

May-June, 1941

# Land and Freedom

*An International Journal of the Henry George Movement*

## The Story of Puerto Rico

“Isle of Enchantment”

Joseph M. Sinnott

## Winning the Peace

“After the War We Must Win the Peace”

Sidney J. Abelson

## Backwash of the Past

A Reply to Anne Morrow Lindbergh

Edwin S. Ross

## Three Theories of Rent

“Ricardian, Neo-Ricardian and Realist”

Raymond V. McNally

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# LAND AND FREEDOM

An International Journal of the Henry George Movement  
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## WHAT LAND AND FREEDOM STANDS FOR

### *We declare:*

That the earth is the birthright of all Mankind and that all have an equal and unalienable right to its use.

That man's need for the land is expressed by the Rent of Land; that this Rent results from the presence and activities of the people; that it arises as the result of Natural Law, and that it therefore should be taken to defray public expenses.

That as a result of permitting land owners to take for private purposes the Rent of Land it becomes necessary to impose the burdens of taxation on the products of labor and industry, which are the rightful property of individuals, and to which the government has no moral right.

That the diversion of the Rent of Land into private pockets and away from public use is a violation of Natural Law, and that the evils arising out of our unjust economic system are the penalties that follow such violation, as effect follows cause.

### *We therefore demand:*

That the full Rent of Land be collected by the government in place of all direct and indirect taxes, and that buildings, machinery, implements and improvements on land, all industry, commerce, thrift and enterprise, all wages, salaries and incomes, and every product of labor and intellect be entirely exempt from taxation.

That there be no restrictions of any kind imposed upon the exchange of goods within or among nations.

### ARGUMENT

Taking the full Rent of Land for public purposes would insure the fullest and best use of all land. Putting land to its fullest and best use would create an unlimited demand for labor. Thus the job would seek the man, not the man the job, and labor would receive its full share of the product.

The freeing from taxation of every product of labor, including commerce and exchange, would encourage men to build and to produce. It would put an end to legalized robbery by the government.

The public collection of the Rent of Land, by putting and keeping all land forever in use to the full extent of the people's needs, would insure real and permanent prosperity for all.

*"Is it too soon to hope that it may be the mission of this Republic to unite all nations of English speech, whether they grow beneath the Northern Star or Southern Cross, in a league which, by insuring justice, promoting peace, and liberating commerce, will be the forerunner of a world-wide federation that will make war the possibility of a past age, and turn to works of usefulness the enormous forces now dedicated to destruction."*—HENRY GEORGE.

# Land and Freedom

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## Comment and Reflection

**T**HE only form of government under which the Georgeist reform is possible of attainment is that of democracy. But to expect any measure of success should we not be willing to make use of the processes of democracy? The opponents of Georgeist principles are certainly exploiting those facilities to the utmost; indeed, they have acted with a zeal that strongly suggests an abuse of democratic processes. Is it not about time we recognize that the activities of our adversaries have reached a stage which demands immediate counter-action?

**P**ERHAPS of late we have been relying too much on the notion that injustice will somehow become exhausted, thereby enabling us to overtake it in hare-tortoise fashion. This is wishful thinking, for it is not in the nature of injustice to assume any such static condition in this world as we know it. Such a negative approach must be futile when pitted against a wrong which has again and again demonstrated its proficiency.

**O**NE of the important factors in molding laws and public opinion is our educational system. Our opponents are quite alert to all the possibilities in this field. The opportunity for their further profiting in this direction lies in the fact that many universities throughout the country are presently faced with a serious curtailment of income. This leaves them easy prey to the temptation of "endowments," "scholarships" and the like, offered by real estate groups. The most recent of these to have fastened upon institutions of higher education is the American Institute of Real Estate Appraisers. Under their sponsorship, courses are given in "professional training in real estate appraisal," both at Yale University and at the University of Southern California. With one division of the Institute on the Atlantic and the other on the Pacific coast, it would almost seem that they are applying to the propaganda of "respectable" economics the ideas gained from the pincer movements of present-day aggressors. They will probably close in on the mid-continent universities in due time. One thing is certain—whatever else may be taught in the courses, no effort will be made to point out the contradiction in the subject-term itself, *real estate*, a misnomer which confuses wealth with land.

**W**HILST working for land monopoly in the halls of learning, these groups are no less active in the halls

of legislation. The National Association of Real Estate Boards has concentrated its work on state legislative bodies. Their aim is to convince the law-makers of the advisability of "placing an over-all limit on the rate of a tax which may be levied upon real estate." This they glibly refer to as tax reform, and under such guise they have organized taxpayers' conferences in many states—and alas, more and more of our public school teachers are being lured by these tactics. Eventually, all states are expected to be well represented. Many of them, including New York, already have statutory tax limits on real estate. The National Association claims credit for the recent enactment of such a law by the State of Washington, and also points with pride to the recent abolition of the Florida state tax on real estate.

**T**HE extent of this progress made by vested interests is also disturbingly apparent in a recent United States Supreme Court decision, pointed out by Mr. J. Rupert Mason in the last issue of *LAND AND FREEDOM*. The Court decided that the states' power to tax land values is no longer sovereign, but subject to interference and control by the Congress. This upsets one of our oldest traditions—the sovereignty of states. Supplied with such jurisprudence, landlordism is now able to entrench itself more firmly than ever.

**T**HE problem with which Georgeists are confronted is how best to combat the subversive effects of these groups. There is no denying that our opponents have the "inside track." They have the benefit of courtesy generally accorded time-honored institutions, as well as a head start in recognition by legislative bodies and educational institutions. Their advantage is supported with almost unlimited monetary resources. Yet, though Georgeists have but slender material means, we cannot afford to delay any longer in making use of available opportunities, and in exerting the full force of our moral strength. Otherwise, with pressure from wealthy real estate organizations, and no counter-pressure to offset it, legislative chambers will hardly resist the ever increasing demands of entrenched monopoly. The only means by which legislators can know that the demands of landlordism are being opposed is in the existence of a vigilant, organized and articulate opposition. If we do not demonstrate that we are in the field to secure our tax reforms, we can hardly expect legislators to divine them. If democracy is worth preserving and defending, it is surely worth utilizing.

# The Story of Puerto Rico

## "Isle of Enchantment"

By JOSEPH M. SINNOTT

ON the nineteenth of November 1493, an armada of seventeen ships under Christopher Columbus skirted the coast of a mountainous palm-fringed island and dropped anchor in a wide, placid bay. Columbus immediately went ashore and with formal ceremonies declared the island a possession of Spain. In the typical Spanish manner of the time, he christened it San Juan Bautista—Saint John the Baptist.

Amongst the motley crowd of adventurers who watched him plant the red and gold standard of Ferdinand and Isabella in the sands was a penurious young grandee from the province of Leon whose name was Juan Ponce. He was destined to become immortal by his bravery, his adventurous spirit and his quest of the Fountain of Youth.

### "Ay, Que Puerto Rico"

Columbus sailed away never to return. The youthful Juan Ponce de Leon, however, rose to rank and responsibility in the nearby island of Hispaniola. Stories were brought to him of vast amounts of gold on the neglected Island of San Juan Bautista and he secured an appointment from the Governor of the Indies to conduct an expedition there.

He landed with an army of fifty soldiers on August 12, 1508. Ponce de Leon made his way along the coast of the Island trading in friendly fashion with the natives from time to time until he came to a wide, safe harbor. Recognizing the verdant wealth of the island he was circumnavigating, he exclaimed, "*Ay, que puerto rico!*"—"Oh, what a rich port!" Years later that exclamation appropriately embodied the name of the Island, and its prior name, San Juan Bautista, became limited to the fortified city which is now the Island's capital.

The native Borinquens and Caribs whom the Spaniards found on the Island proved hospitable and peaceful, but forced labor in the service of the white man was soon installed. The Spaniards brought their system of *Encomiendas* and *Repartimientos* which has received so much unfavorable criticism from historians of the Colonial period. This system, somewhat akin to our present ward-boss politics, gave to certain favorites, who had supposedly rendered special services to the government, the possession of designated lands and a certain number of Indians. Greedy for gain, the men thus favored placed intolerable burdens on the hapless natives. Rebellion and resistance beginning with surprise attacks on their Spanish masters proved futile. In 1511 a handful of white men with their guns and gunpowder and protective armor met and defeated six thousand

Puerto Ricans. Only those natives who hid in the mountains or fled to sea survived. Of an estimated eighty thousand natives at the time of the arrival of Columbus a mere handful were left. In 1515 Licenciado Sanchez Velasquez wrote to the King: "Excepting your Highness' Indians and those of the Crown Officers there are not four thousand left."

To offset this depletion in the ranks of labor, the first slaves were brought surreptitiously to the Island from Guinea in 1510, and in 1513 their general introduction was authorized by the payment of 200 ducats per head. To suppress the smuggling of negroes, those imported legally were branded on the forehead with a hot iron—the *carimbo*. Any slave not branded could be confiscated and sold at public auction.

It has been said that "Glory, Gold and God" were the three motives that prompted Spain to its rapid conquest of what at that time was the world's most extensive empire. The return that Puerto Rico could make was rather small—gold she had but little and the gold-giving colony was the favorite in the eyes of the mother country. It was the smallest and least prepossessing of all Spain's colonies in the New World. Consequently, like our own North Atlantic coast where no gold had been found, it was neglected and received scant notice. This lack of gold and the Spaniard's distaste for slow agricultural pursuits as a means of enrichment caused the Puerto Rican colony to straggle along in misery.



(Courtesy U. S. Travel Bureau)

A JIBARO, RESTING HIS OXEN, CONTEMPLATES SAN JUAN CITY ACROSS THE HARBOR

### The Spanish Incumbency

The policy followed by Spain in conformity with the mercantilist ideas of the time was the chief obstacle to the growth of commerce and industry in Puerto Rico. In accordance with the contemporary theory, since a colony existed solely for the benefit of the mother country, that country could expect to reap the full harvest only by the enjoyment of monopolistic trade relations. Under this policy Puerto Rico could trade with a foreign power only by illegal means, and smuggling was carried on continually.

The small gold deposits having been quickly exhausted, Puerto Rico became essentially an agricultural community. Sugar cultivation was introduced as early as 1514. Parallel with sugar other crops were introduced with success. Tobacco, coffee, ginger and hides soon took their places as the cash items in the table of exports to the mother country. Bananas, hay, rice, maize, kidney beans, sweet potatoes and cotton were also raised with fair success.

News of the discovery of gold in Peru reached Puerto Rico in 1534 and whipped the colonists into a frenzy of excitement. They wanted to abandon the Island en masse and feast on the treasures of the Incas. Governor Lando had to impose the death penalty on "whosoever shall attempt to leave the Island."

The discovery of gold in Peru and later in Mexico also brought to Puerto Rico a new importance as one of a "bridge of islands" for the protection of the treasure galleons on their way to Spain. But the galleons brought the pirates. England, France and Holland had been unsuccessful in their quest for the yellow metal. And so they did the next best thing: they countenanced privateering and haunted the trade routes of the Spanish Main like birds of prey. Sir Francis Drake, hero of the Battle of the Spanish Armada, and Sir John Hawkins, the first English slave trader, were operating in those waters in 1595. Both were mortally wounded when they attempted to capture a richly laden galleon in the harbor of San Juan. The Earl of Cumberland captured and sacked the town in 1598. He was forced to leave the Island after five months because an epidemic of dysentery decimated his ranks.

The Dutch under Bowdoin Hendrick captured, sacked and burned San Juan in 1625 but were soon driven from the Island under the heroic leadership of Juan de Annesquito. In 1663 the French under Beltran D'Ogeron tried unsuccessfully to force the Island. Nearly every name famous in the annals of piratical venture appears in early insular history. Puerto Rico suffered many other attacks during the next two centuries because of the constant wars which the Spanish Crown carried on with its neighbors.

Meanwhile, the Island struggled along beneath the burden of bad governmental administration under the control of court favorites and the spoils system. It was not until 1778 that the native Puerto Ricans first received the right to

own land. In 1815 they received the *Cedula de Gracias*, which brought reforms that stimulated business. The most important reform made possible by this new ruling was permission to trade with non-Spanish islands of the West Indies. In 1869 negro slavery was abolished but not until the ruling class had reimbursed itself to the tune of eight million pesos from the public funds.

### The American Regime

As Spain's power in the world began to weaken, various of her over-seas colonies struck for their independence. The Puerto Ricans organized a home rule movement which flourished despite the persecutions of the Crown Officers. One rebellion after another was put down with ruthless cruelty. Finally an autonomous government was actually inaugurated in Puerto Rico on February 9, 1898. However, an examination of the political status of Puerto Ricans under the decrees of autonomy yields little evidence of actual independent government. The political machinery consisted of a Governor-General and an insular Parliament composed of two houses. The Governor-General represented the King and as Commander-in-Chief of the land and naval forces of Puerto Rico exercised military as well as civil authority. He was given the power to refuse to promulgate the laws and resolutions of the Parliament, being required only to transmit to the Spanish Government a report of why he considered such action necessary. He could suspend at will all civil rights and constitutional guarantees, and dissolve Parliament, enforcing such actions if necessary by ordering out the military and naval forces. In addition special qualifications such as ownership of property yielding an annual revenue of at least four thousand pesos, or the possession of a degree from a recognized university, limited membership in the upper house of Parliament to the landholding and professional classes. Severe restrictions were also placed on the right to vote. Many Puerto Ricans saw in the imminent occupation by the Americans a means of hastening total independence and applauded the approaching sovereignty of the United States.

On October 18, 1898, after a bloodless engagement, the Spanish colors were lowered and the American flag was hoisted in San Juan. The Island and its dependencies were ceded to the United States by the treaty of Paris on December 10, 1898 and the treaty was ratified on February 6, 1899.

The American military forces took control of the Island and attempted to reorganize its economy. Freedom of assembly, speech, press and religion were decreed and an eight-hour day for government employees was established. A public school system was started and the U. S. Postal Service was extended to the Island. The highway system was enlarged and bridges over the more important rivers were constructed. The government lottery was abolished, cockfighting was forbidden, and a beginning was made

toward the establishment of a centralized public health service.

Congress approved the Foraker Act on April 12, 1900 giving the Island its first constitution under the American Government. Besides providing for a representative form of government the principle of free trade was established between the Island and the mainland, and import duties previously levied on Island products entering the United States were abolished while the full tariff "protection" given to products of the United States was extended to Puerto Rico. This inclusion of the Island within the American tariff wall was the most important factor in determining Puerto Rico's future economy. Coastwise shipping laws were made applicable to the Island. As a result, 90% of the Island's trade was directed to the United States.

Amongst the provisions of the Foraker Act, the first organic act of Puerto Rico after the Island passed into the hands of the United States, was the following: "No corporation shall be authorized to conduct the business of buying and selling real estate except such as may be reasonably necessary to enable it to carry out the purposes for which it was created, and every corporation hereafter authorized to engage in agriculture shall by its charter be restricted to the ownership and control of not to exceed 500 acres of land. This provision shall be held to prevent any member of a corporation engaged in agriculture from being in any wise interested in any other corporation engaged in agriculture."

American efficiency was soon applied to the production of wealth in Puerto Rico. The growth of the sugar industry soon displaced coffee as Puerto Rico's dominant pursuit and shifted agricultural economy from that of direct consumption crops to commercial crops for export. Development of the tobacco and citrus fruit industries followed the same lines.

It was not very long before the Puerto Ricans discovered that they had given up the personal latifundias of their Spanish masters for the corporate latifundias of the new regime.

In the old days the Island politicians had but two principal political parties, the Monarchists, or representatives of the privileged class, and the Republicans, composed of the less fortunate members of society. The native politicians had developed a successful technique of discreetly threatening, blustering and bluffing in order to force concessions from the Crown officers. However, some restraint had to be shown because at any moment they might educe a sharp and violent reply to their fulminations. This same technique was transferred to the new regime but the blustering became more thunderous as reprisals were not drawn forth. To this day this same technique is the main stock in trade of the Puerto Rican politician.

