transportation, refrigeration, vast accounting structures, advertising and retailing have brought the price of goods far beyond the cost of initial production. Granted that distribution is a part of production; still, if I can produce my primary needs at a lower cost than I can exchange my services for these needs, is it not better that I produce them? If by cooperative action, men in a homestead community can produce goods at a lower cost than they can buy in the world market against their services, is it not better to achieve that reward in a community of *low economic rent*? Is it not better to let urban landlords find their properties deserted as a result of denying capital and labor opportunity to secure a fair return for services?

I am of the opinion that there is nothing so challenging to vested landlordism as the de-urbanization of our cities. A coordinated decentralist program that embraces a limited ex-

change brings us nearer to the goal of Georgeism. Five million families in as many years removing themselves from urban centers, and telling municipal government and landlords *why* they are homesteading, will create some mental disturbances among the status quo powers* that will be salutary to correct thought. Right action will follow.

It takes imaginativeness, stamina, vision and a spirit of adventure to make a move like this. These homesteads will be peopled with twentieth century pioneers, analagous, to a degree, to those who left the habits of a life-time to explore and settle America two centuries ago. With five million families removed from the food and part of the clothing exchange in our wealth production, many of the husbands in this group will lose their jobs. But these same men will be developing cooperative factories, stores and services in the homestead communities with far better cooperative opportunities than ever existed in modern urban exchange.

Under the auspices of the School of Living, every family that joins an urban forum group to make preparations for rurban living is indoctrinated with Georgeist views immediately. The forum member becomes a prospect for the Henry George School of Social Science, and a possible subscriber to one of the Georgeist publications. The first factor made clear to those joining decentralist forums is that the private collection of the economic rent is driving them more forcibly to insecurity so long as they maintain urban residence.

Every piece of literature coming out of the School of Living has in its bibliography a listing of "Progress and Poverty." The School's library and book store is replete with Georgeist literature for student use. An extension class of the Henry George School is conducted at the School of Living, and the forums in various cities will undoubtedly augment the decentralist discussion with the regular ten-week course offered by the Henry George School.

The productive homestead communities are a group of Georgeists within a township population of only modest density, and the collective Georgeist voice is heard in each local Town Hall, so you can well imagine what effect this has on the politicians. You can well realize that a township in which several rurban communities are settled soon becomes overwhelmingly Georgeist in complexion.

Can you foresee what effect such township (and later, county) strongholds in Georgeism have on State legislative representatives of those areas? Can you see what effect a solid body of Georgeists has on villagers and farmers, when the latter folk realize that the taxes on their improvements are subsidizing urban landlords?

Yes, we have too long worked in the city. We have proselytized; we have been Davids in the midst of Goliaths, and our insecurity has frequently committed us to silence for fear of reprisals from employer-monopolists. There is real opportunity in the homestead movement for quicker understanding to fellow citizens of what constitutes a natural economic order.

Dominican Haven

A FERTILE strip of land on the Northeastern coast of the Dominican Republic has been made available for settlement by European refugees. This little island Republic in the Caribbean Sea is the first country to grant full and permanent settlement rights to refugees.

The section to be settled and developed by the refugees is known as Sosua and contains over 26,000 acres. It was formerly part of the estate of Generalissimo Rafael L. Trujillo, first citizen of the country, and was donated by him to the Dominican Republic Settlement Association. This Association, which is making the arrangements for colonization, is independent of the Republic itself, but is operating with the approval and cooperation of the Government. One of the reasons for this cooperation is that the Dominicans wish to increase the population of their country and develop it economically. It is Trujillo's ambition to people the Dominican Republic with 100,000 refugees. The Sosua development will support 2,000, and if it is successful will be followed by similar projects.

The land had been the property of the United Fruit Company, from whom Trujillo bought it. It had been a banana plantation, and was equipped with houses, plumbing, etc. These are still in good condition, and available for the settlers. 5,000 acres are already suitable for farming. The rest of Sosua's 26,000 acres consists of rolling hills, good timber land, and other resources, all capable of being developed. In general it is quite satisfactory for settlement.

Other economic opportunities exist for the settlers. Sosua is only ten miles from the important port of Puerto Plata, and there are good roads between the two. Trade possibilities with other Latin American countries are being studied, although trade barriers will have to be reckoned with, as well as the fear of labor competition.

The settlement is still in an embryonic and experimental stage. At present there are only 37 settlers. The tentative plan adopted is that each family will be given about eight acres of farm land; and larger tracts will be operated on a cooperative basis. The settlers will be given the rights and responsibilities of citizens (including the payment of taxes!) and citizenship will be encouraged.

On the whole, the endeavor is a worthy one. If it is a success, problems will arise which must be met and settled. If the community grows, there will be the question of the disposal of the rent of land, as lands of different qualities are settled. There will be the problem of maintaining equality of land tenure. There will be the problem of communal financing. If this new society makes arrangements to collectivize the rent of land, and exempt the members from all other financial impositions, these problems will be solved. If it allows inequalities in land tenure, and finances its communal projects out of taxes on the production of its members, then it will be the nucleus of the same kind of tax-ridden, land-monopolized society that we have elsewhere.

A Theory of Interest

By GASTON HAXO*

THE INTEREST QUESTION

FOR centuries the interest question has been a subject of discussion among philosophers, economists, and reformers of all shades of opinion, yet it has never been settled. No general agreement has ever been reached as to what interest is, what causes it, how it is determined, and whether or not it is equitable.

The feeling that interest is unethical is perhaps as old as interest itself. Long before Christ was born, the taking of interest was denounced as unjustifiable by philosophers like Plato, Cicero and Aristotle. Later the Roman Catholic Church condemned the practice and laws were passed forbidding it; but in spite of all efforts at suppression, interest persisted. This is no doubt the reason why it came to be regarded as a natural economic fact by all economists, who have tried ever since to justify interest as the legitimate reward of those whose industry and thrift (?) have enabled them to accumulate capital.

Today interest is more firmly established than ever. It has become an integral part of our economic system and is regarded by rich and poor alike as a beneficial and necessary institution. Interest, we are told, is the reward of thrift, and thrift is a virtue; could a virtue bear evil fruits?

Yet, even today, there are thinkers who, like the ancient philosophers, look upon interest as but a form of privilege and a tribute upon labor. It seems to me that such views are not without justification. In fact I believe such feeling to be the logical reaction in any one possessed of a sense of justice, whose judgment has not been warped by the incongruous teachings of our plutocratic civilization.

No one can possibly question the right of the man who has produced and accumulated wealth, to live without working as long as it takes him to consume the wealth he has accumulated; to be told however, that he should be able to live without working for an indefinite period, and his children, grandchildren and their descendants after him, without even taking from his accumulation, but entirely from the interest thereon, is somewhat disturbing to the minds of those who are convinced of the righteousness of the command: "By the sweat of thy brow thou shalt eat bread."

*I wish to say that my views on interest, as expressed in this article, in no wise affect my adaptation of "Progress and Poverty" in a forthcoming work, "The Philosophy of Freedom" (advertised elsewhere in this issue). In that book, I have adhered scrupulously to the views of Henry George.

However, some prominent Georgeists have suggested that the above article be printed as an appendix to the aforesaid book, not only to present students with a new angle on the moot question of interest, but also to impress upon them that one may disagree with George on interest and yet fully accept his fundamental philosophy. —G. H.

HENRY GEORGE'S THEORY OF INTEREST

In "Progress and Poverty" Henry George attempts to explain and justify interest in a unique theory, in which he bases interest on the reproductive forces of nature. He tells us ("Progress and Poverty," Book III, Chapter III) that capital, when used in the reproductive modes, receives a natural increase over and above that due to labor, and while capital has to yield a certain portion of this increase to labor, it retains the other portion, which is interest. George then goes on to say that any one possessing capital can demand and receive this increase (interest) even though his capital is used in other modes. For the same reason, he who has money which could buy seeds or breeding stock will exact from the borrower the interest he could thus secure from nature.

This is a logical deduction from the premise that nature gives an increase to capital apart from the return to labor. If, however, the premise is false, as I believe it is, then the conclusion is not valid.

It cannot be denied that the reproductive forces of nature give an increase. A small cabbage seed buried in the ground will become a cabbage weighing several pounds. A calf turned out in the pasture will in time grow into a cow, and it is evident that such amazing results are due mostly to nature and not to the labor of man. But it does not follow that this work of nature increases the capital of the farmer.

The ultimate purpose of all production is the satisfaction of human wants, and this is obtained by an increase in quality or usefulness as well as by an increase in quantity. The power of shoes to satisfy human wants over that of skin and hides is not less than the power of the wheat crop to satisfy human wants over that of seeds. In either case the return to labor and capital is based on the value created whether it be quality or quantity.

When the farmer takes his wheat or his cattle to market, he exchanges something which is partly his work and partly the work of nature. *But does he get anything in exchange for the work of nature? He does not, for the effect of the cooperation of nature is to give more produce for the same amount of labor, hence, not to increase his return as a producer but to lower the exchange value of his product.*

And the same is true of the increased productivity due to the use of capital in non-reproductive modes. If the shoemaker has used machinery which has enabled him to produce more shoes with a given amount of labor, the effect of this greater productivity will be to lower the price of shoes. Barring monopoly, he cannot sell the added productivity due to the use of capital any more than the farmer can sell the added productivity due to nature.

Henry George has clearly demonstrated that the power which exists in tools to increase the productiveness of labor cannot be the cause of interest, and to this I add that neither can the reproductive power of nature. In this connection I wish to formulate an economic principle which I deem of

importance, inasmuch as it bears on the foregoing discussion. It is this:

Those forces, outside of man himself, which increase the productiveness of labor, when such are used to increase production, never benefit the producer as such but always the consumer as such, unless these forces are monopolized, in which case the benefit will accrue, not to capital or to labor but to monopoly in the form of extraordinary profits or in the form of rent.

If this principle is economically sound, it will serve to prove that the reproductive forces of nature cannot be the basis of interest, for interest is unquestionably a production cost and cannot benefit the consumer as such; and if the reproductive forces of nature do benefit the consumer by lowering the value of the product, they cannot give any increase to the labor or the capital of the producers.

But is it not a fact that capital generally obtains a return over and above its replacement and compensation for risk? This is an absolute fact in the case of money, though not always a fact in the case of real capital; but whenever capital can command such a return, it is certainly not due to the reproductive forces of nature.

THE NATURE AND FUNCTION OF CAPITAL

The failure to reach an agreement as to the cause of interest is simply a consequence of the failure to agree as to what interest is, and this in turn is due to the confusion that exists concerning the nature and function of capital and its true relation to labor.

What is capital and what is its purpose? Capital is wealth, i. e., labor products made or accumulated for the purpose of aiding labor in production. As production includes making, transporting and exchanging, capital has been properly defined as wealth in the course of exchange, i. e., wealth which has not as yet reached the ultimate consumer.

In the field of agriculture it consists of: seeds, breeding stock, tools, machinery, buildings, produce for sale, etc.

In the field of manufacturing, mining or transportation, it consists of: buildings, machinery, materials, equipment, finished goods, etc.

In the field of commerce it consists of: buildings, equipment, stocks of merchandise, etc.

When we see the huge and expensive machinery used in a modern mill or factory, we are apt to think of it as having nothing in common with the simple tools of the old fashioned cobbler or journeyman mason or carpenter. Yet, though the difference is enormous, it is but a difference in degree, not a difference in kind, and for the purpose of our discussion we might just as well think of capital as a simple tool such as a spade or a carpenter's plane.

A tool, which is the most characteristic form of capital, is nothing more than a contraption conceived, produced, and utilized by labor to produce wealth more efficiently; it is, so to speak, an artificial amplification of man's physical

power by man himself. It is labor's own brain child, and what is true of tools is true of all other forms of wealth used as productive instruments.

And now that labor has produced wealth with the aid of this thing called capital, we are confronted with the task of determining how much of the produce shall go to capital in interest—and how much to labor in wages. Justice demands that each shall receive what it produces, but what has capital produced?

Capital itself, whatever its form, has no productive power. What we might term "live capital," of which domestic animals, cultivated plants and trees are good examples, has a power of growth but this should not be confused with productive power, which is essentially a human power. The power of growth is a natural power altogether independent of man's effort. It is not an attribute of capital but a characteristic of all living things under any condition.

As for "inanimate capital" such as tools, machinery, etc., it is as dead as a door nail and has no more productive power in itself than would a man's arm cut off from his body. Not that man's limbs have in themselves any productive power, for man's arms and hands are but natural tools which can operate only through man's mind. We speak of physical labor as one thing and of mental labor as another, but this distinction is not a fundamental one. There is no such thing as purely physical labor, i. e., labor dissociated from the exercise of the mental faculties. Even in what we call physical labor, it is not the hand that produces, it is the mind which directs the hand. Likewise it is not the tool that produces, it is the mind which directs the hand that guides the tool.

No matter how much capital existed and no matter how rich the field of production, not one iota of wealth could they bring forth without labor. It is only by labor that capital is produced; it is only in the hands of labor that it can be utilized productively; how then, can we think of capital earning anything to which labor is not entitled?

The fact is that capital itself produces nothing and is not entitled to any part of the product as a factor of production, and this for the simple reason that *capital is not a factor of production.*

Here I beg to take issue with all economists, past and present, who consider capital a factor of production apart from labor. This, in my opinion, is the economic fallacy which is responsible for the failure to arrive at a satisfactory conclusion concerning interest.

Capital is not a factor of production, it is merely a factor (instrumentality) of labor.

Nature provides all animals with such natural implements as enable them to secure sustenance and protection, together with the instinct to use them to the best advantage. Nature has not been quite so generous with man as regards physical assets, but on the other hand nature has gifted man with that which no animal possesses, viz., the power of rea-

son. Vested with this power, man can produce tools and weapons so superior to anything which nature can provide, that they have enabled him not only to gain dominion over the animal kingdom but to harness nature itself to do his work.

Bearing in mind that capital is anything external to man which he has secured through conscious effort and which he uses to aid in production, was there ever a time when men produced without capital? Never, for if there ever was a time when human beings lived by producing all their needs entirely with their bare hands, such human beings could hardly be called "men." The most primitive savage we know of made use of objects external to him, fashioned or secured by him, were it nothing more than sticks and stones.

The use of capital by man is therefore as natural as the use of his own powers. Labor alone needs capital, labor alone can produce it, and labor alone can utilize it. It is an integral part of labor. How can we think of it as a separate factor? It is just as natural for a laborer to have capital to work with as it is for a buffalo to have horns or for a tiger to have claws. We expect a laborer to own his clothes—why not his tools?

THE NATURE OF INTEREST

But, since capital can produce nothing without labor, and labor can produce hardly anything without capital, it is utterly impossible to determine their respective contribution to a given result on the basis of what each could have produced alone. How, then, is interest, which is supposed to represent the contribution of capital in aid of labor, determined?

To this question there is but one answer and one explanation. What we call interest does not represent the contribution of capital in aid of labor; it represents that part of labor's produce which labor agrees to surrender for the loan of capital. It is determined by supply and demand in the loan market.

It is not until borrowed capital is used in production that a division between labor and capital is necessary. The producer who uses his own capital has no concern in ascertaining what he would have produced without it, any more than he is interested to know how much less he would have produced were he stupid instead of intelligent or sickly instead of healthy.

Had laborers always owned their tools and whatever other labor products they needed to work with, how could such a thing as interest ever have been thought of?