Despite the fact that many political hacks and favorites

of the reigning political parties were sent from the mainland to the Island during those early days, no one can deny that a sincere effort was made to develop the resources of the Island. The introduction of machinery began to have its usual effect and the small landholder was soon forced to sell to the large landholder.

Meanwhile, the sugar companies found that it was to their advantage to woo the screaming Island politicians and as a consequence the local legislature became quite amiable. The Hon. Antonio R. Barcelo, for many years leader of the Unionist Party, the majority party in the Island, and for many years President of the Senate, was the brother-in-law of Jorge Bird Arias, Vice-President and General Manager of the Farjado Sugar Company. The Hon. Jose Tous Soto, for many years Speaker of the House, was also attorney for the South Puerto Rican Sugar Company. And so on down through the rank and file of both Houses. One politician when accused of being on the payroll of a sugar company indignantly exclaimed, "It is true that I am on the payroll of the sugar company but when I am on the floor of the Senate I represent only the people of Puerto Rico and when I am off the floor of the Senate I represent only the sugar company!"

Under such leadership it is not difficult to deduce why the people of Puerto Rico have sunk so low in the economic and consequently the intellectual and moral scales.

### Puerto Rico Today

The Island of Puerto Rico is a little larger than the state of Rhode Island. It consists of some 2,198,000 acres of which about 604,760 are under cultivation. Of these acres under cultivation four large American absentee sugar companies own and control some 200,000 acres. Four Spanish absentee sugar companies own and control an additional 40,000 acres, making a grand total of not less than 240,000 acres directly owned or controlled by absentee sugar companies. There are about 60,000 more acres devoted to the production of sugar cane and these are owned by small farmers who sell their crops to the big sugar companies. Since these small farmers or *colonos* are often financed by the sugar companies and are dependent upon them for grinding their cane, one can readily see that their relationship is one of dependence on the big companies. This makes a grand total of approximately 300,000 Island acres devoted to sugar cane alone. While sugar acreage was increasing five times, crops devoted to food were declining to less than two-thirds of their former acreage.

Owing principally to periodic devastation by hurricanes, coffee production has been steadily declining but there are still about 169,000 acres devoted to this purpose. Nearly 60% of this acreage is also controlled by absentee companies and landlords. About 30,000 acres are planted with tobacco. Of this about 85% is controlled by four absentee companies.

In addition there are about 6,500 acres devoted to the cultivation of fruits. About 31% of these lands are absentee controlled.

Thus, of an approximate total of 604,000 acres under cultivation, nearly 370,000 acres are directly controlled by absentee owners, mostly American, in only four export crops. A good part of the remaining land is heavily mortgaged to absentee banks.

This absentee control is not confined to the land. Examination shows that Island Banks are 60% absentee controlled, railroads 60%, Public Utilities 50% and steamship lines approximately 100%. It may be said in general that 60% of the wealth of the Island is absentee controlled.

No wonder the 1,800,000 inhabitants of the Island must import 90% of their scanty diet of beans, codfish and polished rice from the United States. Although the United States tariff gives the island a protected market for the absentee export crops, the poor native must buy in a protected market and pay 14% more for his imported foodstuffs than the New York City laborer, although his wages are 85% less!

The complicity of the Insular Legislature also manifests itself in other ways. And so it is not surprising to find that the lands owned or controlled by the large sugar companies are assessed for purposes of taxation at about one-half their real values. To a lesser degree the same deliberate under-assessment obtains in the tobacco and coffee industries.

The wretched native, crowded from all the better land of the Island, is forced to live on swampy or barren tracts or driven to seek the miasmatic shelter of the slums of the large cities.

Shut off from the land, the source of all wealth, he is forced to compete with thousands of other unfortunate, landless creatures like himself in order to gain access to the means of subsistence. And this intense competition drives his wages down to the starvation point. Thus it is not surprising to find that agricultural wages for males average from \$4.00 per week in the sugar industry to \$2.37 per week in coffee growing. In some cases women workers earn an average of 2½ or 3 cents per hour. The lowest wages for rural workers were in truck gardening. In this activity men worked 38.9 hours a week at an average weekly wage of \$2.26. Women worked 56.7 hours per week with a weekly rate of \$1.78, and children worked a full week of 48 hours receiving \$1.50 per week.

This same maddening competition also affects urban wages, and in 1937-38 we find that wages for males ranged from a high of \$13.00 per week in the printing trades to a low of \$2.52 for dock workers. As a rule, in the cities women receive lower wages than men.

It was not long before this struggling mass of poverty-stricken humanity attracted the attention of some shrewd

gentlemen on the mainland, and soon the needlework industry was established. At first this new enterprise was treated with contempt by the Island politicians as not worthy of their blandishments. Soon, however, their demeanor changed as the infant industry surged its way forward to become the second most important insular activity ranking next to King Sugar.

The industry thrived but the wages of the workers engaged in it did not. We find that needleworkers average 15 to 25 cents a day for those who work in their homes and 50 cents to one dollar per day for shop workers.

This condition of starvation wages and consequent degraded living conditions can only lead to disease and death. Therefore it is not surprising to find that the diseases that flow from poverty run rampant through the Island. The death rate for infants under two years of age chiefly from enteritis and diarrhea resulting from malnutrition and unsanitary living conditions is probably the highest in the world. Among people of all ages tuberculosis, mostly caused by overcrowding in houses and lack of proper food, annually produces the second largest number of fatalities. Hospitalization of these sufferers is impossible because of a lack of funds. Malaria presents one of the most serious health problems with the great majority of swamp dwellers unable to buy the quinine necessary to combat this disease. The insular government doles out small quantities free to some of these victims. Hookworm at one time affected 98% of the rural population. Through the efforts of the International Health Board of the Rockefeller Foundation this scourge now infests only about 40% of the field workers. This disease is caused chiefly by a lack of shoes while toiling in polluted soil.

In general it may be averred that the death rate for all ages in Puerto Rico is nearly twice that of the United States. The natives, ground down by man and harassed by the diseases of poverty, eke out a short and weary existence.

To escape those intolerable conditions the poor *jibaro* has tried to flee from his oppressors just as in early Spanish days. About 55,000 live in New York and Brooklyn, and thousands more would come if they could get the passage money.

### The Quest for a Solution

The writer used to watch youngsters of seventeen and eighteen years of age secretly drilling in Black shirts and with wooden guns in a pathetic desperate preparation to throw off the supposed yoke of the United States Government. This clandestine Nationalist movement was covertly supported by many of the Island politicians who hoped thereby to provoke the Federal Government into greater concessions and expenditures. They quickly took to cover however when the movement flared into violence and murder and culminated in the Albizu Campos incident.

Now the Island politicians still follow the old, successful Monarchical-Republican party technique of the early Spanish days and blame the United States Government for all the ills that afflict the Island. The hapless workers, believing in the integrity and patriotism of their leaders, lend ear to their bombastic denunciations and consequently they also are inclined to rail against the Federal Government.

It is true that the United States Government has erred in many of its policies with regard to Puerto Rico but all actions should be judged by the motives which prompt them. In the great majority of cases these motives were good. Time after time the Federal Government has sent commissions to Puerto Rico in order to study conditions and alleviate the condition of the people. Time after time have the efforts of these commissions been sabotaged by the big corporations and their insular lackeys. One earnest man after another has been attacked and discredited by the politicians and the privileged group of less than five thousand people who fatten on the miseries of their fellow countrymen. These sincere men, caught in the whirlwind of screaming invective abuse in the controlled insular press have been forced to leave the Island in disgust and seeming disgrace.

Because of the machinations of the politicians and the privileged five thousand, the 500-acre law has lain dormant in the law books since 1900 with no attempt made to enforce it. Laws to protect the *colono* from usury and extortion are also disregarded. The minimum wage laws in the needlework and other industries and the laws governing child labor are bogged down and lost in seas of insular red tape deliberately spun by the small, compact privileged class of Puerto Ricans. All this despite the fact that for some years the Island has enjoyed complete home rule in matters of internal policy.

To combat the evils caused by insular and absentee land appropriation, the United States Government has poured over eighty million dollars into the Island during the past few years under the auspices of the Puerto Rican Reconstruction Administration. At one time seventy-five percent of the people on the Island were directly or indirectly dependent upon this fund. Because the Federal Government does not allow the Island politicians to administer this fund to their own advantage, they immediately set up the cry of "carpetbaggerismo."

It was due to the efforts and insistent urgings of the U. S. Department of Interior at Washington that the 500-acre law (shot through with legal loopholes and inefficacious as it is) was revived again and legal steps were taken to implement the Federal Minimum Wage Laws and the Child Labor Law.

On April 12, 1941, Governor Swope signed the Puerto Rico Land Authority bill, which establishes a Land Authority composed of seven members who are charged with carrying out the Congressional resolution of 1900, limiting

corporate land holdings to 500 acres. Of course, the sugar companies expect to be compensated for their holdings and the battle and the delaying tactics in the courts have already begun. The most that can be said for this measure is that a faltering step in the right direction has been taken.

The Malthusian theory is still carefully nurtured by the privileged class in Puerto Rico since it enables them to shift to the Creator any responsibility it cannot hurl at the United States. The slightest use of the halls and appurtenances of the University of Puerto Rico should soon convince them, if they really want to be convinced, that the solution of the problem of over-population is not to be found in the Birth Control Law of 1937 but in a higher elevation of the standard of wages. The increased standard of wages would increase the standard of comfort and the higher standard of comfort would raise the level of intelligence. The wisdom of the ages tells us that the higher the mental type the less the tendency to large families. The problem of over-population in Puerto Rico is merely another aspect of the general problem of poverty.

Careful analysis affords most convincing proof that the misery and degradation of 95% of the inhabitants of the "Isle of Enchantment" are not due to the machinations of the Federal Government nor to the stupidity of the Creator, but most assuredly stem from the greed and cupidity of corporation-controlled legislators and the guilty connivance of the privileged five thousand.

## Newton D. Baker on Henry George

IN an exchange of correspondence with the late Hon. Newton D. Baker some ten years ago, our good friend, John C. Rose of Pittsburgh, received the following from Mr. Baker:

"Henry George was a strange and significant phenomenon in the midst of an age of acquisitiveness and materialism. He sought and found fundamental moralities as the basis of an economic philosophy, and nobody who has read "Progress and Poverty" is ever the same in his thinking as he was before he saw those eloquent and impressive pages. Much that Mr. George taught has now become a part of the every day philosophy of our political life and much more will become a part of it. I do not, however, believe that there will ever be any sudden application of Mr. George's principles. Sound political development is a matter of growth and not a matter of revolution, and even a fundamentally right economic doctrine, if it involves a radical departure from accepted practices, has to be absorbed little by little to avoid consequences too severe to endure which would follow a nation wide attempt to go back to the beginnings of things to correct an ancient error."



# Winning the Peace

By SIDNEY J. ABELSON

GEORGE WASHINGTON warned his fellow-Americans that it was prudent in time of peace to prepare for war. Today, an America which forsook the sage advice of its first President is hastily trying to make up for lost time. But Americans are not really worried about being able to fulfill the unsought for, yet inevitable task of re-arming—we know beyond a doubt that that task will be prosecuted to a successful conclusion.

Americans are worried not so much about the war problem as they are about the peace problem. It is easy enough to make a war; it seems impossible to make a lasting peace.

In a recent book entitled "The American Choice," Vice-President Wallace aptly summed up the present situation. He wrote: "As we move on these immediate problems of preparation (for defense), we must not lose sight of the problems of the peace to come. For a while, if we carry on a preparedness program considerably greater than the current one, we can put nearly everyone to work and in so doing relieve the pressure of many types of farm surplus. But when peace comes and men are no longer needed in the Army and Navy and in the production of airplanes and munitions, we shall face the same old problem of finding markets at home and abroad for our non-military farm and city goods. We must find ways to solve these problems while maintaining and deepening our democracy at home. In some ways these problems of peace will prove more difficult to solve than the problem of rearming to prevent war from coming to this hemisphere. A generation ago we organized efficiently for war. But we did not know how to organize the peace."

Those two closing sentences written by the Vice-President are worth noting. While our sleeves are rolled up as we work day and night to restore the fighting—and winning—power of the American people, we must not forget that all our strength, all our will to win, all our resolve to make the war serve high and noble purposes will be in vain if we do not find a way to organize the peace after the war is won.

John G. Winant, the new American Ambassador to Great Britain said in a recent talk, "We must be prepared to conquer the peace." And he continued, "Only by finding a common basis of world citizenship and by accepting far-reaching and progressive social changes can we hope to secure the economic and social security which will make any peace real and lasting.

Certainly all agree that the world (and let us not forget that America is a part of the world) will soon have to undergo a drastic revision in its economic structure if it is to survive. Those of us who believe in the dignity of

the individual realize that the theories of Freedom must be made into a practical reality, a reality expressed in economic security for all the people, if we are to be saved from Communist-Nazi barbarism or utter chaos.

Let us turn to Dr. Nicholas Murray Butler, the president of Columbia University, as another authority on the problem of peace. Dr. Butler is a veteran of many decades in the struggle for peace. As Director of the Carnegie Foundation for International Peace he saw, first-hand, numberless proposals designed to eliminate force as arbiter in international quarrels. With the vast resources of the Carnegie Endowment available it seems certain that no stone was left unturned in the search for a peace formula. But what has Dr. Butler to report after so many years of seeking peace? A few months ago he summed up our situation in a few words: "It is a tired world. It is a disappointed world." In the face of the facts, that is the best Dr. Butler can tell us. He sought for peace, he cried, peace, peace—but there is no peace.

Every person of good-will, every being whose soul has not been mortally scarred by the uncertainties and inequities of life today, must feel this fact keenly beyond power of expression: the world is a failure. This, then, is the reason for our deep concern about the peace.

In previous times, though there were many deep changes in social relationships, men did not depend so completely on what I might call all-out social ideologies; they did not place their full faith in rigid, self-conscious systems, such as Fascism, Naziism or Communism.

After the first World War, however, the economic way of life as people knew it, began to break down, and a new type, an ultra-modern form of tyrant forced himself on the scene. These tyrants carried gatling guns in one hand and would-be sociological treatises in the other. They were not, so they said, mere despots; but, on the contrary, they came to serve the people, to carry out the will of humankind and the mandates of historical development. To prove their points they quoted from learned works and replied to protests with an avalanche of distinctly non-academic propaganda—discreetly reinforced by the best instruments of physical persuasion ingenuity could devise and money could buy.

It now seems more than a little strange, yet people by the millions outside the dictator countries placed their hope for salvation in the arch-leaders of destruction—Stalin, Hitler and Mussolini. But that is all over, or nearly so.

These rigid "isms"—Communism, Fascism and Nazism—have sacrificed whatever hold they might have had on our sympathies. Where, then, shall we turn in our search for

a way of life? The American system, in certain fundamental respects, provides the only foundation upon which a prosperous and peaceful social structure can be built.

Nevertheless, there is something wrong, something seriously wrong with the American system—if this were not so, our nation, the most productive of any on earth, would not have to admit that one-third of its people are ill-clothed, ill-housed and ill-fed. If this were not so, we would not have suffered the frightful depression which even now would be deepening were it not for the war program.

We in the United States can take comfort—genuine comfort—in the reading of our Declaration of Independence, the preamble to our Constitution and the Constitution itself, yet we should not allow the existence of these documents—the greatest and most inspiring in all legislative history—to blind us to the truth: Though the logic and moral truth of our ideals have withstood attack for more than a century and a half, we are now drifting further away from those ideals instead of drawing closer to them.

The task before us today is to take what is good and sound in the American system and build on it. We must build by building, not by tearing the world apart and then hoping for the best. Lenin said, at the time when so-called War Communism was taking a terrible toll of human life in Russia, that “the present generation must plow itself under as fertilizer for the generation to come.” I believe that that is an evil doctrine. No proposal that does not promise *immediate* progress, progress for the people of today, is worth the attention of conscientious men and women.