If there were, in general, an advantage to labor in borrowing capital rather than owning it, this might be some justification for interest, but the cases where borrowing is more advantageous than the use of one's own capital are exceptions and not the rule. It cannot be said that laborers do not own their capital because it is more profitable to borrow it. The incentive to accumulate capital cannot be greater for the lender who receives interest than it is for the borrower who pays it. If laborers do not accumulate capital, it cannot be

that they find accumulation unprofitable, it must be that they find it impossible.

That we have today a class known as "labor" who use capital and another class known as "capital" who supply it, is but the result of economic injustice which, by depriving the laborers of the fruits of their toil, makes it impossible for them to accumulate capital and compels them to borrow their own production.

Capital is, as we have seen, an integral part of what in political economy is called "labor." Accordingly what man produces with or without the aid of capital is (excluding rent) a return to labor and can only come under the head of "wages."

Land and labor (including capital) are economic facts essential to the production of wealth, but while the use of capital is necessary to production, the borrowing of capital is not. Borrowing and lending are not economic processes but purely social phenomena. Therefore, interest, which is nothing more than the price of a loan and the only cause of which is the need for borrowing, is not an economic fact and has no place in distribution.

After allowance is made for the replacement of capital, wealth is divided, not into three parts but only two, viz., rent and wages.

Having established the fact that interest is not a return to capital as a factor (since capital is not a factor of production), nor a return to the use of capital (the return to which is wages), but only to the loan of capital, it remains to be seen how interest is determined.

We hear of borrowing capital and paying interest at a certain rate or percentage, but what does it mean? When a man goes into the printing business, for example, does he borrow printing presses, linotypes, paper, ink, etc. from those who manufacture these products, and does he pay them interest? Of course not. Those who produce capital goods are not lenders of capital; they produce them for sale just as the farmer produces and sells potatoes. Those who need capital goods buy them from those who produce them and whose return is therefore wages and not interest.

But if capital goods are purchased and not borrowed, what is borrowed? It is the medium of exchange, money or its equivalent, i. e., purchasing power.

If actual capital were borrowed, we would have an independent rate of interest for each form of capital, which would be based on the supply and demand, for loaning purposes, of each particular commodity. But since all commodities may be secured through the medium of money, it stands to reason that the rate of interest will be that at which money or purchasing power may be borrowed. Therefore, interest being a return to lending, it is the return to money lending, and the interest rate is determined by supply and demand in the money loan market.

Money or loan interest is therefore pure interest, i. e., the

only real interest, and must not be confused with the returns of producing capitalists, manufacturers, merchants, and other business men, for though the return to their capital may be affected to some extent by what they could have secured in the money loan market, it is on the whole nothing more than wages of superintendence and compensation for risk commonly known as "profits." It is only when business is good that such profits include real interest, for when business is bad and competition keen, the average business man is lucky if he can maintain his capital and in addition receive a fair compensation for his work and risk.

In money lending there is no replacement; risk is covered by collateral and the return is fixed in advance by contract. But the business man cannot thus fix the rate of return on his capital, for the price at which he sells his goods is determined by the market and consequently his profits are always subject to market and business conditions. Furthermore, the supply of capital goods in productive use cannot affect interest since it is not part of the supply of loanable capital. Neither are new capital goods for sale a factor in determining interest, for the supply of such can only affect their market price, not the interest rate, which is essentially a loan rate.

It is hardly necessary to point out that, inasmuch as money loans are secured by collateral, and there being no depreciation or labor involved, allowing only for any possible insurance against loss, the return to money lending, viz., interest, is an unearned increment, a form of privilege to which too little attention has been paid by economists and social reformers.

CONCLUSION

In the light of the foregoing discussion we may give answer to the questions involved in the interest problem, i. e., what is interest? what causes interest? how is interest determined? is interest equitable?

Interest is the return to the loan of money or its equivalent in actual wealth. It is caused by the need for borrowing, due in the main to poverty. It is determined by supply and demand in the money loan market.

As for the question: Is interest equitable? this depends on whether we are considering interest as a private business transaction or as an institution. The former is equitable because it is a contract freely entered into by two parties, both of whom, under the prevailing circumstances, derive a benefit from the transaction. The latter is inequitable because it is forced upon the people as a result of a condition of social and economic injustice which creates debts and which deprives men of the opportunity to receive and accumulate the wealth which their labor brings into existence.

It is not likely that the borrowing of money shall ever cease altogether. Life will always have its ups and downs, and men, whether in private life or in business, may at times be forced or induced by circumstances to call on others for financial assistance and be willing to pay for a service thus

rendered them. But given just social conditions and an equitable distribution of wealth, the equation between the number of those able and willing to lend and the number of those forced to borrow will be such that loans will be obtainable at very low rates. Such loans will be but temporary burdens easily borne.

On the other hand, interest as an institution is but the evil fruit of an evil economic system. It has its roots in land monopoly and the resultant exploitation of labor. It will tend to disappear with an equitable distribution of wealth. Public debts will be unnecessary when the world goes to work instead of going to war and governments subsist on their legitimate and natural income, the rent of land. Mortgages and other private debts will vanish when land is free and wages high. Capital invested together with labor will bring handsome returns, but capital or money seeking investment without labor will find little or no market.

This is not to say that there will be no savings to provide for man's needs in sickness and old age, nor accumulations for future consumption or future productive undertakings, but the system which enables an individual to lend his money at interest and watch his fortune grow while he lives in luxury without doing a stroke of work, will be a thing of the past.

To the A.A.A.

On Reading "The Grapes of Wrath"

IF we must buy our right to live on Earth,
 What are your favors to the migrants worth?
 If Joad be penniless, must he not live
 As Ishmael did — a locked-out fugitive?
 Your loans are no relief, although well meant;
 What's Interest but another kind of Rent
 With Taxes added? . . . As for good intentions,
 They are the paving stones the cynic mentions!
 Can Friday be made free from Slavery's toil,
 "If Crusoe still is master of the soil?
 Not being bird, he could not reach the sky;
 And Friday was no fish, the sea to try . . .
 Unless you free the Earth, call off your quacks--
 They'll only pile more burdens on our backs!

—HORATIO

P M, New York City's latest daily newspaper, has carried some articles on land speculation. One is a story of Muscle Shoals, which, after two decades, is still a hotbed of speculation. Lots of 20 by 100 feet are being sold for \$1000 and \$5000. More than \$20 millions have been "poured down the sink" by credulous buyers. Another is a story of the new Zoning Ordinance of New York City. Land owners and speculators have fought the bill, since it limits the blighting of residential areas. P M praised Harold S. Buttenheim and the City Housing Council for backing up the Ordinance.

Signs of Progress

GEORGEIST ACTIVITIES THROUGHOUT THE WORLD

Annual Conference of the Henry George Foundation

This year, the annual Henry George Conference will be held at the Nation's Capital — Washington, D. C. — September 25, 26, and 27. The Women's Single Tax Club will act as hostess.

A lively and interesting program has been prepared. On the morning of the first day, delegates will be welcomed. The afternoon will be devoted to the clergy of various religions, with Bishop McConnell presiding. The evening will be reserved for discussions of academic education and professional teaching.

The morning of the second day will be taken up with reports on the activities of various groups in the Georgeist Movement. In the afternoon, manufacturers and business men will have their say. There will also be a reception at the White House. In the evening, the Woman's Session will be held. The feminine part in the Georgeist Movement will be discussed.

On the third day, in the morning, plans for advancing the Movement will be set forth. The slogan "The Beginning of the Winning" has been suggested. Labor representatives and members of the press will be received in the afternoon, to present their views on the Good Society. And finally, the Banquet, on the evening of the third day. "Operated by double chairmen—Fun, Fast and Furious," is the description of the Banquet in the prospectus of the Conference.

All in all, it looks as though the Conference is going to be a big success. The program is indeed progressive, and excellently planned for interesting influential groups. A large attendance is expected. The response so far has been enthusiastic.

The Hotel Washington is to be the scene of the Conference. The Committee on Arrangements can be reached at that hotel, in Washington. Should anyone wish to contact them by phone, the number is Atlantic 3061-J.

We urge all Georgeists who can attend this Conference to do so. It offers a splendid opportunity for workers in the Cause to come together, to compare notes and exchange ideas. And this Conference is particularly well adapted to make the Georgeist influence felt by important industrial, educational and political groups. Together with these more sober duties, it will also be a happy occasion for visiting the Nation's Capital and having a delightful time!

Henry George School of Social Science HEADQUARTERS

REPORT OF EDWIN ROSS, ASSISTANT DIRECTOR

SUMMER TERM—Enrollment for the term beginning June 17 reached the highest point for summer classes in the history of the School. Seven hundred adults and high-school students are studying the philosophy of freedom, both in the elementary and advanced courses. A new course in the Principles of Logic is being conducted under the guidance of Paul Peach, whose article, "Science and Economics," appeared in the last issue of LAND AND FREEDOM. In its present stage this is an experimental course, but judging from its immediate popularity, it will probably be made a permanent part of the School's curriculum.

ADVERTISING CAMPAIGN — Soon, the capacity of the headquarters building will exceed 15,000 students annually. The increased difficulty of securing mailing lists numerous enough to keep pace with the School's expansion makes a large scale newspaper advertising campaign almost a necessity. A voluntary committee, consisting of graduates of the School, has been organized to raise funds for this venture. Three insertions of a full page advertisement in the Sunday magazine section of *The New York Times* are planned. It is estimated that this will place the School before the eyes of 7½ million people, and reduce by two-thirds the cost of obtaining students. "Newspaper advertising is the answer to our problem," says the committee.

HARTFORD, CONN.

REPORT OF ANN C. MARTIN, SECRETARY

Plans are under way to open up headquarters for the Hartford Extension of the Henry George School. The plan, formulated by the Henry George Fellowship of Hartford, is to obtain pledges from one hundred graduates of \$1 a month each, for the necessary support. Several pledges have already been secured. Many of the graduates have shown great enthusiasm over the prospect of headquarters, and it is probable that the Hartford School will have its own home by the time the Winter semester is organized.

At one of the recent regular meetings of the Henry George Fellowship, Prof. W. N. Leonard, teacher of Economics at the University of Connecticut, was the guest speaker. The Professor presented what he called a criticism of Henry George's principles. In the course of his address he said that Henry George proposed to collect the rent on buildings; and

his contention was that it is not fair that rent on buildings be collected. When one of the members present pointed out that Henry George did not propose to collect the rent on buildings, the Professor seemed nonplussed. Then he lapsed into a lengthy recitation on Socialism as the cure for our economic ills. The more than fifty members present must have learned more from the Professor's discussions than he had intended.

CHICAGO, ILL.

REPORT OF JOHN LAWRENCE MONROE

Graduates of the School are going to work to make the Windy City "Henry George School conscious."

A Speakers Bureau is being formed under the leadership of Mrs. Edith Siebenmann and Mrs. Beatrice Ortis, to emulate the work of the Speakers Bureau in New York. A meeting of the prospective speakers of this Bureau was held July 23, at the School headquarters.

A motion picture is in process of preparation by a Committee of graduates headed by Leonard K. Nitz. The picture will be shown at clubs, employee meetings, etc., for the purpose of securing class enrollments.

Besides this valuable propaganda work, the graduates are contributing considerably toward the financial support of the Chicago School. Already they have contributed or pledged one-half of the amount needed to finance the School through the Fall term.

Manhattan Single Tax Club

This coming Fall, President Ingersoll will be active in forming a national association as a subsidiary of the Club. The purpose is to expand the scope of activities so as to embrace a nation-wide educational program, without changing the revered forty-five year old title of the Manhattan Single Tax Club.

On August 1, Mr. Ingersoll spoke at the William Sloane House on "Democracy and Its Relation to Economics." There was active discussion after his lecture.

Following are excerpts from recent broadcasts:

FRANCE, POLAND, AND OTHER COUNTRIES THAT HAVE LATELY become exhausted before the onslaught of superior forces, have been trying the experiment of a nation existing three-fourths slave and one-fourth free. And when one contemplates what has happened, is it any wonder? Lincoln said slavery could not work out, even on a fifty-fifty basis. Our own taxes and exactions from monopoly take away a full one-half of our people's earnings, making them half slaves. If this is true in the "greatest democracy," parasitism must surely cost the European masses 75% of their earnings.

AT THIS CRUCIAL TIME DEMOCRATS SHOULD SEE THEIR DUTY clearly. Taxation was supposed to be a G. O. P. disease which the Democrats were elected to cure. They've muffed their play two terms. Now let them—or anybody else—go to it and kill both G. O. P. and Democratic taxation of the consumer. There are 15 billions of it, so the opportunity is unlimited. A reduction of even 25% would bring the blessings of the public.

Robert Schalkenbach Foundation

REPORT OF V. G. PETERSON, SECRETARY

GEORGE AND SPENCER—It would not be amiss to describe "A Perplexed Philosopher" as Henry George's most neglected book, for while his other writings have enjoyed successively large printings, not since 1904 has an American cloth-bound edition of this famous work been published. This, however, is soon to be remedied. A new edition, similar in format to "Progress and Poverty," will be ready for distribution by the end of August.

It is through coincidence, rather than design, that at this same time a reprint of Herbert Spencer's "Man Versus The State," should be made available by a Western publisher. This book will be interesting to those who desire to examine for themselves the basis of the criticism levelled against the Spencerian philosophy in "A Perplexed Philosopher." The reprint consists of six essays, with a new and remarkably fine introduction by Albert Jay Nock. In opposing the growth of Stateism in Nineteenth Century England, Mr. Spencer predicts—and history corroborates—the loss of human rights as a result of the social forces that were then set in motion.

SCULPTOR AND POET—The early Georgeist Movement records no more colorful personality than Frank Stephens, sculptor and poet. "Some Songs," a collection of his verses, is now being offered by his son at one dollar a copy. The volume contains poetry on a variety of subjects and has some apt lines on the landlord, taxes and rent. Orders sent to the Foundation will be forwarded.

INDIVIDUALISM HOLDS ITS OWN—The revival of interest in the individualist philosophy has no better illustration than the tremendous response to Mr. Albert Jay Nock's article in the June *Atlantic Monthly*. Under the title, "In Defense of the Individual," Mr. Nock describes Max Hirsch's "Democracy versus Socialism" as "a complete case against every known form and shade of State collectivism from Marxism and Fascism down to the New Deal." Four hundred and fifty people have been impelled by Mr. Nock's recommendation to send in orders, and spurred by this show of enthusiasm, the Foundation is running a half-column advertisement of the book in the August *Atlantic*.

ON THE PROGRAM—The campaign to have Henry George elected to the Hall of Fame is still one of our major activities. Help has been recruited from many influential sources. One of America's best loved novelists, and one ambassador to a neighboring Republic both wrote in support of our candidate recently. The famous columnist and traveler, Bob Davis, also penned many letters to the electors.

Several fresh activities will be initiated this Fall. Among them is a campaign to bring the lawyers of the country under the Georgeist banner. Our ranks are already strengthened by many of the legal fraternity; and we hope, through our work this fall, to show more of them the only way to a true democracy.

We, The Citizens

The group known as We, The Citizens, incorporated by the State of Illinois, is dedicated to the promulgation of the economics of freedom. They have as their main objective the abolition of all taxes, and the collection by government of the rent of land. In their approach, they emphasize that the government earns ground rent, but collects only a fraction of it.