Let me suggest a measuring rod by which to judge a social doctrine: “Does it offer to build a better life *now*? or does it tell me I must sacrifice my life and my children’s security in order to build an indefinite Utopia in the indefinite future? Does it take the good there is in the world as a starting point for building a better social structure? Or does it say that everything we have now is bad and must be destroyed before work can start on the new structure?” If you use these measuring rods you will not be misled by the destroyers and visionaries, who, being devoid of any understanding of faith in the realities of today, indulge in opium dreams of a figmentary future.

There are a number of really sound beliefs and traditions in America today. The sensible thing to do is to see what is good in our way of life, to review the basic American ideals and find out, if we can, how these ideals may be more fully realized. We must make our American faith in democracy and freedom a living reality, and not a statutory mockery.

If we were able to vitalize the American ideals we should do more than restore the prosperity of the United States—great as would be such an accomplishment; we should there-

by help the world to realize a tremendous advance in the ways of civilization.

“Ideologies” grow out of economic conditions. The evil “isms” of Communism, Fascism and Naziism are slightly divergent developments of a fundamental evil—poverty; a poverty which is based on the denial of a fundamental human right. This right is denied in America as well as in those countries which have been debauched by totalitarianism.

For many years this country was a beacon light to the rest of the world. Hundreds of millions of people looked to us not only for better automobiles and better industrial goods, but for better social ideals and a better social structure as well. Our depression served to disillusion these many millions at a critical moment. We failed humanity. When it most needed guidance in a sound way of life and looked to us for that guidance, we turned to it a picture of depression and unemployment as black as that of any in the nations considered far inferior to us in the ability to solve social and economic problems.

In spite of this failure, America is still the world leader—thanks to the soundness of its basic ideals. If we arrange our economic structure in such a way that those ideals are fully realized—as they can be—then America once more will become the hope of the world. Our achievement will provide an example for all the world to follow. Beginning with America, the world could experience an ever-widening “outbreak” of prosperity and peace—as it is now experiencing an ever-widening outbreak of poverty and war. There is still time to undo the evil works of dictators.

The first point to remember about America is that its social and political system is based upon doctrines of natural rights. “We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness.” Our whole social structure is an attempt to express in the dynamics of human life a recognized law of the Creator, that men, all men, are born with rights which no single man, group or government of men can legitimately take away from them.

The authors of the Declaration of Independence accepted no argument on this point. This, they said, was self-evident truth, truth not subject to challenge, truth which is quickly verified by our conscience.

It was this recognition of the rights of man which made America great. For Freedom is not only an abstract philosophical doctrine; it is a concrete condition of progress: without it, industry languishes and the spirit of man declines; with it, all the higher ambitions and aspirations of man flourish.

The spirit of the Declaration of Independence is still our guide, and still deserves to be our guide: We believe in

freedom of the individual; we believe in equality of opportunity; we believe in self-reliance; we believe in the right of each to seek his own destiny, economic and spiritual, in the way each sees fit.

In a large measure America has achieved its ideals. But that measure is not large enough; our achievement is now being challenged by ideologies from abroad and also, which is of more concern to us, by a serious fault in our own social and economic structure.

The founders of this country were far-seeing men; yet, in spite of all their genius, they permitted the continuance in America of two institutions which directly contradicted the very principles of the Declaration of Independence—two institutions which, in both ethics and economics, are totally incompatible with our ideals of freedom and equality of opportunity.

One of these institutions—chattel slavery—is now a thing of the past. The man who led our nation in the abolition of slavery also pointed out the necessity for abolishing that other institution which in his time threatened, and in our time continues to threaten the American ideals—an institution which is undermining our freedom and which has already destroyed equality of opportunity and self-reliance of the American people.

Abraham Lincoln said: "The land, the earth God gave to man for his home, sustenance, and support; and it should never be the possession of any man, corporation, society, or unfriendly government any more than the air or water, if as much. An individual, or company, or enterprise requiring land should hold no more than is required for their home and sustenance, and never more than they have in actual use in the prudent management of their legitimate business."

Speculation in land was the second freedom-destroying institution which our forefathers unwittingly retained in the new social order they established here.

In Abraham Lincoln's time it was easier than it is now to see how directly the speculative withholding of land from use affects the payroll of every man and in aggregate the economic welfare of the whole community. The effect of land speculation is no less direct today than it was when we were predominantly an agricultural nation; it only seems less direct.

The question of land speculation is an ethical as well as an economic one. Man has a moral, a God-given right to use the earth whenever he needs it for his sustenance; and this is a right which, in all morality, no individual or corporation can take away from him legitimately.

We do not stop to argue the point whether men are entitled to "life, liberty and the pursuit of happiness," to freedom of religion, of the press, of speech and assembly;—we know they are; we know that without these rights and liberties economic life could not progress, without them, the

spirit of man must deteriorate and ultimately descend to a state of debasement.

Just as freedom in religion and in civil rights is essential to spiritual advancement; so freedom in the use of nature's resources is essential to progress in the economic sphere. But that freedom—freedom to use the earth when we need to use it—is denied to the great majority of us, thanks to the institution of speculation in land.

We have often heard it said that crime doesn't pay. That is a negative approach to a solution of society's ills. We must prove that virtue *does* pay. We must prove that freedom and democracy really *are* efficient—that they are worthwhile in terms of satisfying the economic desires of *all* the people.

But there can be no real economic freedom without freedom to use the earth—the only universal and perpetually available workshop. As Abraham Lincoln said, God gave the earth to man for his home, sustenance and support and therefore should never be monopolized, any more than air or water.

If we want to preserve democracy, if we are serious in our intention to extend and fortify American liberties we must restore equality of economic opportunity—and that means equality in the right to find employment in the great workshop of nature.

If we seriously mean to revitalize the American tradition of self-reliance we must make it possible for men to be self-reliant, to find employment according to their choice and to engage in economic enterprises according to their abilities and experience. And that can be accomplished only if we make land easily accessible for use in both city and country.

Land speculation is in effect a monopoly which curtails employment, lowers wages and the profits of non-monopolistic business, and restricts enterprise. A people shut off from the land become increasingly dependent for employment on a few monopolized industries and the government. There can be no real economic freedom, no real free enterprise system, if the land is not freely, that is, easily accessible.

Here is the great opportunity that presents itself now to America—after the war is won by the democracies, we can win the peace. We can solve the paradox of starvation in the midst of plenty, we can invigorate the traditions of liberty and indeed, extend and secure them for generations to come.

But all this can be done only by making freedom a complete and practical reality. And that is something that requires more than fine phrases. It calls for a new abolition—the abolition of the freedom-destroying speculation in land. It calls for the establishment of every man's right to use the earth on equal terms with every other man.

## “Backwash of the Past”

### A Reply to Anne Morrow Lindbergh

By EDWIN S. ROSS

“THE wave of the future is coming, and there is no fighting it.” This is the phrase in a dozen different forms, emphasized and re-emphasized, compelling a feeling of the inexorable movement of time itself, inevitable, sweeping all before it, heralded by the crack of doom; this is the awesome note sounded by the onrushing Nazis in their campaign of easy victories by propaganda, striking helpless terror in the hearts of abject adversaries. Incidentally, it contains the title and central philosophy of the latest book of Anne Morrow Lindbergh—“The Wave of the Future.”

Hailed by the press as a “well meant” work, written seemingly in a calm, judicial style, expressing such an apparently long-range, planetary point of view, it has escaped the keen analysis and merciless probing it might have received had it been recognized in its true light. The rough and tumble treatment usually meted out to books on sociological subjects has been spared this one because it is so “well intentioned.” The phrase itself should conjure up the scent of brimstone paving blocks.

Were it only as a friend of mine called it—“a harmless little book”—the lack of effective criticism would be of no great importance. But since its central theme, unless boldly attacked and exposed, will crystallize in the minds of men a thought vaguely but widely held, I propose to separate the meaning from the intent.

“The wave of the future is coming.” What are we to understand by that baleful sounding phrase? By that is it meant that time in the distance will become time in the present? Is it simply that “what will be will be”? *That* wave is sweeping over us now, has swept over us since the beginning of time and will always do so. Time *is* inevitable. It was not to tell us that truism that Mrs. Lindbergh wrote her book.

By the “wave of the future” we are to understand that some *particular kind* of time will encompass our future actions. An era is coming that has an essence of its own. The relationships of men will be on a different footing from those we know today. America will meet the wave of the future in its own way. We will prepare ourselves so that it will come easily with a minimum of shock, not with the brutality and terror that enshrouds most of Europe.

All this would be fine if Mrs. Lindbergh did not reveal that by the “wave of the future” she means a very special kind of wave, with very particular kinds of relationships established among men.

To understand the particular kind of society (for that is what is meant by relationships among men) that Mrs. Lind-

bergh has in mind, the reader will have only inferences to guide him, because in the whole forty pages there is not one word of explicit definition as to what sort of future this inevitable wave must bring us. In fact there seems to be a deliberate attempt not to define—an attempt, by speaking of the “American answer” and the “French answer” and the “British answer,” to have us think that the wave of the future is in reality a number of harmless little wavelets, from which we can make our selection.

It is only by ascertaining where the crest of the wave is now, and who rides it, that we can apprehend the nature of it. Let Mrs. Lindbergh tell us in her own words where the wave now is: “The leaders in Germany, Italy and Russia have discovered how to use *new* social and economic forces; very often they have used them badly, but nevertheless they have recognized and used them. They have sensed the changes and they have exploited them. They have felt the wave of the future and they have leapt upon it.” No other countries are mentioned. Just Germany, Italy and Russia. Somehow, in some way, they must have in them a distinguishing essential. Something that must be recognizable by their actions; for they have “leapt” upon the wave of the future while others have not.

Can it be that these countries have by their actions instilled in their peoples some new spirit that reveals itself in high morale in battle? Then Britain with its magnificent soul must be included; so must China. Then we have two waves of the future, clashing together where only one should be, and where only one can survive. But Britain is not included, nor China.

Is it in their efficiency as war machines that these countries differ? Then Russia should be ruled out, after its miserable campaign against Finland. And Italy failed lamentably to qualify in Greece and Libya.

No, it must be that the “totalitarians” possess some common denominator in their relationship among men wherein they differ essentially from other nations. There must be some way in which men in these countries exchange goods and services and ideas, not found or at least not found to anything like the degree, among other peoples.

Now there are only two ways open to man in the distribution of goods or services. One is by the offering of goods or services in exchange for other goods and services, which is known as the market method; and the other is the assumption and distribution of goods and services by the government. This latter is known as the “ration method.” And it is just here, I submit, that the issue is joined. For in Germany, Italy and Russia goods and services are very largely

distributed by the ration method with as little help from the market as they can manage, while in England and America the market method is employed with as little rationing as possible.

Here, then, is the essential difference. The "democracies," as Mrs. Lindbergh scornfully calls them, still cling to the ideal of a free market, while Germany, Italy and Russia have turned to the ideology of a deliberately planned and administered economy.

Of course Mrs. Lindbergh is very sincere in her railings against the barbarisms, the ruthlessness and the brutal terrors of the Gestapo, OGPU and Fascist Secret Police. But underneath it all she is sure that these regimes are "in the essence, good."

Perhaps she does not wish to reveal herself as a "planner," a "collectivist," a "totalitarian." Whatever the reasons for her restraint, I have sought carefully through the entire length of her book and have found not one single sentence, not one word, that tells us what there is about the "wave of the future" that is good. It is good because Mrs. Lindbergh hopes it is good. Helpless to tell us why, she is driven behind the oldest of all known alibis. She has "faith." The subtitle of her book is "A Confession of Faith." But because her faith is not built upon the deep-rooted rock of knowledge, she does well to confess.

Mrs. Lindbergh can now be classified; we have found the proper pigeonhole in which to place her and her philosophy. She is an authoritarian collectivist who believes with Stuart Chase, George Soule and others that we can enjoy the supposed blessings of a planned economy without the attendant evils that have everywhere accompanied the effort to establish such a society. She is also either a believer in mystical predestination or in economic determinism. For "the wave of the future is coming, and there is no fighting it."

Since Mrs. Lindbergh either could not or would not describe for us the essential goodness to be found in a deliberately planned and administered economy, it devolves upon us to determine whether any such goodness exists. Let the reader fortify himself with some trusted headache remedy and now plunge into the talk of planning only one item, say shoes, in a controlled society. First, we must plan how many. Shall it be five million or twenty-five million? Shall we give every person just one pair or three? Shall those who work outdoors have a greater number rationed to them than those who work indoors? If so, how much greater? How many styles shall we make? Shall we import cheap leather from Argentina so that we can spend more for other purposes, or shall we get the leather from our own country to encourage home cattle-raising? If we issue five pairs of shoes to every person how are we to know that it might not have raised the sum total of happiness by issuing only two pairs, using the excess time and labor for some other more de-

sired purpose? If we decide to produce five instead of twenty-five million pairs how are we to know whether we have satisfied the relative demand? If the people really desire twenty-five million pairs, then those lucky enough to have received the five million will trade them illegally for enormous profits. This is done in Russia today on what is known as the "Black Bourse," and all the brutal tortures of the G.P.U. have not been able to suppress it.

In short, in the absence of a competitive market, it is absolutely impossible to know how time and labor and natural resources should best be used.

People have a waywardness about them that does not conform well to plans that other people think ought to be good for them. And so when the plan is adopted the populace must be made to conform. And in the effort to make them do so, recourse must be had to Gestapos, strict censorship, suppression of all dissent, and all the other phenomena of brutal state power that Mrs. Lindbergh so decries, but which she herself could not dispense with were she the most humane planner imaginable.

This, of course, is not intended as a complete answer to the claims of the collectivists. For the absolute annihilation of all such claims the reader is recommended to Max Hirsch's "Democracy versus Socialism," Ludwig von Mises' "Socialism," and Walter Lippmann's "The Good Society."

In identifying "the wave of the future" as simply the authoritative state, another idea of Mrs. Lindbergh breaks down. The "new social and economic forces" which the dictators of the totalitarian countries have learned to "exploit" are seen to be ages old.

Untold centuries ago, when the first rapacious hunting tribes swept down from the hills to conquer and terrorize and enslave the peace-loving agricultural communities, a State was set up differing in no essential from its modern counterpart. The entire history of civilization since that time is the story of man's efforts to free himself from the arbitrary control of bureaucratic officials—to gain the freedom to exchange goods and ideas without the interference of chieftains or dictators, priests or princes. There is, after all, but one way in which man can increase the sum total of his satisfactions, and that is by the continual division of labor in a free market.

This process has been going on with ever greater refinements for thousands of years; now held back by some Pharaoh or Caesar, now bursting forth in full vigor as when King John was forced to sign the Magna Carta, or when the Bill of Rights was inserted in our Constitution. We are, as Lippman says, *committed* to a division-of-labor economy. Every attempt to interfere with it, every effort to control it to suit the ideas of only a part of society, whether a single dictator or a majority, has resulted in retrogression, brutality, and enslavement.

This is the lesson, the wisdom of thousands of years.

But Mrs. Lindbergh tells us we must scrap all that. "The wave of the future is coming and there is no fighting it." No doubt Hannibal tried it out on the recalcitrant Roman Republicans. And Napoleon certainly used it to good effect until he ran point blank against some skeptics who looked askance at his inevitable "new order," and won a victory that released the whole of Europe from bondage, and opened the door to the latest phase of the great advance we call "the industrial revolution."

Yet there is one thought that demands serious attention. That is Mrs. Lindbergh's cry for reform—the plain, unqualified statement that some kind of readjustment is necessary. That is true; it is self-evident. We cannot go on with depressions and wholesale unemployment, periodic wars, and wide-spread poverty. Remedial measures are necessary, and quickly.

The trouble with Mrs. Lindbergh is not in her demand for reform but in her insistence that a particular kind of reform, totally unsuited to the economy to which we are irrevocably committed, must willy-nilly, sweep over us.