To spread this idea, We, The Citizens circulates literature, arranges speaking engagements with civic and industrial groups, and contacts business men. They offer to cooperate with any other group that has the same aim as they have. In addition to this work, they conduct a School of Citizenship and Economic Science. This School offers a short four-lesson course in economics, using Otto Cullman's "Twenty Million Dollars Every Day" as a text-book. An Expositor's Manual for this course has been prepared, as well as question papers for students. Mr. Cullman's book of eighty-nine pages presents in a concise way, and in terminology likely to appeal to business men, a picture of our economic structure today, and a proposal for the basis upon which it should rest.

The School and its course have been well received. Classes are now either functioning or in process of organization in ten states. In addition, correspondence courses are being offered. Those interested may write to We, The Citizens, 127 North Dearborn Street, Chicago, Ill.

People's Tax Relief Program for Mass.

There is a specific reason for this new organization, the People's Tax-Relief Program. "Whether or not the time has come" says one announcement, "to attempt any legislative action in Massachusetts, we feel that we should no longer allow unsound ideas on taxation to go unchallenged in the press and before the Legislature. We should prepare ourselves to expose fallacies and to suggest just and workable alternatives."

At the next Legislative Session there will be a proposal to amend the Constitution of Massachusetts to limit the tax on real estate to some definite figure, and to make up the loss of revenue by income and sales taxes. Active and unflinching work will be needed to combat these proposals.

In order to be better equipped for their work, the Tax-Relief group, in cooperation with the Boston Extension of the Henry George School, have given a course covering the current questions relating to State and Municipal revenue. The course, conducted by John S. Codman, had twenty graduates.

The Chairman is Francis G. Goodale, and the address is 138 Newbury Street, Boston, Mass.

Henry George University

REPORT OF HARRY W. OLNEY

The idea of this University began with Western Starr. When he was stricken blind and invalided some years ago, to cheer him up, I asked him to dictate some of his ideas, to be set down in writing. The advertisement on the back cover of this issue gives the gist of Mr. Starr's ideas on economics.

From time to time, Mr. Starr suggested that there should be a Henry George University at the Nation's Capital. So we formed it, at first as a paper organization. Now, though Western Starr has passed away, I am unwilling that this idea should die with him, so I am running an advertisement about it in some magazines.

My present aim is to circulate the works of Henry George, together with abridgments of other famous classics. It seems to me that these latter will do well as "pot boilers."

Depending upon results I propose to go on as far as my means and other support will permit. It is a great and worthwhile work.

Old Age Pension—Fair Taxation League

In Kansas City, Mo., this League is preparing to launch a State-wide campaign for the Fall, to amend the State Constitution. The purpose is to provide—through land value taxation—not only for an old age pension, but also for other eleemosynary and constructive purposes. The old age pension is emphasized doubtlessly to take advantage of the present popularity of the idea, in order to attract attention. But the drafters of the Amendment do not neglect the opportunity to also present a brief instruction in economics. Their message to the people of Missouri tells of the effects of the present system of taxation, and the probable effects of the proposed system.

The Amendment provides for the removal of taxes on industry, homes, agricultural equipment, and other labor products, and an increase in the tax on the value of land and natural resources. Great care has been taken to draft the measure so that it will be in full accord with the present Constitution. Each section in the Amendment stipulates specifically what items are to be exempted from taxation, what amount is to be collected from land values, and for what purposes the revenue is to be expended.

Mr. Vernon J. Rose writes of the League's efforts: "We are getting quite a wide response, but are confronted with the job of getting our petitions filled with the required number of signers in time to get on the ballot at the coming Fall election. I believe we can make it."

The address of the Old Age Pension-Fair Taxation League is 804 Grand Avenue, Kansas City, Mo.

Individual Effort

Not all work is done directly through organizations. Numbers of valiant individuals are carrying on the struggle for economic enlightenment in their own way, and their influence is inestimable.

Mr. R. A. Scott, of 152 William Street, New Bedford, Mass., has just printed a large quantity of stickers, which read as follows:

Heavy Taxes Are Strangling Industry. *The Remedy*

Remove all Taxes from Business and Buildings. Replace them by collecting the yearly location value of Land only, for all Public Revenue. Make it unprofitable to hold valuable Land unless it is put to its best use. Land cannot be put to its best use except by setting Idle Capital and Labor to work, making Jobs for Everybody!

Mr. Scott says he will be glad to furnish a supply of these stickers to any one who will attach them to his outgoing mail. Mr. Scott wants to flood the country with them.

Miss Alice I. Siddall of Washington, D. C., has prepared a Bill to be presented to legislators. It is "An Act to provide revenue for the Government of the United States; to remove restrictions on the trade, industry, and agriculture of the United States by assessing revenue-producing taxes on the value of land excluding value of improvements thereon or therein, and for other purposes." Miss Siddall has worked in various Governmental departments, and she is well qualified to draw up such a Bill, being fully acquainted with legal provisions and terminology.

Mr. Harry Haase of New York City, convinced that the need for freedom is urgent and immediate, has been circulating mimeographed messages to Americans, and to the youth of the country. He has circulated these messages among newspapers, magazines and youth organizations. He calls upon Americans to act, and act quickly, to save Democracy and Liberty. Mr. Haase is also the author of a forthcoming book, "Freedom Now."

There are several others who write letters and articles for newspapers and magazines, who lecture and circulate literature, who propose the Georgeist reform to legislators, who in a thousand ways help to further the Cause of Economic Freedom. We are always glad to hear of such efforts.

Great Britain

The Henry George Foundation of Great Britain has recently published a fourth edition of Frederick Verinder's book, "My Neighbor's Landmark," which is a study in Biblical land laws, and therefore valuable for circulation among the clergy and religious groups. The Foundation is also circulating the new edition of Bishop Nulty's famous essay, "Back

to the Land," published by the Australian Georgeists. The Irish Transport and General Workers' Union bought 230 copies of this booklet. "My Neighbor's Landmark" and "Back to the Land" may be secured from the Robert Schalkenbach Foundation, which will furnish prices upon request.

The July issue of *Land and Liberty* carries an interesting article by Dr. J. J. Pikler, who is one of our foreign correspondents. In his essay, "A New Classification of Social Systems," Dr. Pikler presents four systems in relation to one another—the present system, the Georgeist system, Marxist communism and anarchist individualism. Dr. Pikler points out that the opposite of the present system is not Marxism, but Georgeism, and the opposite of communism is anarchism. Communism would socialize all property, anarchism none. The present system socializes some property (wealth, through taxation) and individualizes some (land). The Georgeist plan would reverse this system. "The Marxist system and the anarchist system," says Dr. Pikler, "both preserve one of the two faults of the present system. The Georgeist system eliminates both of these faults."

Spain

Readers will note on our mast-head the change of our Spanish correspondent from Prof. Matheu Alonso to Baldomero Argente. Not having heard from Prof. Alonso for some time, we became concerned, and wrote to Senor Argente at the Spanish League of Georgeists in Madrid for information. We received a gracious reply from Senor Argente, part of which we reproduce here:

"Unfortunately, our information concerning Prof. Alonso is no better than yours. As we have not heard from him in such a long time, we are led to believe that he is dead. His loss is felt by all of us, as we all held him in high esteem.

"Many Georgeists here have had unfortunate ends. The Secretary of the League, Senor Soria, was assassinated by the Reds. The Vice President, Senor Ayats, managed to escape from the Reds after enduring many hardships. Many others have perished.

"Present conditions in Spain, aggravated by the European war, do not make it propitious for us to renew our Georgeist activities. Nevertheless we are persevering in our ideals, and try constantly to serve the cause of Economic Truth.

"With pleasure I accept the position of correspondent in place of Prof. Alonso, and will do my very best, although you will understand my difficulties.

"The present totalitarian regime in Spain has not yet legislated on the land problem. The conditions are the same as before. Temporary measures are being taken regarding the renting of land—favorable to the lessors."

BOOK REVIEWS

THE TRAGEDY OF BARBADOS

"The Economic Geography of Barbados," by Otis P. Starkey. Columbia University Press, New York. 1940. 228 pp. \$3.00.