That it *may* sweep over us if we do nothing about it, is true. And if it does; if England goes down, and America and China (whether from without or from within), then it is likely that our civilization will go as Rome went. For the ways in which a modern authoritarian state maintains itself are so much more powerful, its weapons are so deadly that successful revolt is well-nigh unthinkable. A scythe may stand some chance against a sword, but a fowling piece will not avail against a Bren gun. And though the citizens might occasionally rise up to "face the machine guns on the barricades," the charnel piles of their own dead would soon prevent their progress. They would succumb, and accept, and find their relief in circuses. Then, from the core out, like a puff ball, our civilization would rot, until, lightly tapped by a new tribe of Huns, it would burst all at once, leaving a ruin to be gazed on curiously as we now look on the pyramids or the debris of ancient Rome.

This is what we will come to if we accept the "wave of the future." To prepare ourselves to accept it is not merely to carry coals to Newcastle; it is, in a fit of absent-mindedness, to leap into the furnace.

### Wilson—A Follower of Henry George

S. J. WOOLF'S latest interview, printed in the *New York Times*, was with Henry Morgenthau, Sr., venerable father of the Secretary of the Treasury. Mr. Woolf reported Mr. Morgenthau as saying the following of Woodrow Wilson: "Mr. Wilson had but one prejudice. That was against wealth; he believed that no man could honestly amass a million dollars in a lifetime. At heart he was a follower of Henry George and strongly objected to private profit accruing through the increase in land values."

## Assessing Land on Gross Value

By HERBERT T. OWENS

THE efforts of Georgeist reformers have been directed towards a change in the incidence of taxation. That is to say, we have urged in the municipal field the exemption of improvements and the transferring of taxation to land values. We have succeeded to an encouraging extent in having this done. In places where it has been done, the phenomenon has been noted that assessed land values in many cases have continued to rise whereas the intended purpose of land value taxation is to reduce—eventually to remove entirely—the selling value of land. One reason for the continued rise in land values is that there has been industrial expansion, and population has continued to increase, and there have been land booms which have kept land values increasing.

In New Westminster, B. C., there has been a more static situation. Although many B. C. cities which formerly exempted improvements 100 percent have reverted to the taxation of improvements, New Westminster has continued up to the present to exempt buildings entirely. One reason which led municipalities to revert to the taxation of improvements in B. C. was the enactment of a statutory limit to the mill rate on land. When a municipality found that it could not raise the amount of revenue required on its land value assessment, without violating the provincial statutory limit, it was forced to tax improvements. That is not to ignore, of course, the pressure of land speculators against a system that interfered with their profits and the general ignorance on the part of the electorate of the merits of collecting economic rent.

In the case of New Westminster its Council is faced with the fact that assessed land values have declined in the last ten years from \$15,000,000 to \$7,000,000 and it has stretched its mill rate to the statutory limit. To avoid having to tax buildings, it has used such means as poll taxes and fees for garbage collection to increase civic revenues. It is questionable if it can hold on much longer under the condition of declining assessment and a statutory limitation.

Now, although New Westminster is a case in point, it should be borne in mind that any city on the land value taxation basis will meet a corresponding situation. That is to say, as land value taxation gets in its beneficent work of taking the selling value out of land, assessed land values based on selling price will go down, and along with them civic revenues will fall.

When states, provinces and national taxing authorities levy on land values, the decline will be accelerated. There is need therefore of a formula which will bridge the gap during this evolutionary process. Such a formula has been evolved by a Canadian Georgeist, Mr. E. S. Woodward, economic consultant of Vancouver, B. C., and it seems to this writer that Mr. Woodward's formula meets the situ-

ation admirably. It would handle New Westminster's problem, and that of any other municipality where land value taxation has begun to take selling value out of land.

Inasmuch as taxing authorities, so far as the present writer's knowledge goes, favor selling value as a basis of assessment or what is called in Australia the unimproved capital value, it is assumed that that would be the starting point of any change in the system of untaxing improvements and levying on land values instead. Either that, or an entirely new valuation based on the capitalized taxation must be made. However, Mr. Woodward's formula has obvious merits, and it is time now to set it forth.

In Canada, Australia, New Zealand, etc., land is now assessed for taxation purposes on selling of market value or on the unimproved capital value. This, Mr. Woodward holds, is net value which is the owner's equity. The real value, however, of land is its gross value, *the value before the tax is considered*. The difference between the selling value and the gross value is the city's or state's equity. By his formula, where the owner's equity goes down due to an increase in taxation, the state's equity goes up—or vice versa. The result is that the gross assessment is stabilized, and municipal or state administrators will always have a more stable base on which to draw up their budgets.

Mr. Woodward demonstrates his theory as follows:

*Actual Gross Value* can be defined as the "sum of the equities." It is the city's equity, i. e., the annual taxation capitalized *plus* the owner's equity. Gross value is comparatively stable. It can be changed gradually by population trends. It cannot be changed or disturbed merely by tax fluctuations. To illustrate:

A parcel of land now assessed at (owner's equity).....	\$ 500
And taxed at \$25 capitalized at 20 years purchase	
(city's equity) .....	500
Has a gross value of .....	1,000
A change in taxation from \$25 to \$30 would reduce	
the actual sale value to (owner's equity) .....	400
And increase the City's equity to .....	600
But would leave the gross value undisturbed at .....	1,000

I shall show that the question I am raising is one of much importance to building trade revival and to the cause of securing needed tax reductions. Let me point out first its legal dangers. The present practice of using the net residuary value of land as the taxation base *makes it impossible for any assessor to defend the assessment roll in the appeal court*. If the assessment roll was correct before the new mill rate was struck, *it becomes automatically wrong after the new mill rate is struck*. If the privilege of acquiring title to a lot taxed at \$25 a year is worth \$500 cash, no assessor can argue that it is still worth \$500 cash when the taxes are raised to \$30 a year. Woodward's point that the present system induces numerous claims for adjustment in courts of revision which would be remedied by the adoption of the system of gross value is an important one.

Having some curiosity to find out what would be the effect of Mr. Woodward's plan if adopted in Canada, I have worked it out as follows:

Canada's peace time budgets for 1939-40 were about \$900,000,000 for the three levels of government—municipal, provincial and federal. (The sources are customs, excise, sales tax, income, succession, gasoline, corporations, royalties, rents, improvements, land values, miscellaneous). From that figure should be deducted certain revenues that would likely be kept under any system for some time to come—such as super-income and super-inheritance taxes, fines, court fees, vital statistics fees, government services, liquor revenues, motor registration fees, etc., and that total would be reduced to say \$700,000,000. Capitalized, that sum would give us a base of \$14,000,000,000 as the gross value of land. With a population estimated at 11,000,000, the land values per capita would be \$1,278—quite a moderate figure. As a check, Saskatchewan's land values per capita in 1936 were \$1,002—these are the highest for Canada of any Province.

At present, assessed land values of Canada net are only about \$4,000,000,000, so they would be stepped up 3½ times under the gross value formula. At present, I estimate that we do not take in economic rent more than \$200,000,000. On the gross value of \$14 billions, a rate of 50 mills (5%) would produce the \$700,000,000 needed, and could probably be shaded owing to the simplification of the functions of government, the reduced cost of public aid and social services to the unemployed, etc.

### Addendum

By WALTER FAIRCHILD

The formula presented by Mr. Woodward is a most important one. My associates and I thoroughly agree with it.

This problem of a declining market value or selling price of land in the face of an increasing land value tax rate when used as the tax assessing base was given considerable study by the Graded Tax Committee in preparing a graded tax bill for introduction in the New York City Council. The Committee worked out the problem in precisely the same way as did Mr. Woodward, with precisely the same result.

The same formula has been adopted by our American Association for Scientific Taxation, in the Legislative Framework for the Philosophy of Henry George. Our term "full value (of land) as though unimproved and free from tax" corresponds in meaning exactly with Mr. Woodward's "gross value." That is, it includes the selling price as well as the capitalization of the annual tax. These two added together make up the gross value, or full economic value.

We think the terms used by Mr. Woodward—"owner's equity" and "city or state equity," making up gross value—are particularly happy, and help clarify a problem that has puzzled many people.

# Political and Economic Freedom in Great Britain

By DOUGLAS J. J. OWEN

WHILST the military struggle to preserve political liberty gathers momentum, the political struggle to extend liberty to the economic sphere hangs fire, and in Great Britain it is almost entirely suspended. Under the truce between the three main political parties any agitation for the redress of economic grievances is regarded as unpatriotic and a hindrance to the war effort. It is not realized or admitted that to remove injustices is to remove those causes of friction which are the real obstacles to national unity. Recent speeches by Labor leaders and others, which outline a new and better social order after the war, have been criticized by Right Wing spokesmen as a breach of the party truce. The hope of a juster and freer system, which is the chief incentive to continued endurance by the people, is discouraged and discounted already. At the same time, ancient monopolies like landlordism take advantage of the fact that the progressive parties are not pressing their economic objectives. Party activity is suspended, though the Conservative Party retains its huge majority in Parliament. There is talk of a continuance of the truce after the war and a more or less indefinite postponement of any General Election. This inactivity seems to be the cause of a great decline in membership and subscriptions of the official Labor Party as distinct from the Trade Union movement.

In spite, however, of the political truce, a measure of economic freedom has been enjoyed for a time by certain classes of workers. The great demand for skilled labor in war production gave a new power of individual bargaining not hitherto enjoyed by operatives and economic power greater than that usually achieved by trade union or strike methods. The much despised and misunderstood law of demand and supply for once worked in favor of the worker and caused a higher wage level and a greater mobility of labor. Ordinarily men and women could for once pick and choose their jobs and determine to a large extent what their earnings should be. This was not everywhere the case, but it was an indication of what happens when there are more openings for willing workers than there are workers to fill them. It showed also that the wage-slave status can be removed by economic means without political violence. The lesson plainly is that such political power as men have must be used to achieve this free economic status as a permanency; and that, of course, means the freeing of all the natural resources of the earth from monopoly so as to create innumerable opportunities for employment.

The brief spell of economic liberty, and the higher wages resulting, are now being checked by various forms of industrial compulsion under cover of the party truce. The

mobility of labor is no longer allowed to flow freely along the economic channels of the best reward, but is being canalized by bureaucratic direction. Men and women workers must now go where they are sent, stay where they are put, and take what they are given. Lord Halifax in his recent great speech condemned Hitler's "New Order" because it "involves the shackling of industry and commerce, ruthless compulsion in place of free contract." This "compulsion in place of free contract" is being justified in Great Britain as a factor in the struggle to maintain political liberties. The tragedy in the past has been that the workers in every country have not known what to do with political franchises when won, and have largely failed to use them as the means to win full economic emancipation.

An interesting light is thrown on the present state compulsion of industry by the terms of the manifesto of Church leaders which was referred to in our previous article, in the March-April issue of *LAND AND FREEDOM*. Related to the principle that the earth's resources should be used for the benefit of all, there was the further point that "the sense of a Divine vocation must be restored to man's daily work." This principle that a man's work should be undertaken because he believes it to be his "calling" and the divine purpose of his life, is a noble vision. It lifts all human labor to a higher plane. One wonders, however, if the high ecclesiastical dignitaries have grasped its far-reaching implications. It cannot be reconciled with the checking of economic processes by industrial conscription.

History warns us that whilst struggling for religious and political freedom men may find they have lost their economic freedom and with it all the real fruits of their religious and political sacrifices. Examples enough are provided in British history. Now that world federation is being everywhere discussed, the lessons of the "federation of Great Britain" should not be missed. Scottish people rightly boast that the Union was consummated, not by conquest, but by dynastic and political factors. The land laws of England and Scotland are distinct in many ways, and Scotland enjoys a considerable measure of independence. In the struggle for religious freedom Scotland has a proud record. It is significant, in fact, how much of the history of the Reformation is bound up with economic and social revolt. But, whilst Scotland was splitting up into so many sects, the landowners were allowed to walk off with the people's liberties. The Scots thought that, in their fierce religious disputes and the contest between the Free and the Established Churches, they were preserving their souls, whilst all the time the land was being taken from under their feet. Trying to make peace with the Lord above they were being starved by the Lords below.



Scotland became a "Forbidden Land," as a review of a book by Dr. E. A. Baker under that title, in the March *Land & Liberty*, shows. The Highland clearances went on parallel with the long struggles which won Scottish political and religious freedom.

When, in 1843, the Scottish Free Church disestablished and disendowed itself, and over 400 ministers came out of the State Church and were looking for new sites of land to carry on divine worship, we read that land was refused them all over the country, the chief offenders being the Dukes of Buccleuch and Sutherland.

In Froude's "Carlyle" will be found the story of "Jenny Fraser versus the Duke of Buccleuch." When the Duke heard that Jenny was about to bequeath to the Free Church her "Naboth's vineyard," the only patch he did not control in the Parish of Penpont, he sent his agent to bid any money for the plot. His offers mounted rapidly. But in Carlyle's words, "Jenny is deaf as whinstone though poor nearly as Job; she answers always, 'I got it from the Lord, and I will give it to the Lord.'" The garden patch was too small for the purpose, the wall had to be tapered on one side, and the bend is still called the "Duke's Elbow."

Such is the relation of a free land system to freedom of conscience and of worship!

We are slow to learn that there can be no complete liberty in political or religious life if men are economically in chains. We are all "beleaguered" today, for such is the true interpretation of our present system which allows land-withholding for speculative purposes. As effectively as any enemy draws his U boat or E boat cordon around his blockaded or besieged town or territory, so does this land monopoly encircle us now. We shall learn this again when the war is over, for no business can start or restart unless it is willing to come to terms with those who today are buying land for "investment purposes." The door of industry is bolted and barred, and it is double-locked by the vicious forms of taxation which the State and the municipality will at once impose upon any who try to turn the key in the lock.

There can be no truce with this iniquity, whatever the British political parties agree upon. It is therefore gratifying to report that a Memorandum signed by twenty-four M.P.'s has been submitted to the Chancellor of the Exchequer, urging him to put into operation a tax on land value. Following this up, a deputation comprising Messrs. Wedgwood, Glenvil Hall, R. R. Stokes, and F. C. R. Douglas was received by the Financial Secretary on February 19. The hopes, however, that their strong representations might have some effect have not been fulfilled. There is no reference to Land Values in the new Budget. No notice is taken of the cogent arguments put forth in the Memorandum, which is reported in full in *Land & Liberty* for March. One of its paragraphs is as follows: "The whole wealth of this

country is, in the end, the product of its land and the labor of its people, or derived from exchanging that product for the products of other countries. There need be no unemployment and no enforced poverty arising therefrom if all the natural resources are put to their fullest and best use. The most far-reaching, effective and continuous method of assuring that land is fully utilized is to require payment of a tax on its site value, whether it is used or unused."

[Mr. Owen promises in his next article to analyze the Budget proposals and the discussions thereon.—Ed.]

## The Country of the Future

By JOSEPH DANA MILLER

SOMEWHERE in time remote and far  
The boundaries of that country reach  
From Southern seas to Polar star,  
To all who are of human speech.  
What matter medleys strange of tongue  
Where smiles are language—where they tell  
Their story to a world grown young  
Of Love at last made audible.

How gloriously bounded then,  
The Land that craves not War's renown—  
Eastward by love of yellow men,  
and northward by the love of brown.  
Bounded by love of all men East,  
And by the love of all men West,  
The arms of highest and the least  
Are shields about their breast.

No Hun or Vandal horde prevails  
O'er land where serfs are not, nor lords,  
Though here are playgrounds that were jails,  
And plowshares that were swords.  
Nor eye their boundary descries  
Who flung from them all vulgar fears,  
Nor are the slopes of Paradise  
Wider than their frontiers!

God waits upon that people—they  
Who find their soul what time they choose,  
And gain their glory on the day  
They their dominions lose.  
God waits them—from His templed cloud  
He seeks them with a patient eye—  
The people who, no longer proud,  
Build empires in the sky!

## Population and Land Values

### The Sydney Rating System

By A. G. HUIE

ONE of the pretenses set up by critics of land value rating is that it will promote overcrowding and the development of slums. It is suggested that as buildings will be exempt from rates landowners will seek to make more intensive and undesirable use of land. As this is a land speculator's argument it is, while plausible, suspect.

Sydney has no slums in the sense that they are known in the older cities of the world. There are to be sure many poor dwellings in the older portions of the city and nearer suburbs. We speak of them as slums and many of them are regarded as being unfit for habitation. Judged by modern standards this is correct.

It must, however, be clearly understood that all these "slum" buildings were erected long before rating on land values became practical politics. In the old days, every building was rated as soon as it was erected. If additions were made the rates were increased. Rating houses meant inferior houses crowded together and a good time for land speculators.

With rating on land values a great change came over the scene. Population spread out and better houses were built. We are able to submit a table of figures which confirms this view in a way which should satisfy anyone but a land speculator. We have divided the Sydney district into six zones.

For each area we give the acreage and population in 1908 and in 1937—a period of 20 years. It includes the whole of what is known as the metropolitan area. It consists of the city of Sydney, its 48 suburban municipalities and three suburban shires.

We have also added six areas to the outer zone because they are as near and as much suburban areas as others which are included. That is a total of 53 municipalities and five shires—in all, 58 local governing areas. That is an even more accurate statement of what is really Sydney than the area recognized officially.

#### AREAS AND POPULATIONS

The table below shows that the living populations have declined in the two inner areas while they have increased in the outer areas where the people have much more room.

ZONE	ACRES	POP. 1908	PER ACRE	POP. 1937	PER ACRE
City of Sydney ...	3,220	127,460	39.58	88,270	27.41
Second Zone .....	5,264	165,450	31.40	156,500	29.73
Third Zone .....	15,527	143,300	9.02	275,190	17.73
Fourth Zone ....	36,078	104,292	2.89	371,900	10.31
Fifth Zone .....	95,191	93,890	.99	378,270	3.97
Sixth Zone .....	501,868	35,060	.05	120,660	.24
	657,148	669,452	1.02	1,390,790	2.12

It will be seen that there has been a substantial drop in population in the City. That, however, refers to the resident

population. The working population has substantially increased. For example, in one building 1,000 persons are employed where a few years ago there were only a small number in old buildings on that site.

In other parts of the city factories and warehouses have been built, employing many hands. Formerly the land was occupied by old terraces. The bulk of the people who work in the city live in the outer suburbs. In the second zone the building of factories has gone on to a lesser extent. Here also there has been a decline in the resident population.

#### POPULATION MOVEMENT

Let us now see how the resident population has declined in the two inner areas and increased in the outer.

ZONE	1908	1937	P. C. OF DECLINE
City of Sydney .....	127,460	88,270	30.74
Second Zone .....	165,450	156,500	5.41

There you have a definite decline where population was densest, when rating on land values was established. It is clear evidence that land value rating has not crowded the people together.

			P. C. OF INCREASE
Third Zone .....	143,300	275,190	92.03
Fourth Zone .....	104,292	371,900	256.59
Fifth Zone .....	93,890	378,270	302.88
Sixth Zone .....	35,060	120,660	197.46
	669,452	1,390,790	107.75

The greatest increase is in the fifth zone where the population now is barely four to the acre. These figures should show clearly how the population has spread out since the adoption of rating on land values.

#### HOW LAND VALUES HAVE INCREASED

Let us now consider the movement in land values. The greatest increase is in the fifth zone where the increase in population was also greatest.

ZONE	L. V. 1908	L. V. 1937	INCREASE	P. C. OF INC.
City of Sydney ....	£20,207,812	£47,822,749	£27,614,937	136.65
Second Zone ....	5,878,603	9,969,010	4,090,407	69.58
Third Zone .....	8,194,772	24,271,178	16,076,406	196.17
Fourth Zone .....	5,985,104	27,496,410	21,511,306	395.41
Fifth Zone .....	5,274,398	29,649,011	24,374,613	462.13
Sixth Zone .....	2,179,048	10,988,202	8,809,118	404.25
	47,719,737	150,196,560	102,476,787	214.74

The increases in land values in the inner areas reflect the increases in the daily working population. In the outer areas they are due to the increases in the resident population. It is quite clear from these figures that rates on land values, such as have been imposed under our system of local government have not prejudiced the source of local revenue, as land values have increased at a greater rate than the population. This confirms our view as to the ability of land rents to provide all necessary public revenue.

## The Critics Criticized

By JACOB SCHWARTZMAN

[This is the fourth of a series of articles by the same author, dealing with the objections of noted economists to the doctrine of Henry George, and the refutation of such objections. The first in the series, published in the November-December 1940 issue, answered the objections of Prof. F. W. Taussig. The second, in the January-February 1941 issue, answered those of Prof. H. R. Seager. The third, in the March-April 1941 issue, dealt with a contemporary of Henry George, J. B. Miller.—Ed.]

**H**AVING answered some early critics of Henry George, I shall now turn to two modern critics, whose jointly written book appears in most reputable public and college libraries. The book is, "Economic Problems of Modern Life," and the authors are Prof. S. Howard Patterson and Prof. Karl W. H. Scholz (McGraw-Hill Co.).

(Samuel Howard Patterson, born in 1892, is a Professor of Economics at the University of Pennsylvania, and the author of several works on economic and social subjects. He is a member of the Pennsylvania State Educational Association, the American Economic Association, the American Association for Labor Legislation, and other societies.

Karl William Henry Scholz, born in 1886, is also a Professor of Economics at the University of Pennsylvania. He is the economic advisor of the Business Clinic, Inc., and a member of the Economic Association and the Academy of Political and Social Science.)

In "Economic Problems of Modern Life," the following objections to the single tax are presented:

1—Communities may develop varying rents, and a rapidly growing community might not derive sufficient revenues from the single tax to keep pace with its various collective needs.

2—A single tax would be undesirable, as there are other monopolies which would then not be taxed.

3—It would be inflexible; it could not be increased to meet urgent public requirements in times of national emergency.

4—It would involve wholesale confiscation of land.

5—It would be difficult to administer, since it is practically impossible to distinguish between capital invested in permanent improvements on land, and unimproved lands. To appropriate the entire income from improvements would be to impose a tax in part upon the fruits of human labor. (Sic)

\* \* \*

The following are my answers to the aforementioned objections:

(1)

The fear that a rapidly growing community might not derive sufficient revenue from the single tax is easily assuaged by the fact that as a community grows, rent grows with it. Rent itself is an indicator of the rise of the people's

needs. The greater the needs, the greater becomes the demand for land—and the greater becomes the value of such land. Thus rent is always a measuring rod of the people's fluctuating demands.

(2)

It is true that under the single tax other monopolies would not be directly taxed, but such taxation is not necessary. All monopolies are based either on the private ownership of land or on inequalities which are the result of such ownership. The shutting off of productive enterprises by land monopoly results in unhealthy growths which feed upon the natural production of the community. These cancers, which we call monopolies, would disappear with the abolition of private ownership of land. With free access to the resources of nature, labor would receive wages commensurate with its produce, and capital would receive real, not spurious, interest. The competition of a free market would tend to destroy monopolistic practices.

(3)

If a national emergency should arise, the cost of which could not be covered by rent, the temporary recourse to other forms of taxation would not be an argument against the single tax any more than the sacrificing of human life during an emergency would be an argument against the preservation of life. However, it is difficult to imagine any emergency that could not be met by the rent of land. Furthermore, it is no argument at all to say that, because the single tax *might* not be sufficient, and *might* cause us to resort to other forms of taxation, we should therefore retain all the taxes we have today, most of which brutally stifle production.

(4)

The authors probably imagine that by using the word "confiscation" they will frighten people away from the single tax. It apparently does not occur to them that the word "confiscation" could much more justifiably be applied to our present system, in which human labor is continually being confiscated by the pompous "owners" of God's earth.

If the solution to our present-day ills were confiscation of land, it should not be regarded as a terrible thing. However, single taxers do not propose to confiscate land, or even titles. The present owners would be welcome to remain on the land they now "own," if they pay the full rent to the community. Only such rent would be collected, and since the community itself creates the rent, certainly its collection cannot be called "confiscation."

(5)

This fifth objection is the one which appears most frequently as a refutation of the single tax. I have already answered it twice in previous articles, and believe that I can now state categorically that it is possible to distinguish between land and improvements.

The second part of the professors' fifth objection is somewhat obscure. Do they mean that under the single tax improvements would be taxed? If so, it is simple to point out that the single tax is one tax placed upon land values only. Whether improved or not, land bearing the same rental would be taxed equally. Improvements do not cause the rise of rent; the true cause is the growth of the community, which results both in improvements and the rise of rent.

## Primitive Concepts of Property

By PAVLOS GIANNELIA

**I**N his work, *Les Noirs d'Afrique* (Payot, Paris), Maurice Delafosse gives the following interesting particulars on the conceptions of the African natives in respect to landed property:—

The land, according to the natives, does not belong to any individual; neither does it belong to the whole community, as has often been erroneously averred. It is considered as belonging to the original inhabitants, or to the local deities who succeeded these pioneers, and represent them. In fact, the land itself is a deity whom nobody dares to think of appropriating! However, by offers and sacrifices, regulated by the proper rituals, the black family that first reaches an unoccupied site acquires from the local deity the right and privilege to use the land. This right is handed down from one generation to the next. In the hands of appointed ethnic groups, formed by the descendants of the first family, rights and privileges to use the land can be granted to others (gratuitously or otherwise), after the necessary rituals. However, there is no absolute ownership, or transference of ownership.

Every community possessing rights and privileges to use a given site has a chief who is usually the patriarch of the oldest family and bears the name, "master of the land." He is also the leading priest of the local religion but not necessarily the political leader. Even when the tribe falls under the yoke of another conquering tribe, the "master of the land" retains an intangible prestige. The political chief can do nothing without this master when there is the question of a sacrifice for the local deities, or a distribution of land. The conquest gives no rights over the land. The most outstanding Negro conquerors have respected this tradition.

The African natives do recognize private ownership of the products of labor. The worker possesses the fruits of his labor, and can decide how to use, give, sell or borrow it. The product of the individual's labor passes to his successors upon his death. The things produced by the community are collectively owned, and only the community can dispose of them. The agricultural worker, while not owning his land, does own the grain he sows and reaps.

The findings of M. Delafosse coincide with the observations of Mr. Josiah Wedgwood, our fellow Georgeist of the English Parliament, during his sojourn in Nigeria and South Africa, where the flourishing towns of Kano, East London and Johannesburg adapted the Georgean principles to the native legislation.

Turning now to the American Indian, it is certain that the concept of absolute ownership of land was foreign to the red man. In an article in the *National Geographic Magazine* (1936), the author relates the pathetic story of the transaction between the Indian and the Dutch Peter Minuit, whereby the latter obtained the island of Manhattan for the equivalent of \$24. The author explains that the Indian chief certainly mistook the importance of the act, which he interpreted as a temporary authorization to the use of the land, but not as a definite cession forever. He adds that there was no other mistake in the relations between the American pioneers and the natives which cost more blood than this conflict of ideas on land tenure.

I sometimes wonder if this Indian conception of property did not prepare the mind of Henry George to solve the riddle of the Sphinx of modern civilization. Unconsciously influenced by the conceptions of his red-skinned countrymen, George found the "commonplace reply of a passing teamster to a commonplace question," enough to crystallize "as by lightning-flash, my brooding thoughts into coherency, and I there and then recognized the natural order . . ."

In addition to the blacks and the reds, we also find evidence of the same conceptions of landed property in the yellow race. The German land reformer, Schrameyer, as governor of the Chinese colony of Kiauchiou, applied the single tax reform, and found that it was applicable to the old Chinese land laws. His reform caused the insignificant seaport of Kiauchiou to become within a few years one of the most important ports in China.

The similarity of all these primitive conceptions on land in reference to property and use calls to mind the words of Henry George ("Progress and Poverty," B. VII, Ch. 4): "The common right to land has everywhere been primarily recognized, and private ownership has nowhere grown up save as the result of usurpation. The primary and persistent perceptions of mankind are that all have an equal right to land . . . Wherever we can trace the early history of society, whether in Asia, in Europe, in Africa, in America, or in Polynesia, land has been considered—as the necessary relations which human life has to it would lead to its consideration—as common property, in which the rights of all who had admitted rights were equal."

. . . . .

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# Three Theories of Rent

By RAYMOND V. McNALLY

[The following article challenges the orthodox conception of rent and sets forth a new theory that, in the author's words, "represents a sharp break from the Ricardian concept." The first part of the article is presented herewith; the second and concluding part will appear in our next issue, following which appropriate comment will be made.—Ed.]

**I**N these days of economic depression, wars and political confusion, the rent question assumes a position of paramount importance. Current literature dealing with governmental regulation of industry and so-called rugged individualism, democracy and dictatorship, statism and individual rights, is, for the most part, merely a repetition of what has been written in the past and indicates no awareness whatsoever of the real significance of the phenomenon of rent\* in modern society. It is my firm belief that a clear understanding of this phenomenon would throw a brilliant light on all the economic and political problems that are plaguing mankind today and would eventually lead to their solution.

I do not believe that it is claiming too much to say that those who have been engaged in serious, scientific investigations on this subject, may be classed among the advanced thinkers of this age. A great deal of progress has been achieved, but, as is inevitable in all such investigations, different opinions and different conclusions are bound to arise when a certain stage of development has been reached and lines of thought diverge in the shape of definite and mutually opposing theories. Therefore, it seems to me appropriate at this time to reappraise these various theories with a view to eradicating those beliefs that are based on mere opinion or assumption and to retaining those that have been tested by the facts of life. Naturally, I am addressing this to those readers who are scientifically-minded, and who, therefore, knowing that they do not possess the whole truth, are eager and fearless enough to tread unfamiliar paths in order to gain, if possible, more enlightenment on this very important matter. Now, as lack of space is the controlling factor, the following examination cannot possibly be an exhaustive one. I shall only offer the highlights of each theory and hope that the reader will be inspired by my few deductions and conclusions to develop them further himself.

Broadly speaking, there are three schools of thought relating to the nature of rent. The first frankly supports the Ricardian concept and numerically is the strongest of

the three. I shall call this school the Ricardian. The second formally rejects the Ricardian theory; but while it represents an advance in some respects over the old theory, it nevertheless contains certain Ricardian characteristics. This school, therefore, I shall refer to as the neo-Ricardian. The third advances a theory that represents a sharp break from the Ricardian concept and differs also from the neo-Ricardian in that it insists upon an accurate description of economic life *as it is today*. It contains the seed of a revolution in economic and political thought. I shall call this the Realistic School.

## The Ricardians

The Ricardian theory is accepted by most academic economists with varying qualifications. Briefly, it is this: Rent is the excess of wealth that is produced on land over that which an equivalent amount of labor can produce on the poorest land in use—i. e., on free land at the margin. According to this theory, the best land is cultivated, first, but interpreted broadly, the superiority of land is determined, not only by its fertility as compared with that of land at the margin, but also by its proximity to the markets and to governmental and cultural advantages. It is assumed that the landowner is a non-productive individual and is in no way responsible for either the existence of these advantages or their availability.

The favorite example that is offered to prove that rent is determined by the difference between the products of different grades of land is this: A goes to an island and makes a good living by using a portion of the land. B follows and finds with the same degree of exertion that he can only make a poor living as compared with A by using the other land available to him. The difference between these two standards of living is regarded as rent. In this illustration, nothing is said about government services, and so we must assume that no such services exist. In other words, as there are no policemen to protect A from the encroachments of B, A could not prevent B from sharing the better land if the latter were envious of his favorable location, unless he devoted part of his time and labor to standing guard. While he stood guard, he could not produce any wealth, so that in all probability, he would not be able to profit from his use of the better land. Thus the products of the two grades of land would tend to an equality and no rent would arise. A could only enjoy a higher standard of living if he were stronger and more skilled than B, but in that case the difference would be wages, not rent.

\* Ground rent, as distinguished from the payment that is made for the use of a building, a machine or any other article.

But let us assume now that A enjoys the benefit of police protection. In one week, he can produce 10 bushels of corn. In the same time with an equal amount of labor and skill, B can only produce five bushels of corn. As A's excess of five bushels was made possible only by the police protection, he is compelled to turn it over to the policemen as their compensation. Thus his superior location avails him nothing, and he finds that he is living in a fool's paradise.