The story of Barbados is the story of poverty; cold, stark, unmitigated poverty. It is the story of tragedy; deep, naked, recurring tragedy. It is also the story of nature's fury and man's ignorance; destructive hurricanes, widespread epidemics, deadly pestilences.

A plague in 1647 killed 6,000 inhabitants, or about one-third of the population. In 1663 "strange and unusual caterpillars came upon the land and devoured all things." A fire in 1666 destroyed Bridgetown, the capital. A drought in 1668 was accompanied by an epidemic which lasted until 1670. A new tax, amounting to 10% of profits, "was the final blow to the prosperity of the island." (p. 77) It burdened trade until 1837. A major hurricane in 1675 caused terrible havoc. The Governor reported in 1677 that land was held for higher prices than in England! Due to war and disease the white population steadily declined between 1689 and 1713. The hurricane of October 1780 almost destroyed the island. Deaths exceeded births in every year from 1776 to 1803. The Great Hurricane of 1831 caused 8 million dollars damage and took 1,600 lives. The cholera epidemic of 1854 cost the lives of 20,727. Another terrible hurricane visited the island in September 1898. An epidemic of smallpox occurred in 1902.

The Government of Barbados does little to anticipate the arrival of hurricanes, except to arrange a system of storm warnings, and to appoint a day for "special supplication to Almighty God, for deliverance from storm." (p. 196)

Barbadian history, writes Professor Starkey, has been a series of economic booms and collapses. The World War brought unparalleled prosperity, which ended abruptly with the crash in sugar prices in 1921.

The year 1921-22, he writes, "can be described.....as probably one of the most difficult the colony has experienced in recent times." (p. 133)

The principal crop, sugar, has been marketed at a loss continuously for the past five years, reported the British Official Gazette (August 1935).

Such are the highlights in the melancholy picture.

Barbados, 100 miles north of South America near the Southern end of the Lesser Antilles, is about one-half the area of New York City. It has a population of 170,000, 93% of whom are colored, and has been a British colony since 1625.

The Barbadian environment, writes Professor Starkey, offers a fertile soil, a pleasant oceanic climate, and an excellent position for world trade. The island is rich in natural resources, and exports millions of dollars worth of sugar and molasses. "Nearly half of the acreage of Barbados is occupied with cane fields; fields of waving cane are always a conspicuous feature of the Barbadian landscape." (p. 38)

Two chapters of this book, each 30 pages in length, describe Barbadian economy. One is entitled "Production"; the other "Consumption". *There is no discussion of the distribution of wealth in Barbados*; no hint why this island, so rich in natural resources, fails to support its workers.

Today fully one-third of the population is on relief: "The total would be increased much more if the recipients were given relief adequate to maintain the health of the people. The need is not so much for more medical relief as for more and better foods." (p. 197)

Professor Starkey lists typical diets of Barbadian working class adults. These cost from 42 cents to \$1.05 each per week. "There is little doubt that the high infantile death rate in Barbados is largely

due to malnutrition and to diseases which result from it. The diet of the average Barbadian worker is so close to the minimum necessary for life that any food shortages are likely to have immediate repercussions on the health of the laboring class. Young children seem most susceptible to such food deficiencies." (p. 188)

I was informed that a handful of Englishmen, eight in number, owned most of the island. I sought verification, but local authorities for reasons of their own, ignored my request for information.

Only males with an annual income of \$250 or over, may vote. This shuts out 82% of the adult population, including all laborers: "The legislature represents primarily the merchant, planter, and the professional classes."

"The functions of the Government are primarily to protect the interests of the upper classes by protecting property, aiding agriculture and commerce, and *relieving the laboring class sufficiently to prevent disturbances.*" (p. 192)

Petty crimes are common, especially when laborers are jobless and unable to buy food. Larcenies and riots mount in hard years. (p. 194)

It is obvious to a Georgeist that Barbados fails to collect its community-created rent. There can be no other explanation for the appalling poverty in the midst of plenty which everywhere meets the eye. Giving away the people's land rent, the Government must maintain itself by seizures, called taxes. The poor colored woman who daily trudges to town bearing on her head a fifty pound basket of oranges and sweets which she peddles in the torrid alleys of Bridgetown, must pay a fee for the privilege (?). The emaciated boy who rides a cheap bicycle over the rough dirt roads is mulct. The owner of every hut and wooden shack (it would be an insult to call them homes) annually pays a tax equal to one month's rent. Barbadians must pay a heavy duty on food and clothing imported from the United States. The Government reveals no information about income taxes except the total amount paid each year. (p. 184)

Suffering low purchasing power, the natives are poorly housed and shabbily dressed; many eke out an existence on one meal a day. "In poor years the death rate increases rapidly, especially because of the high infantile death rate. Malnutrition seems to be the ultimate cause, although diseases are listed as the immediate cause." (p. 207)

Conditions in recent years have become unbearable, not only in Barbados, but throughout all the British West Indies. Rioting and bloodshed have occurred in Nevis, St. Kitts, and Jamaica, as well as in Barbados.

In 1938 the Government appointed a Royal Commission to study the whole question. Their report has never been published; the disclosures would be too awful. In the debate in the British House of Commons, one member contributed this blasting, but truthful, summary: "It is clear that there is a festering mass of unemployment, a great surplus of unemployed population, wretched housing conditions, inadequate medical services, infinite squalor, illegitimacy and destitution."

A few recommendations of the Commission have been made public. One, that the British tax payer contribute \$100,000,000 over a period of twenty years, to purchase West Indian land for settlement by the natives. Our British contemporary, *Land and Liberty*, commented on this (April 1940). "It is the policy of the British government not to destroy the institution which is responsible for poverty . . . but to buy off and compensate the monopoly . . ."

Britain today is undergoing her ordeal by fire and sword. Georgeists perceive that war stems from economic injustice and inequality, such as persist in Barbados. If a just order such as Henry George envisaged, shall follow, the war will not have been fought in vain; the cruelties inflicted on millions of innocent men, women and children, the terrible loss of life, home and goods, will not have been suffered for nought.

—BENJAMIN W. BURGER

A CHAMPION OF HUMANITY

"The Life of Joseph Fels," by Mary Fels. Doubleday, Doran and Co., New York. 1940. 192 pp. \$1.50.

Written by a devoted wife whose spiritual encouragement played no small part in the career of her illustrious husband, this new and revised work is a welcome addition to Georgeist literature. The author does more than record events in the subject's life—she succeeds in admirably blending the economic and social wisdom of Joseph Fels into a complete philosophy of living. The book is a model for simplicity and beauty of style.

It is related that Joseph Fels was born of Jewish parents in 1854, in the State of Virginia. Moving to North Carolina and then to Maryland, the boy found in his childhood associations a combination of Semitic, Gentile, and Negro influences that were largely responsible for the "cosmopolitanism which was so marked a characteristic of the man."

Like Henry George, Joseph Fels was unorthodox in his attitude toward pedagogical schooling. Early in youth he showed signs of being the "self-made man." At the age of 15 he became a responsible assistant to his father, in the latter's business of toilet soap manufacture. After various hard knocks in the school of experience, we find him, at 22, the founder and head of what later became the world-famous "Fels-Naptha" soap industry. Being an employer of great numbers of workmen, he had every opportunity to be informed on the problems of labor.

It is in the home and social surroundings of the great soap manufacturer that we receive our first intimation of the affection he felt for his fellow man. There is also a delightful account of the courtship and marriage with his biographer. Their union served to give added impetus to his determination to be of service to the world. While of necessity he was a shrewd bargainer when engaged in business dealings, Joseph Fels was nevertheless in his relations with mankind at large a very type of gentleman.

On the economic side, having observed that the unnatural lockout of labor from land was at the bottom of the unemployment everywhere to be seen, and embittered by the resulting degradation of his fellow human beings, Fels turned his attention early in life to the encouragement of garden planting. The success of the undertaking (on city lots) was immediate, and the idea became very popular at home and abroad. While sojourning in England and on the European continent, he became a leader in a "back to the land" movement. A non-Malthusian, and knowing the capacity of Britain's resources for the support of her people, he was strongly opposed to a then current proposal for reducing the "excess" population by shipping stalwart Englishmen abroad for colonization. He deplored the condition of the "landless man in a manless land."

Later, the Single Tax movement provided a medium for the spread of his ideas. The celebrated Joseph Fels Commission was a result of this comradeship with the disciples of Henry George. Impelled by a spirit resembling the zeal of a crusader, he continued the battle against privilege until his death, in 1914. "He was dynamic, out in the open, fighting with every emotion that caught him, but always with a heart tender, true and direct."

Himself a generous giver, "faith without works" was nauseating to this man of justice. Tinkering with poverty brought his quick reproach. His credo can be best stated in his own words—taken from a reply he made to a suppliant for "charity."

"I am using all the money I have as best I know how to abolish the Hell of civilization, which is want and fear of want. I am using it to bring in the will of our Father, to establish the Brotherhood of man by giving each of my brothers an equal opportunity to have and use the gifts of our Father."

A rather sizable following remain who have seen Joseph Fels in action. How the world needs such men today! J. H. N.

Correspondence

DRAMATIZING THE GEORGEIST PHILOSOPHY

EDITORS LAND AND FREEDOM:

Most of us Georgeists, in attempting to spread our philosophy, ignore the fact that the great majority of people are more impressed by story and dramatic action than by reiteration of bare principles. The phrase, "universal brotherhood of man" has come to be repeated parrot-like by many persons, with no mental attempt whatsoever to analyze its meaning and its possibilities.

I speak from experience when I say that actions speak louder than words, and vivid demonstrations make a more lasting impression on the mind than cold, calculated statements of the truth. Therefore, I wish that the Georgeist movement would encourage our fellow-workers who have a real ability in this line.

It was in recognition of the possibilities of demonstration that I have been working for years on parlor games. I have been amazed at the way children and grown folks who know nothing of Georgeism or economics have taken to the games. But I fear that Georgeists have been slow to appreciate the value of such things as these games. I can well appreciate the sorrow of the great educator, Froebel, when his kindergarten toys were ridiculed by educators as "just silly toys." But now, the value of the ball, the cube, and the cylinder is appreciated by all educators. I hope Georgeists will also recognize the value of other than academic approaches.

2309 N. Custis Rd., Arlington, Va. ELIZABETH MAGIE PHILLIPS.

We, too, would like to see Georgeists make use of the methods mentioned by Mrs. Phillips. Her games, notably "The Landlord's Game," are noteworthy contributions to the Georgeist movement. Mrs. Phillips' address is given above, for those who may be interested in these games.—Ed.

HIGH WAGES OUR AIM

EDITORS LAND AND FREEDOM:

A correspondent tells how rents were raised when a bus line was put through a street in his neighborhood. Some tenants had to pay five dollars more a month and some seven. Now, when those rents were raised the tenants' wages were reduced that much, were they not? And the price of everything else, being squeezed upward by capitalization of land values and disuse of land, limits wages accordingly, does it not? No one can deny it.

Why then do our collect-the-rent men and payment-for-service men ignore in their writings and speakings the object of the Georgeist proposition, namely, to raise wages by lowering rent? They must know that wages is a definite proportion in distribution; that high rent makes low wages; that low rent makes high wages.

Ninety-five percent of the people work or are dependent on people who do work. Why then, ignore that in which they are most vitally interested, the returns of labor? Of what significance is "public revenue" compared to doubling or tripling wages? With rightful wages restored, "service" would practically take care of itself.

The rent-and-service men are still twenty leagues below George. Apparently they do not recognize the elements of political economy. Instead of talking as if soaring above George, they should make an effort to catch up with him. If all George men would learn the simple, technical part of what he taught, that labor is defrauded out of about two-thirds of its wages by disuse of land, private capitalization of land values (monopoly and speculative rent), and consequent vicarious taxation; and would consistently spread the news, the "solution" for which contemporary writers are asking would soon become popular.

Waterbury, Conn.

DR. ROYAL E. S. HAYES.

WILLCOX'S RENT

EDITORS LAND AND FREEDOM :

I must take issue with my friend John R. Nichols on some points in his article, "Concepts of Rent," appearing in your November-December, 1939 issue.

If Nichols will think the question through, he will discover that the most fertile land, finest pasture or richest mine produce no "rent" unless their "natural advantages" have been made accessible to society "by social and governmental contributions." Upon examination and reflection, W. R. B. Willcox's definition of rent, namely, "payment for the advantages of social and governmental contributions to the utility of provisions of Nature," seems to me to be absolutely perfect in its comprehensiveness and completeness, covering every conceivable type of rental value.

I maintain that all previous definitions of rent were faulty and did not cover the facts as observed, and therefore the definition of rent had to be restated correctly. I maintain that Willcox has given the only definition of rent that has proved satisfactory, complete and true in all circumstances.

Nichols' "land value" has been proved by Willcox to be a fraud and a misnomer, as it is not "land value" at all, but the value of the privilege of privately appropriating a publicly produced rental value. Even those who use the term "land value" admit that when you tax it to the full amount of the rent, the selling value of the land disappears, and you are left up in the air with no "land value" left to tax. This creates endless confusion and has alienated and antagonized industrious and thrifty citizens.

Willcox shows that rent is an entirely social product, and he proposes to collect the whole of it into the public treasury as a private payment for a definite public service. Such a payment is no more a tax than paying a grocer's bill for goods and services rendered—to the grocer, not to some one else. This is readily understood by men of various occupations and degrees of education.

Nichols says: "The proposal to collect rent for public uses leaves in doubt (as land value taxation does not) what is to be done with respect to the vacant taxation lot for which no rent is paid or accrues." My answer is that the rent or use value of any lot is always well known, and the public, in its own selfish interest, would see to it that the full rent was collected into the public treasury. But under the present, so-called "land value taxation" system, vacant lots are never assessed or taxed at anywhere near their use value, and insofar as they are taxed, their "land value" disappears proportionately.

Nichols and the rest of us have been beating the air for many years and getting nowhere with our confusing nomenclature and terms and unscientific methods. Why not try in the future the clean-cut, definite and correct nomenclature, terms and definitions of the Science of Economics, as proposed by our Western friends?
Chestnut Hill, Mass. EDMUND J. BURKE.

EDITORS LAND AND FREEDOM :

I learned about the land question from my father, Peter D. Ryan, now deceased. He was very active in spreading knowledge of the doctrines of Henry George. He conducted classes in lumber grading for mill workers in Oregon and Washington, and for forestry students at the Universities of both States. The economic system was discussed at nearly every class, and I am sure that a good many men in those classes now realize that there is a land question.

I am glad to continue the subscription to LAND AND FREEDOM which my father started. This magazine has been most valuable to me since I was in High School, and now I quote passages from it frequently for my papers in Political Economy and History, at the University of Washington where I am a sophomore.

Seattle, Wash.

HELEN MARIE RYAN.

EDITORS LAND AND FREEDOM :

In the May-June issue of *The Square Deal* we make editorial comment upon the point of view that advises America not to become involved in the European maelstrom. We point out that this attitude makes no attempt to evaluate the conflicting ideologies of the Nazis and the Allies, or to assess any war guilt against the aggressor nation which has wantonly overrun so many of the smaller States of Europe since the war began.

In contrast with these views, your "Comment and Reflection" in your May-June issue is much more pertinent, and in the writer's judgment, takes a much more balanced view of the issues at stake.
Toronto, Canada HERBERT T. OWENS.