Looking at the matter from another angle, let us suppose that no policemen are necessary, that B recognizes A's absolute right to his land and makes no attempt to disturb him. In this case, A would certainly enjoy a decided advantage and the excess of his product over that of B the Ricardians would term rent. But is the question as simple as all that? Where in civilized society does such a situation as this exist or ever did exist? Not by the wildest stretch of the imagination can we tie it up with economic life as we know it. Such a situation represents a purely primitive economy—in other words, an individual economy—whereas we are living in an exchange economy. If the Ricardians are to prove their case, their theory must be applicable to an exchange society. They might try to make such an application by claiming that B would be willing to pay A five bushels for the use of the better land. It is doubtful if B would do this, for after such a payment his standard of living would be no higher than he enjoyed when he used the poorer land. If he paid only four bushels, then rent would not be the excess product but only *part* of the excess product. And if B were willing to pay four bushels for a one-bushel advantage, it is just as reasonable to expect that A would be willing to accept only one bushel as rent in exchange for a four-bushel advantage. In other words, rent might be anything from one bushel to five bushels, but this would be inconsistent with the original Ricardian assumption that rent is the excess product.

In order to give this theory as fair a test as possible, let us assume that instead of A and B exchanging products for land, they perceive the advantage of exchanging products for products. In order to be on a par with A, B would produce something else besides corn—say potatoes. They sell them or part of them in the open market. The same amount of labor and skill has produced twice as much corn as potatoes. Thus B would receive in exchange twice as much wealth for a bushel of potatoes as A would for a bushel of corn. Ten bushels of corn then would be equal in value to five bushels of potatoes, and as A would enjoy no excess, no rent would arise.

The conclusion that we must draw, therefore, is that no one can profit from the natural advantages attaching to land, whether he be a farmer, a manufacturer, a banker or a landowner. No rent is paid for such advantages. They are equalized through the process of exchange. The law

of the market is that nothing can demand a return that has not been brought into existence, either directly or through exchange, by the labor of the seller himself. If A did not own the land but rented it from someone, he could not afford to pay any rent without risking bankruptcy. He could only pay rent if he enjoyed some advantage or service at his location which could not be dissipated by exchange, and if at the same time he were a better laborer than B and produced more wealth. Such service could not withstand dissipation unless it were the result of human exertion. The Ricardians, however, claim that men of equal ability use different grades of land, and it is this false assumption that prevents them from adequately explaining the phenomenon of rent. In actual life, only the ablest men use the best land. As we cannot compare the products of men of different abilities, we cannot logically say that rent is determined by the excess of wealth produced on land over that which is produced on the poorest land in use. Rent is not a differential except in the sense that the price of anything is a differential, for if the foregoing reasoning is correct, the margin cannot be considered as a factor in determining rent.

### The Neo-Ricardians

This school seems to recognize the law of the market so far as it concerns the cooperation of nature, i. e., they insist that rent cannot be charged for the free gifts of nature. According to them, rent is payment for governmental and social services. The social services consist of transportation systems, theatres, churches, commercial and professional establishments and private museums, art galleries, schools and hospitals. It is admitted by the neo-Ricardians that the direct services of these agencies are compensated for in the prices that individuals pay for them. Thus, a person who benefits from the service rendered by a theatre pays the price at the box office, the person who attends a school pays the tuition fee and so on. But it is contended that in addition to the direct services rendered by these agencies, they render an indirect or "stand-by" service for which they are not compensated. By establishing themselves near certain locations and holding themselves ready to satisfy the demands of the occupants of sites, they make these sites more valuable. This "stand-by" service is paid for in the rent that goes into the pockets of landowners, according to the neo-Ricardians. They admit, however, that these enterprisers must carry the overhead cost of this "stand-by" service.

Now it is a matter of business practice that *all* the costs of a business concern are included in the price of the article or service it sells, for otherwise it would be forced to discontinue operations. In fact, a large part of the service rendered by business or professional men consists of "stand-by" services, and there is no valid reason for drawing a

distinction between "actual" services and "stand-by" services. The owner of a retail store, for instance, carries goods on his shelves for a long period before selling them and he employs salesmen to wait for customers to come in at their convenience. The cost of carrying these goods consists of depreciation, obsolescence and interest on his own or borrowed capital, and the cost of waiting for customers consists of the rent he pays for his store and the salaries of his salesmen. All these costs are included in the prices he charges. It is claimed that because the occupant of the site must pay more rent due to these "stand-by" services, he has less in hand with which to buy the "actual" services of these private enterprises and so these enterprises suffer. If he paid less rent, he could buy additional "actual" services, and this, it is said, would compensate for the cost of the "stand-by" services. How some men stay in business a long time and show profits without being compensated for these "stand-by" services, the neo-Ricardians fail to explain. The assertions they have made in this connection are mere assumptions not verified by observed facts. They have no place in a scientific investigation.

We have eliminated the natural advantages of land (including proximity to the markets) and social services as elements in the determination of rent and have left now only the governmental or public services. But while the first two do not give any value to sites, they do give the sites utility. Value and utility, however, are not the same thing, and I believe that it is the failure to distinguish between them that leads to erroneous conclusions. The neo-Ricardians correctly state that a man is free to purchase public services such as highways, police and fire protection, sewerage systems, libraries, sanitation, parks, etc., in the open market. He decides for himself the quality and quantity he desires. All is a matter of exchange in which efforts of one kind are exchanged for efforts of another kind. They state definitely that this natural payment *always exists* wherever these services are provided and they designate it as rent. But then, surprisingly, they contend that this process of exchange is *not* permitted to operate today, because rent is paid to a private landowner instead of into the public treasury. This payment, therefore, they claim, is a one-sided transaction and not an exchange. But if this process of exchange by which a man pays rent for public services does not operate today, how then could they have been able to describe it? Has it *ever* existed? Apparently they do not believe so, for they do not tell us where we might find it.

Now a payment that is not the result of an exchange but is a one-sided transaction is the same as a tax, i. e., it represents a seizure of one's private wealth. Thus the neo-Ricardians apparently believe that there are two kinds of rent—one a *compulsory* payment which they say is actually made today, and the other a *voluntary* payment which exists

only in some utopian realm created out of their own imaginations. How a single term can be applied to two entirely antithetical phenomena and still give one a clear picture of a certain phase of economic life they fail utterly to explain. Their assertion that rent is a voluntary payment but that it is non-existent today reads more like a normal precept of what rent *ought* to be rather than like a scientific description of what rent *actually is*.

The question naturally arises: Why does rent constitute a compulsory payment when it is made to a landowner and a voluntary payment when it is made to government officials? The neo-Ricardians answer it by saying that in the first case men are not free to refuse to pay rent because it is not possible for them to get off the earth. Now we know that men are land animals and that they cannot leave the earth unless they become disembodied spirits, but this fact has nothing to do with the economic question. Men do not pay rent for land as such, and no one knows this better than the neo-Ricardians themselves. To claim that the private collection of rent leaves men no alternative but to get off the earth (something which by their very nature they cannot do) is to assume that there is a scarcity of land in the aggregate, either natural or artificial. The neo-Ricardians vigorously and repeatedly denounce the Ricardians for making this matter a land question, but apparently not perceiving the cause of this error, they have fallen into the same trap themselves. While we know that there is a scarcity of certain kinds of land, i. e., of particular locations, no evidence has ever been produced to show that a scarcity of land in the general sense exists. The neo-Ricardians assume that men have no alternative but to get off the earth because they make the mistake of viewing rent in the general sense rather than in the specific or relative, sense.

Of course, civilized men cannot refuse to pay rent any more than they can refuse to pay for the food they eat or the clothes they wear, but they *can* and frequently *do* refuse to pay the rent that a *particular* landowner demands for a *particular* location by going to some *other* location. If we view economic life objectively without bias, we observe that landowners are constantly competing with one another for tenants. Even the owners of the poorest sites, if they possess good business judgment, are deterred from demanding too high a rent by the fear of losing their tenants or prospective tenants to the owners of better sites. Men are *absolutely free* to refuse to occupy a particular location, for no landowner threatens them with violence or coerces them in any way. The rent is not fixed by the will or caprice of the landowner but by the market. Therefore, we are left with no other conclusion but that rent is *not* a compulsory payment today but a voluntary one. The tenant pays his rent after he has entered into a free contract with the landowner. To claim, as the neo-Ricardians do, that the market is not free is equivalent to saying that there is no market

at all. Unless we believe that landowners are not constituted like every one else, it is reasonable to assume that, as a class, they are just as anxious to receive an income as other people are, and they cannot receive an income unless their land is occupied.

The curious lack of realism in the reasoning of the neo-Ricardians is even more in evidence in their attempt to show why rent would constitute a voluntary payment if it were made to government officials. Rent would be fixed by the market, they say, but apparently it would be a different kind of market than the one that now fixes the value of private services. The market that we know is one in which buyers and sellers bargain with one another in order to determine the prices of things and in which landowners and tenants bargain with one another in order to determine the rental value of sites; but the market that they envision for the fixing of rent would consist only of buyers. The public services would be provided by the public through its so-called agent, the government, but the public officials would not bargain with the users of land. They would not make assessments, or "nominate" or "fix" the rent in any way. They would merely collect it. Just how the officials would know the exact amount of rent they should collect is not explained. We are told that there would be no auctions. This means then that there would be no bidders and no sellers and thus no bargaining. Rent would be determined, it is said, by "public opinion." How this "public opinion" is to be expressed, the neo-Ricardians fail to divulge. As a matter of fact, the public today has opinions about rental value, but these opinions are influenced by real estate interests who are in actual contact with the market. But opinions frequently are wrong. The fact that one site brings a certain rent does not guarantee that a similar site will rent for the same amount. In fact, it would not be rented at all if there was no demand for it. Witness the difficulties of conscientious public assessors who assess land today by comparing one site with another. A subsequent sale or rental shows how wide of the true value their assessment was.

The "public opinion" that the neo-Ricardians have in mind would be even more nebulous. The real estate interests, in the situation that this school imagines, would be interested only in buildings and other improvements, not in land, and so would have no opinion to express that was based on actual *contracts* between landowners and tenants. Such opinion, to be effective, would have to be founded on facts of some kind. It would have to fix "rent" according to the site-users' ability to pay or according to the needs of the government. If the former, it is natural to assume that the site-users would tend to conceal such ability. But here the neo-Ricardians abandon economics (if indeed they have not already done so) and assume the role of psychologists.

They say that in order to understand this question of "public opinion" it must be realized that "the psychology of the situation would have been completely reversed by the consciousness that rent is a debt due the public." The user of the site would gladly pay whatever "public opinion" decided because it would be the "patriotic thing" to do, like "saluting the flag." Whether or not they believe that the site-user would be expected to pay in rent all that he produces above a bare subsistence we do not know, for they do not commit themselves. If this was expected of the site-user, then we would have a situation akin to early Christian communism. It is fair to assume, however, that the neo-Ricardians do not favor anything like communism, Christian or otherwise; but that leaves "public opinion" in a dilemma. Exactly how much wealth would it permit the producer to keep for himself? In order to find something definite on which to base its opinion, the public would be forced to ascertain the actual needs of government. That would mean appealing to the government officials who could safely be relied upon to fix the "rent" at "all the traffic will bear." But the man who has to pay the "rent" would not protest, for we are assured that once people understood what rent was, it would be looked upon as a "preferred debt." The reader can decide for himself whether or not this psychology is sound. The majority of the people today believe that taxes are paid for public services and that they are a "preferred debt," but yet they do all in their power to avoid paying them. Unless we are to ascertain some miraculous power to the word "rent," it is reasonable to assume that they would react in exactly the same way toward the payment of "rent" if it had to be made to public officials. Now as rent is a *voluntary* payment (and this is admitted by the neo-Ricardians), a payment made to public officials under compulsion would not be rent at all. It would be a tax. Land nationalization would be the result with all of the corruption and inefficiency which that would entail. Private industry would be even more at the mercy of the state than it is today, and the trend toward state socialism would be greatly accelerated.

In spite of the efforts of the neo-Ricardians to avoid the fixing of the "rent" by public officials, they have, through their repudiation of the democratic process of the market, played right into the hands of the bureaucrats. I do not mean to say that this repudiation is deliberate, but I mean that like the Marxist they fail to understand the market or exchange system as it operates today. This is the real cause of their confusion. They might have avoided this confusion if they had applied to the rent question their favorite dictum that opinion has no place in economic science. I shall discuss the true nature of the market, when I consider the third theory of rent, in more detail than I have thus far done.

(To be concluded in the next issue)



# Signs of Progress

## GEORGEIST ACTIVITIES THROUGHOUT THE WORLD

### Robert Schalkenbach Foundation

REPORT OF V. G. PETERSON, SECRETARY

In May 1909, Winston Churchill, in the House of Commons, made one of the best speeches of his career on land value taxation. In Edinburgh, Scotland, the following July, he spoke again on the subject. Both speeches are contained in a pamphlet we have just published, the price of which is ten cents a copy.

Another new pamphlet to be added to our list is "The Land for the People," a speech which Henry George made in Tommebridge, Ireland, in 1889. The price of this pamphlet is five cents.

A third addition to our collection is "A Business Man's Religion," also five cents. This is a reprint of the letter which Joseph Fels wrote in reply to an appeal for funds made by the Dean of a Theological Seminary. It is a dramatic presentation of the Georgeist principle of "justice, not charity."

Through the generous cooperation of the author, we have a limited supply of two more Louis Wallis books which we are able to offer at greatly reduced prices. Both books are bound in cloth. One, selling at twenty-five cents a copy is, "State of War Permanent Unless. . ." Professor Ross of the University of Wisconsin said of this book, "It contains some startling facts which are hardly known in America." The other book, "Sociological Study of the Bible," is a scholarly work of more than three hundred pages. It goes back to the earliest days of civilization to show that the vital religious ideas of Christian society took shape in response to a social pressure as tremendous and compelling as that in which we live today. The price of this book is one dollar a copy.

Last week we had an opportunity to purchase a few dozen copies of "Picking America's Pockets," by David L. Cohn. This book presents a lucid, penetrating and authoritative argument which explodes many of the fallacies which have bedevilled American thought on the tariff question. However, its main interest to us is its wealth of factual information, most of which it is extremely difficult for the average reader to assemble for himself. The book is twenty-five cents a copy.

The question is often asked, "What can I do to spread a knowledge of Henry George?" There are, of course, as many different ways as there are Georgeists and it is up to each one of us to choose the way which can best be utilized in our daily life. Mr. Matthew Van Leeuwen of Franklin, Mass., found that the many contacts he makes through

business and in a social way provided a splendid field for the distribution of literature. Occasionally he gives a book away, but he is of the opinion that if he can sell the book it has a greater value to the one who buys it. The difference between what he pays us for the books purchased in quantities of ten, and what he charges the individual purchasers, creates a small revolving fund for the constant replenishing of his stock. So far he has put about a hundred books into circulation and many hundred pamphlets.

By a similar method and using the contacts she makes through her church work, Miss Adelaide Youngman of Dunellen, N. J., has put a hundred or more books into the hands of likely prospects. An interesting side-light on Miss Youngman's work is a letter she received from a woman minister in Shellong, India, to whom she wrote regarding "Progress and Poverty." This minister, who is in charge of several churches in India and has also organized a boys' school in that country, wrote as follows: "I was delighted to get your letter which reached me in the midst of my Punjab trip. I was interested in your remarks on Henry George's 'Progress and Poverty'—a book for which I have long had a very keen appreciation. I believe he was one of the acutest observers and prophets that the Western world has produced. But, as with most of his fellow-prophets, being despised and rejected, the world has not yet begun to understand and listen to him."

Too numerous to mention are the people fitting this kind of valuable work into the regular pattern of their daily lives. One good friend in Chicago has circulated five hundred books. Henry George's own daughter, Mrs. Anna George de Mille, hardly lets a week go by without putting a book in the hands of someone she has met who has proved responsive to her prefatory talk about her father's philosophy.

This work needs ingenuity and perseverance, but it is rich in its reward. Why not try it?