EDITORS LAND AND FREEDOM :

Since the advent of our nation-wide industrial depression eleven years ago, I have written more than 10,000 letters to leading newspapers in all regions of the United States and Canada, urging the appointment of governmental commissions to investigate the causes responsible for over 11,000,000 unemployed; and to report on suggested practical and practicable remedies. A large percentage of my letters was published, and I was gratified by the numerous letters provoked by my suggestions.

However, since the formation of the American Newspaper Guild, which is affiliated with the C. I. O., and which has evident Socialist and Communist sympathies, I have found that many papers that had previously published practically all the letters I sent them were now turning them down—especially the letters contrasting the Georgeist system with the Communist system.

Reading the letters-to-the-editors columns in many large cities of the United States, I find that, whereas a few years ago there were many letters from Georgeists, there are now very few. I don't think this is evidence that Georgeists have grown tired of writing, and can only draw the conclusion that newspaper editors or employees, influenced by the C. I. O., are deliberately excluding letters that contain intelligent criticism of Socialism, Communism, or that mixture of both in the paternalistic notions of the New Deal.

I believe that sending letters to newspapers is one of the best ways of presenting the Georgeist principles to the public. I would like to hear from other Georgeists who have been active in such letter-writing, as to whether they are experiencing the same difficulties.
New York, N. Y. WHIDDEN GRAHAM.

EDITORS LAND AND FREEDOM :

Your issue for March-April was good; your May-June issue is better—due chiefly, in my opinion, to "The Reign of Natural Law" by Henry Ware Allen. The section in this article, entitled "Regeneration," treats of method—the *how*—in a brief, but rational and effective way. Mr. Allen's article is ably seconded in Mr. T. A. McHenry's "Message to Georgeists." These two items lead me to believe that we Georgeists may awake some time.
Aberdeen, S. D. DR. CHARLES J. LAVERY.

EDITORS LAND AND FREEDOM :

Those mothers and fathers who have sons eligible for military conscription might well give heed to the following truth:

As long as the rent of land goes into landlords' pockets, there will be an incentive to war for land; but when the rent of land is collected for all public needs, then the incentive to war for land will cease—because nobody will war for land when nobody can pocket the rent of land.

Brooklyn, N. Y.

GEORGE LLOYD

NEWS NOTES AND PERSONALS

REV. MERVYN J. STEWART, of Bishops Stortford, England, is not only active in the Georgeist movement, but also takes an important part in protecting his parish against air raids. He writes: "I am not only Vicar of a farming parish thirty miles from the North Sea, but am also Clerk of the lay parish Council answerable for our local organizations against air raids. Many planes pass overhead almost every night. Nothing so far has been dropped in this parish, and no one of ours hurt yet. We have our Sunday School prepared for casualties. We have trained nurses, auxiliary firemen, utility men, air wardens, and two special constables. My chief duty is to find volunteers to fill any place which is vacated—very difficult now that the Home Guard are enlisting all available, and even take men from my precious services!"

Rev. Stewart also sends us some cheering words: "I have heard (from *Land & Liberty*) of your brave fight for a free life, and trust you may succeed. A free press is the very breath of freedom, and governments and police are not half the danger . . . Every U. S. A. citizen should be pressed to buy LAND AND FREEDOM to understand the Georgeist position."

DONALD MACDONALD, our old Alaskan friend, has an article in the July 20, 1940, issue of *Liberty Magazine*, on "Defenseless Alaska." Mr. MacDonald makes a plea to the people of the United States to guard more closely one of our most important frontiers.

HOLGER LYNGHOLM (whom readers will remember for his Denmark article in our March-April issue) reports that he has had word from his sister, Mrs. Signe Bjorner, in Denmark. She expressed a hope to see all her friends on this side "when things are straightened out."

HERBERT T. OWENS has resigned as Secretary of the Henry George Society of Canada. He is now an employe of the Federal Government at Ottawa, and will continue to carry on his Georgeist activities whenever he can.

PROF. F. W. ROMAN, noted Georgeist lecturer, has been appointed a Regent of the State University of California by Governor Olson, which high position he will retain for sixteen years.

HENRY GEORGE BURGER, son of Benjamin W. and Terese F. Burger, won the Pulitzer Prize awarded to high school students entering college. This award entitles him to four years tuition and cash allowance at Columbia University. In the Erasmus Hall High School, from which he has graduated, he won the highest award for scholarship, besides numerous others in various fields of service and study.

THE COMMONWEAL, prominent Catholic weekly, has several items of interest in its August 2 issue. There is an editorial entitled "Artificial Land Values," in which urban land speculation is condemned, and the Georgeist position discussed. "The position of Henry George in American history," says this editorial, "is generally much underestimated." And again: "The Georgian analysis deserves much more than shrugging skepticism from the unconverted." In the same issue are two letters from Georgeists; one from Robert C. Ludlow and one from Herman Ellenoff. The leading article of the issue is by Monsignor L. G. Ligutti, entitled "Cities Kill." Monsignor Ligutti deplores the blighting effect of our city civilization upon the birth rate, especially among Catholics. A back-to-the-land movement is suggested as a remedy. Monsignor Ligutti is deeply interested in the Georgeist philosophy as well as the homestead movement, and it is reported that in a recent audience with Pope Pius XII, he spoke about Henry George to His Holiness.

CHRISTINE ROSS BARKER, our faithful Canadian friend, passed away on June 25 at the age of 75. Mr. Herbert Owens writes of her:

"Although she had not been in good health for about a year past, she still wrote to LAND AND FREEDOM, and took a deep interest in Georgeist matters to the end. I visited her on one occasion at her home in London, Ontario, and was enthralled by her recital of events when Father McGlynn was at his height. The Movement was richer for her espousal of it, and is the poorer because of her departure."

ALBERT FREELAND, of Seattle, Wash., has passed away. George Dana Linn writes of him: "For the past two years he suffered intense pain from an incurable disease, but he was none the less eager to spread the gospel of economic truth. He was a most prolific letter writer. Among his correspondents were Dr. Wm. Lyon Phelps, Dr. Albert Einstein, and many others. He once read me a letter he had received from Dr. Phelps. It was a beautiful letter. Phelps stated that he had been almost persuaded to accept the economic philosophy Mr. Freeland had presented, and in the event that he should finally accept it in its completeness, he would give Mr. Freeland the full credit for the result . . . One of Freeland's earlier ventures was a plan to place the writings of Henry George in the hands of every voter in America. He figured that it could be done with a little over a million dollars, and at one time he fully anticipated accomplishing it. But reverses came . . . Freeland's life and example will ever remain an inspiration to those who labor for economic justice, freedom and true democracy."

OF WESTERN STARR, whose death we noted in our last issue, Mr. George A. Warren writes:

"With voice and pen, Western Starr labored for nearly half a century in the cause of social justice. He campaigned for Altgeld, the elder LaFollette, Bryan and Woodrow Wilson. Convinced that our entry into the World War would not help the cause of democratic government, he wrote and spoke against it although well aware that such action would bring popular disapproval. Failing health and blindness during the closing years of his life compelled him to slacken, but not cease, his efforts on behalf of movements for human betterment, notably the Georgeist cause. He had taken an active part in other reforms, including world peace, electoral reform, civil service reform, a better monetary system, and free trade. But he always maintained that the fundamental need of mankind was access to the earth, and that without this the great majority of the human race was doomed to involuntary servitude."

Legal Note

On advice of counsel and in accordance with Decedents' Estate Law, please take notice that any bequests intended for this journal but made before May 8, 1939, may have lapsed by reason of the death of our predecessor, Joseph Dana Miller, on that date. LAND AND FREEDOM is a proprietary (not a corporate) business, and in order to insure against the lapsing or voiding of any bequest or legacy, which might result if made to other than a "natural person," the bequest should be drawn in the following form.

FORM OF BEQUEST

I bequeath to Charles Joseph Smith, doing business under the name of LAND AND FREEDOM, the sum of \$----- (or other property).