### Henry George School of Social Science

HEADQUARTERS

Commencement exercises took place at the Engineers' Auditorium on May 8. About 500 students graduated from the January session. The guest speaker was Rabbi Ira Eisenstein, who spoke inspiringly on "Education as a Means and as an End." Mrs. Anna George de Mille also addressed the group, and there were four student speakers. Leon Arpin, a member of the faculty, was Chairman.

William Newcomb, co-author of "You and America's Future," believes in the visual method of propagating

Georgeism, and is now engaged in various motion picture projects at the Henry George School. Several outstanding documentary films were presented in the School auditorium, including "The City," "The River," and "The Plough that Broke the Plains." At present Mr. Newcomb is conducting a class in Motion Picture Theory, which meets at the School every Thursday, and which includes lectures by outstanding specialists in this field. Mr. Newcomb and his class are engaged in producing a slide film for the School, and are also working on a short documentary motion picture.

Classes at headquarters will continue through the summer, including the course in "The Science of Political Economy."

#### EXTENSIONS

"Sumer is i-cumen in," and the various Extensions of the School are rounding out their Spring semester.

The Chicago School, largest Extension outside of New York, held its annual banquet May 12. Hon. Francis Neilson was guest of honor. The occasion was a celebration of seven years of School work in the Windy City. Hon. Max M. Korshak, School's treasurer, reported that 639 students had completed the basic course during the past year, bringing the total to 2160 since the first Chicago class in 1934. Sixty teachers, 300 secretaries, and 500 financial contributors have made this work possible. The budget of \$5000 for the coming year was met in good part by spontaneous contributions at the banquet, totalling \$1339.

Edwin Ross, Philadelphia Field Director, writes: "The first step in the organizational part of the work here is now complete. A Trust has been formed and duly recorded with the following persons named as Trustees: Julian P. Hickok, President; Samuel L. Green, Vice President; Burton N. Jones, Secretary and Treasurer; Lucia M. Cipolloni, Anna H. Ross, Henry George III, Francis Fee, Ernest Schneider, Harold Sudell, and Charles B. Scheerbaum. Our first objective will be a fund-raising campaign, to enable us to appeal to a very much greater number of prospective students for the Fall term, and to secure office space." Philadelphia's commencement exercises were held June 5, at the Central Y. M. C. A. About 125 graduates and friends attended.

In St. Louis, Mo., five classes are nearing completion. This term will end the second year of the St. Louis School, during which time 300 students will have been exposed to the philosophy of Henry George. In addition to classes, Forum Meetings for graduates are conducted with a view to clarifying understanding of the economics studied in class. The St. Louis School work and fund-raising is carried on for the most part by graduates.

In various parts of New Jersey, seventeen classes of the Spring session have been completed. Graduation exercises were held April 25. There were about 100 graduates. A

teachers' training course will be conducted during the Summer to prepare teachers for the coming Fall term. New Jersey also has its own Speakers' Bureau, conducted by Mr. Donald Richardson.

The Boston Extension is operating under the auspices of the newly formed Henry George Institute of New England. Enrollments of the Spring classes totalled 229. The Institute is now well under way and much progress has been made in the coordination of the many activities. A Speakers Bureau is active, under the management of Mrs. Grace Dahl, in securing many engagements for Georgeist lecturers. A monthly news bulletin is being published by the Institute, offering news of the work; its current issue carries an "Honor Roll of Workers." The "muster roll" does not fall on deaf ears in Boston!

### Henry George Committee for Legislative Action

Over a thousand copies of "A Legislative Framework for the Philosophy of Henry George" are now being distributed to legislators throughout the country—U. S. Senators and Representatives, Governors of States and Territories, State Senators and Assemblymen, and Mayors of leading cities. A card is enclosed with the Framework, which reads: "Dear Legislator: There is an untapped source of revenue which, if taken, would go far towards meeting governmental needs in the present emergency. May we earnestly suggest that you give your attention to the enclosed framework of laws."

The Framework has been introduced at a meeting of the Civil Service Forum of New York City, by Mr. Charles A. Kee. The Forum is an influential civic organization. If the Forum recommends the Framework, it will carry much weight with the legislators.

Many testimonials on the Framework have been received, and proposals to make practical use of it are under way.

William Allen White has written: "You have framed a most interesting legislative program for the single tax philosophy. I should say that it could not be improved upon. But I should also say that we should go one step at a time."

William Jay Schieffelin wrote to Mr. Harry Maguire, of the Framework Committee, as follows: "The 'Legislative Framework' is well thought out. I am referring it to our Committee on Legislation. I do not think the legislature would adopt it, because the great argument in support of the Single Tax, namely, the 'unfair unearned increment', has vanished."

Mr. Maguire has replied to Mr. Schieffelin as follows: "You may be correct in saying that there has been no unearned increment in land for several years. There never is after a panic. There always is an unearned increment before a panic and it is the chief cause of it. New York City assesses land at 7 billion dollars, which means that its owners re-

ceive 350 million dollars after paying taxes to the city. The Henry George people want to take this 350 million dollars and remove all taxes from buildings. If this process were followed throughout the United States all men would have equal rights to land, and we believe that business depressions and unemployment would be no more."

Some replies have been received to the invitation, in the last issue of LAND AND FREEDOM, to form local Committees in cooperation with the Central Committee, for the purpose of distributing copies of "A Legislative Framework for the Philosophy of Henry George" and securing its introduction in legislative sessions. A Committee has been formed in Hartford, Conn., under the direction of Mr. Nathan Hillman, and other Committees are in the process of being formed.

The Central Committee again invites readers to cooperate in this work. Information, and free copies of the "Legislative Framework", may be obtained by writing to the Central Committee, care of LAND AND FREEDOM, 150 Nassau Street, New York, N. Y.

### Manhattan Single Tax Club

The Club's campaign to get the Sanford Bill passed in the New Jersey Senate is progressing. This Bill would grant local option in removing taxes from improvements and increasing taxes on land values. Mrs. Olive C. Sanford, the Assemblywoman after whom the Bill is named, is herself active in propagating the principles for which the Bill stands.

"A test vote," writes Charles H. Ingersoll, President of the Club, "has proved our strength sufficient to carry the Assembly, and we are now working with the Senators. Mrs. Sanford and Harry Haase are working in close cooperation with Mr. Alfred Chandler, and are covering the 81 legislators individually." Mr. Ingersoll himself has devoted most of his time interviewing editors, and has succeeded in getting many fine stories in New Jersey papers, among them the *Burlington Home News*, the *Lakewood Citizen*, and the *Trenton Evening Times*. This latter paper said editorially: "Advocates of the Sanford bill sincerely believe that they have something worth while. . . The least the Legislature can do is subject the proposal to careful analysis. There's just a chance that the single taxers may be right."

The campaigners are optimistic, and believe the Bill will be passed.

### American Alliance to Advance Freedom

A general Alliance meeting was held May 16th, at the City Club Building. The subject of this meeting was "After the War—A Georgeist Peace?" Sidney J. Abelson delivered a talk on the subject and discussion from the floor followed. Lloyd Buchman was the discussion leader

and Sara Wald chairman of the meeting.

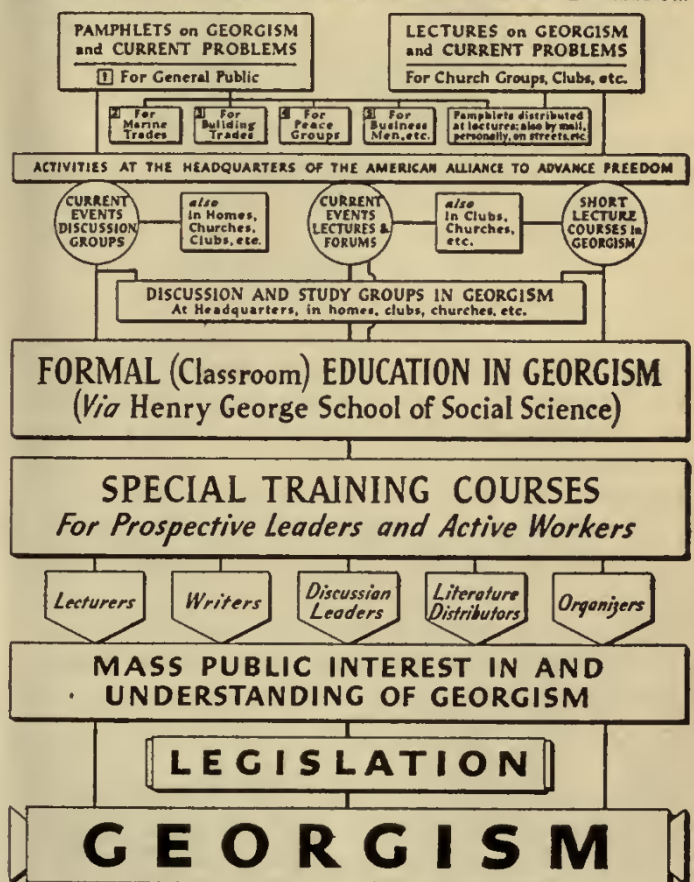
The growing number of Alliance members are carrying forward, on their own initiative, the work of the Alliance. Miss Rose Gutman and Miss Marian Seeley are organizing a membership committee; Mr. M. H. Flechner heads a typing committee which has assumed the task of typing the manuscripts flowing from the pens of writers and speakers cooperating with the Alliance; and Miss Sara Wald, Mr. Louis Taylor and Mr. Adolphe Migdon constitute the nucleus of a speakers' bureau committee.

William Auerbach-Levy, one of America's most distinguished artists, and a member of the Alliance, has drawn and contributed to the organization a portrait of Henry George based on photographs loaned for the purpose by the Henry George School of Social Science. This drawing has been reproduced in monochromatic offset and copies are being sold at 50 cents each.

Reproduced below is the "Functional Chart of the Alliance. This chart outlines graphically the plan of action and the ultimate objectives toward which this plan is directed.

Further information may be obtained by writing to Elbert E. Josefson, Secretary, American Alliance to Advance Freedom, Suite 505, 22 West 48th Street, New York, N. Y.

#### FUNCTIONAL CHART-AMERICAN ALLIANCE TO ADVANCE FREEDOM



## Women's Single Tax Club of Washington

REPORT OF GERTRUDE E. MACKENZIE

At the Club's last regular meeting for the season, on May 7, the annual report covering the year's activities was sent in by Mrs. H. M. McEvoy, the Club's President, who has been in New York negotiating the publication of her Concordance. Our reports are presented to the Federation of Women's Clubs with which our Club is affiliated, and are published in their year book.

Miss Alice I. Siddall read a bill which she had prepared and submitted to the Ways and Means Committee that afternoon, providing, in brief, that "beginning July 1, 1941, there shall be assessed and collected one per cent of the value of all land and/or area situated in the United States, its Territories, Possessions, and the District of Columbia, exclusive of the value of improvements therein or thereon, and shall be collected each July 1 thereafter by each State, Territory, Possession, and the District of Columbia, from the holders of legal title to such land and/or area within their jurisdiction and transmitted immediately to the Treasury of the United States."

The following officers were unanimously reelected for the ensuing year: Mrs. Helena M. McEvoy, president; Miss Alice I. Siddall, first vice-president; Mrs. Gertrude E. Mackenzie, second vice-president; Mrs. Walter N. Campbell, recording secretary; Mrs. Jennie Knight, corresponding secretary and treasurer; and Mrs. Miriam C. Goodwin, director to the Federation of Women's Clubs.

## Henry George Foundation

At the last annual Henry George Congress in Washington, it was unanimously decided to meet in Chicago in 1941, for the sixteenth annual Congress, accepting the cordial invitation extended by Clayton J. Ewing, Vice-President of the Henry George Foundation. President George E. Evans has appointed Mr. Ewing as Chairman of the Convention.

The dates have been set for Monday, Tuesday and Wednesday, September 29th, 30th and October 1st, and the famous Hotel LaSalle has been selected as official convention headquarters.

Among prominent speakers tentatively scheduled to address the Chicago convention are: Hon. Herbert S. Bigelow, Mrs. Anna George de Mille, Benjamin W. Burger, Gilbert M. Tucker, Rabbi Michael Aaronsohn, Dr. Mark Millikin, Charles R. Eckert, Hon. Peter Witt, Frank Chodorov, Mrs. Helena Mitchell McEvoy, John Lawrence Monroe, Harold S. Bottenheim, and Col. Victor A. Rule

The Convention Committee is planning to direct a trend of discussion particularly along the lines of such practical questions as how to win more adherents, and to discuss ways and means of devising practical programs for the application and extension of the Georgeist principles.

## BOOK REVIEWS

### THE MENACE OF DOMESTIC TRADE BARRIERS

"Tax Barriers to Trade." Tax Institute, Philadelphia. 1941. 344 pp. \$2.50.

With the increasing emphasis on foreign affairs we are inclined to forget the many problems within our own borders. A better understanding of these difficulties would reduce the effect of the various doctrinal assaults on democracy and aid in bringing about national prosperity and security. "Tax Barriers to Trade" presents a discussion of an increasingly important problem—the hindrance of trade between citizens of the various states.

The Tax Institute selects each year a current tax topic for discussion by various leaders who have seriously considered the subject. "Tax Barriers to Trade" is a collection of addresses at this year's symposium. Twenty-nine students of this tax problem have contributed their views to combine in this book a well-balanced presentation of the problem. The self-interests of various groups as well as the opinions of academic theorists are included.

Trade barriers within the United States are a product of the depression. They attempt to protect local producers and distributors from out-of-state competition and at the same time to raise additional revenue for the increasing demands on the treasury. In most cases one product or service is taxed or regulated in an effort to reduce its competitive effect to benefit another group, although both groups may be managed by men of the same state. The various combinations of lobbyists are for this reason haunting the state capitals—the railroad against the truckers, the dairy farmers against oleomargarine producers, and the independent retailers against the chain stores. These groups account for the major share of discriminatory taxes, and administrative laws have resulted in setting up these trade barriers, laws that have become a menace strangling the economic life of our nation.

In "Tax Barriers to Trade" representatives of all of the above groups as well as others voice their opinions. L. W. Horning, Regional Director of Research of the Associations of American Railroads argues that truckers seek "to escape reasonable and legitimate costs which they should bear in order that they might compete more effectively with such an agency as the railroads." In his contribution to the book he defends every tax and regulatory law that hinders the truckers. Chester H. Gray of the National Highway Users Conference explains to us how each one of the points made by the railroad men are not true when properly analyzed.

Floyd D. Strong, of the Kansas Port-of-Entry Board, defends the port-of-entry system of his state, claims that it is a success and that it does not interfere with interstate trade. John V. Lawrence of the American Trucking Associations takes another view. "Size and Weight Restrictions on Trucks" is his grievance.

All of the above men present their views under the section "Highway Trade Barriers." We must draw our own conclusions from the many opinions expressed. The only speaker who makes some attempt at impartiality is a representative of the Bureau of Agricultural Economics, Edgar A. Burtis. He represents a greater portion of the citizens but not all, since "The Farmer's Concern in Highway Trade Barriers" is his subject. No one appears in this symposium to speak for the ordinary taxpayer and consumer.

There are six sections in this book. Four of them deal with specific types of trade barriers, Highway Trade Barriers, Commodity Trade Barriers, Tax Barriers to International Trade and Marketing Trade Barriers. Each of these subjects is treated in much the same way as "Highway Trade Barriers," outlined above. The various self-interest groups voice their opinions while an effort at impartiality is

made by some professor or government official. The first section, "The Menace of Tax Barriers to Trade", introduces us to the problem. "What Can Be Done About Trade Barriers" ends the book with the work that is being performed by the many agencies attempting to put an end to trade barriers.

The discussion on International Trade is the most disappointing. Nothing was said of Hull's reciprocal trade agreements and very little of tariffs—two important discussion points with little or no mention. Elimination of the double taxation of corporation's income as the stimulus that would improve foreign trade is the only suggested proposal that this section leaves with the reader.

"Tax Barriers to Trade" can be recommended because of the proven soundness of the Tax Institute and because of the importance of the subject. While the problem conveyed in the title goes unanswered, no one can claim that he understands the various aspects of tax barriers to trade without having read this book.

LOUIS TAYLOR

#### LATEST WORKS OF FIDELINO DE FIGUEIREDO

Two new books have arrived from Brazil—both the work of our Brazilian correspondent, Prof. Fidelino de Figueiredo, who is now with the National Faculty of Philosophy at Rio de Janeiro.

The first work, "*Ultimas Aventuras*" ("Latest Adventures," Empresa A Noite, Rio de Janeiro), is a group of scholarly essays. Prof. de Figueiredo's *aventuras* are a series of explorations in the field of literary and philosophical criticism. He covers such a range of subjects as knowledge and intuition, art and style, life and love, science and society.

In his chapter on "The Limits of Personality," Prof. de Figueiredo discusses the prodigious advances of science—the smashing of the atom, the concept of the fourth dimension, the transformation of mathematics—and points out that with all the revolutionary implications of these advances, we have not yet attempted to orientate the base of our social structure. Instead, we have allowed monstrous deformities to grow up. We have not constructed our economic system upon the most fundamental of facts—that man is a land animal. "The good effects of the increase of wealth," says de Figueiredo, "are nullified by its effects on the increase of poverty and on distributive justice—so Henry George proclaimed already in 1879, in his immortal work, 'Progress and Poverty.' And the increase of poverty causes each time a greater intervention of the State in economic life, bringing an incessant reduction of individual liberty."

The second book, "*A Agonia do Cristianismo*" ("The Agony of Christianity," Edicoes Cultura, Sao Paulo), is a translation into Portuguese by Prof. de Figueiredo, from the Spanish of Miguel de Unamuno. This famous work of Unamuno, having appeared in English, Spanish and French, is now made available to Portuguese readers. In his preface, de Figueiredo pays tribute to the revered Salamanca professor.

In "The Agony of Christianity," Unamuno himself agonizes over the meaning of Christianity. In a brilliant, almost sparkling, manner he presents his case that Christianity is a purely individual and subjective phenomenon; he rejects Nietzsche's "social Christianity." But Unamuno is troubled. He foresees a world going to pieces, a civilization crumbling. (The book first appeared in 1925, in Paris.) However, he sees no salvation in Christianity, although he himself is a deeply religious man; instead he sees it doomed to go down with civilization. Can this be because he rejects social Christianity?

## CORRESPONDENCE

### FORTIETH ANNIVERSARY ECHOES

EDITORS LAND AND FREEDOM:

Your bit of history in the January-February issue of LAND AND FREEDOM, entitled "Forty Years of the Struggle for Freedom," aroused my old sympathies for the men and women who devoted so much effort, with so seemingly little, though really large, result in reaching the minds of folk with the message of Henry George.

I was one of them. They were and are my friends. We held conventions. We organized. We contributed funds for campaigns in the validity and tactics of which we had profound doubts. The good work was carried forward. Organizations came and went. Individuals carried on. May I suggest an analogy?

A nation needs organization for defense from attack from without, from abuse of its people by their own government, and to enable its individuals to defend themselves from imposition by their fellows; but only on special occasions, such as war, does such organization need to be concentratedly purposeful. The normal course of social life is a compound of the lives of its individuals. As long as the market is free—unorganized, unregulated—it affords the fullest opportunity for the production of wealth.

So, it seems to me, in the advancement of ideas, the less we organize to regulate the effort, the more widely will knowledge spread. With all proper respect for those who put their faith in organization, this is one lesson I draw from your splendid resume.

Chicago, Ill.

HENRY L. T. TIDEMAN

[Mr. Tideman, Director of the Chicago Henry George School, had copies of our Fortieth Anniversary Number sent to all the Chicago instructors, with the following letter: "This issue of LAND AND FREEDOM has in it an article covering some of the interesting history of the Henry George movement, facts which should be part of the stock-in-trade of every teacher in the Henry George School. I urge you to read it all carefully. There is nowhere else in so small compass so much historical information to serve as a back-log for the fire that burns in those who wish to carry on our great work . . . You may, when you have perused this copy, find it worth while to invest. This magazine is always interesting and the best of its kind."—Ed.]

EDITORS LAND AND FREEDOM:

My deepest compliments on your *Quadragesimo Anno*, as the Vatican would say. Your record is frank and complete, and well balanced.

It is difficult at present to remit for my subscription. We spend fifteen million pounds a day on the war, but a few pennies for a journal is taboo—though the wisdom of your paper is worth X million pounds to our Empire!

Bishops Stortford, England

REV. MERVYN J. STEWART

EDITORS LAND AND FREEDOM:

I believe that your readers will enjoy reading "Fame is the Spur," by Howard Springs (Viking Press), a novel dealing with the political developments in Great Britain during the past fifty years. There is considerable of the land question in the book, although the author doesn't refer to Henry George's visit, nor the influence of his "Progress and Poverty." The story of the rise of the futile Labor Party, and of its failure to deal understandingly with the fundamental cause of unemployment and poverty is well told.

New York, N. Y.

WHIDDEN GRAHAM

**MORE CHEERS FOR "THE PHILOSOPHY OF FREEDOM"**

EDITORS LAND AND FREEDOM :

I enjoyed "The Philosophy of Freedom" very much. I feel that Gaston Haxo has notably accomplished his purpose in giving a very interesting and instructive condensation of Henry George's great work. I have found many people who find the unabridged "Progress and Poverty" too much of a chore to read through, and I believe that Mr. Haxo's book will reach them, and that many of them will become sufficiently interested to study George seriously. I found especially useful the many diagrams, and greatly appreciated the appendix. I trust that a second edition will soon be called for.

Sante Fe, N. M.

WILLIAM CHAUVENET

EDITORS LAND AND FREEDOM :

"The Philosophy of Freedom" seems to me a very wise departure, especially for the college-educated young men and women. "Progress and Poverty" is very hard and concentrated reading, like the Bible, and your new book may be like the Revised Version of the Bible—it may help younger people. This new book by Mr. Haxo should be very welcome to the leaders of our nation, who are trying to explain to young people the philosophy of freedom.

Southern Pines, N. C.

FLORENCE GARVIN

**GOELLER'S DISTRIBUTION CHARTS**

EDITORS LAND AND FREEDOM :

Some years ago I made a diagram (reproduced below) to illustrate the distribution of wealth under present conditions and under the single-tax system. Louis F. Post said of my chart: "This is an excellent diagram—simple and sound."

Note that there are three kinds of rent in society today—normal, speculative and monopoly. The normal rent line is marked "C" and the speculative rent line is "A" on the same diagram. The way to increase wages is to force monopoly and speculative rent back into the pockets of the workers whence it came in the first place. Henry George did not propose to collect *all* of present-day ground rent. What he proposed was to take all of the *economic* (or normal) rent, the object being to raise wages without resort to socialism or communism.

There's nothing like a picture or diagram to clear thought.

Endwell, N. Y.

C. LE BARON GOELLER

**The Distribution of Wealth**

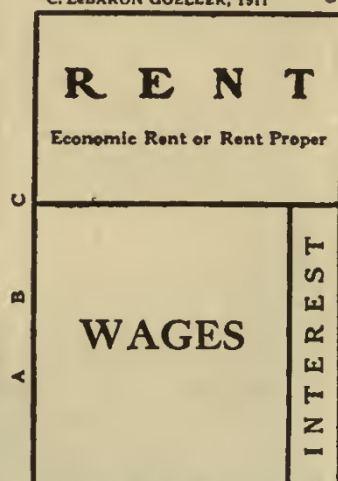
C. LeBARON GOELLER, 1911



Under present economic regime

**The Distribution of Wealth**

C. LeBARON GOELLER, 1911



Under Single-Tax System

**REPLY TO SCHLEY'S "RENT AND THE TAX FUND"**

EDITORS LAND AND FREEDOM :

Mr. Robert Schley's article in the last issue is written from a point of view which must complicate a subject that should be easily intelligible—the problem of sufficiency of rent for government expenses. Mr. Schley's article is headed "Rent and the Tax Fund," but he bases his study, not on the collection of rent but on the taxing of land values. These two things are so different that one of them can wreck the best laid plans of Georgeists.

If title holders are the rightful owners of land including the rents, government has no more justification in taxing land values than it has in taxing houses or incomes. All the basis of justice then disappears from our campaign, and it degenerates into a contest between the haves and the have-nots.

If we tax land values 100% the land values disappear, we have neither tax base nor taxes, and government is bankrupt. This, of course, is an absurdity, and the prospective convert who hears this is through with Georgeism. If we tax land values 25% or 75%, the effects on the land values and on the tax base are so unpredictable that the intelligent fixing of a tax rate would be impossible. If the rent of the land belongs to the people, why not take the rent, instead of taxing the loot and going into partnership with the looters? If we base our study on the collection of the rent, the problem of financing the state will be as simple as the financing of an office building, because they are exactly the same problem.

People who receive services, from a state or from a business man, should expect to pay the cost of the services. Every dollar expended by government legitimately is for service, and the only beneficiaries of these services are the title holders. Rent is the measure of these services, and a tenant cannot benefit by these services unless he lives somewhere and pays the title holder the full value of these services.

A bridge which costs a million dollars, and which does not add a million dollars value to the locations which it serves, is a blunder whether it was erected by a state or by an association of title holders. If the state collected the rents of these locations, and if the bridge is worth its cost, citizens would be glad to pay the increased rentals necessary to finance the bridge.

In the same way, the total rents, if collected by the state, would pay for all the expenses incurred by the state, the total of these expenditures being the cost of the total values which have been imparted to the lands by these expenditures.

The public finances are now in a state of hopeless complication, but these complications are the result of the present system of taxation, and they would disappear if the state collected its income from its customers as any business man must do. A grocer who should give away his goods to the first comers, as the state gives away its rents, and then hold up the passers-by to collect for his expenses, would develop complications which no expert accountant could untangle.

It is true that rent would be insufficient for *all* the present expenses of government. Title holders who would compete for valuable sites on the payment of the rent which covered the cost of the improvements, would be unwilling and unable to pay a rental which would cover the cost of boondoggling extravagant public works, and all the rest.

Graft and incompetence in politics will never be eliminated while politicians have the privilege of taxing at their sweet will. If they were limited to accepting the rents which their wise spending had created, and could get their salaries in no other way, they would speedily learn the economy, the intelligence, and the honesty which they must employ in their private enterprises.

If we will bear in mind that "the actual visible chaos of existing conditions" is the necessary result of the unjust and illogical system of finance which gives away its earnings and then picks the pockets of the citizens to replenish its coffers, we will more easily grasp the obvious truth that title holders are the sole recipients of the values created by government expenses, that the rent of land is the measure of these values, and that the collection of rent would automatically equal the cost of the services, that is, the government's budget.

Jamaica, N. Y. JAMES SNYDER

[We believe that Mr. Herbert T. Owens' article "Assessing Land on Gross Value," answers Mr. Snyder's objection to land value taxation.—Ed.]

#### EDITORS LAND AND FREEDOM:

Permit me to offer a word of comment on Gaston Haxo's "Theory of Interest."

Capital is a vital necessity of modern business.

In large scale business, borrowed capital is the rule rather than the exception, as evidenced by the billions of security values listed in our Stock Exchanges, Insurance Companies, Building and Loan Associations, etc.

By the promise of Interest, a million trickles of small savings accounts are now induced to come out of hiding and flow into one vast pool where, under experienced management, they accept the risks of industrial activity and assist in providing work for our people.

Whether we call this promise "Interest" or "Insurance" or some other name is of no importance. But the principle, that when one individual entrusts his funds to another, he accepts a risk of loss, is of the greatest importance. And unless there is an adequate inducement to compensate for this risk, only a lunatic would consider the proposal.

Any attempt to deny this compensation for risk, dams every one of these capital trickles at the source. The pool of capital funds available for the encouragement of industrial enterprise dries up. Every form of business dependent on borrowed capital would tend to degenerate to what each individual manager could provide from his own resources. Conditions of unemployment would be indescribable.

Chula Vista, Calif.

RAY H. TABER

## John Radcliffe

The Cleveland Extension of the Henry George School has lost its faithful Secretary, and many of the workers in the cause of freedom have lost a rare friend.

John Radcliffe, whose frail body harbored a fine intellect, died after a brief illness at the Glenville Hospital and was buried this May at Youngstown beside his mother and his father, who was Billy Radcliffe, S. T.

Besides John's sure grasp of economic principles, his outstanding character was his gentleness and quiet, retiring disposition. When, back in January, 1938, John Monroe reorganized and greatly expanded the work of the Cleveland Extension, he prevailed upon John Radcliffe to guide its work and progress. To this undertaking John gave his all and gave it gladly. His unassuming leadership was an inspiration to his associates.

Now he is no more. But his influence lives on. On Thursday, May 15th, a small group of friends, composed of Philip Balaban, George F. Dort, George Downer, and H. K. Rice, met at the home of the writer informally to discuss ways and means to keep the torch of Libertarian Economics shining. John Radcliffe would have wanted it so.

FRED SCHULDER

## NEWS NOTES AND PERSONALS

CONSUMERS' COOPERATION, official national journal of the Consumers' Cooperative movement, gave us a "puff" in its April issue. Under the headline, "We Salute the 40th Anniversary Number of LAND AND FREEDOM," the following appeared: "While we are celebrating the 25th Anniversary of the Cooperative League and the 27th Anniversary of *Consumers' Cooperation*, we also pay tribute to our contemporary, LAND AND FREEDOM, upon its 40th Anniversary issue. Particular tribute is paid to the former editor, Joseph Dana Miller, a true prophet who could see so clearly into the future more than 20 years ago." Miller's prophetic words on the world scene, which so impressed *Consumers' Cooperation*, may be worth repeating here:

"Great God! We are the torch-bearers of an economic world gospel! We bring balm for the healing of the nations, a message for the oppressed, a new Magna Charta of emancipation for mankind. If rejected, Leagues of Nations, covenants of peoples, are veritable 'scraps of paper.' Again autocracy will challenge the political democracies that even now are shaken by internal revolutions. Again the Man on Horseback, a pinchbeck Hohenzollern or a real Napoleon, will over-ride the world. Again on dying democracies, by power of cannon and shot and shell a modern Tamerlane will seek to fatten."

THE CHRISTIAN SCIENCE MONITOR carried nearly a full column biographical sketch of Henry George on its Daily Features Page, May 9th. The article, which included an attractive portrait of Henry George, gave a warmly sympathetic account of the author of "Progress and Poverty." The lines open: "Henry George was a great American social philosopher. His name will always loom large in the annals of labor." The article closes with a word about "Progress and Poverty": "Today it is still an authority among social philosophers."

WE, THE CITIZENS, Chicago Georgeist organization, has been circulating attractive folders calling the public's attention to "The Basis for a World Peace." Mr. C. R. Walker, Secretary of We, The Citizens, writes: "We are working on plans, building equipment and accumulating munitions that will make for the success of the 'blitz' we propose to inaugurate in the not too distant future. Be assured that We, The Citizens is a busy organization." If interested in the program of this organization write to We, The Citizens, 127 North Dearborn Street, Chicago, Ill.

J. B. CHAMBERLAIN, of Kensington, Md., believes that a more intensive effort should be made to interest people of Washington, D. C., in the philosophy of Henry George. He proposes to establish a lecture room where the philosophy might be taught; and he believes that the endless procession of visitors who would like to go some place toward the close of the day would be a fertile field to work upon. In addition, the many governmental employees from out of town should be interested in such lectures.

THE students of Gaston Haxo's "Science of Political Economy" class at the Henry George School feted their master, on May 22, with an "over-consumption dinner," according to the clever menu drawn by Mrs. Sylvia Wiren, one of the students. The bill of fare included Cold Veal a la Adam Smith, Pommes de Terre Physiocrats, Spring Salad Ricardo, a Wealth Cake divided into Rent, Wages and Interest, and Coffee with Cream Henry George.

J. RUPERT MASON sends us news of the death of John F. Conroy of Lowellville, Ohio. "He was a fine worker," writes Mr. Mason, "who circulated timely items about taxation, tariffs, etc., to a dozen or so widely separated friends, who would write to their local editors, and in turn write their friends to do the same—a sort of chain letter idea."