

November-December, 1941

Land and Freedom

An International Journal of the Henry George Movement

Problems of National Defense

I. The Financial Problem

Britain and the Atlantic Charter

Douglas J. J. Owen

Croatia and the Military Frontier

A New Kingdom and an Old Custom

Pavlos Giannelia

The Choice of the Pierced Ear

A Lesson from the Slave Code of Moses

Craig Ralston

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LAND AND FREEDOM

An International Journal of the Henry George Movement
(Founded in 1901 by Joseph Dana Miller)

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November-December, 1941

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INDEX TO CONTENTS

	PAGE
COMMENT AND REFLECTION.....	175
PROBLEMS OF NATIONAL DEFENSE.. Strolling Reporter	176
CONGRESS IN A TAX DILEMMA..... J. Rupert Mason	177
BRITAIN AND THE ATLANTIC CHARTER Douglas J. J. Owen	179
EDWARD COKE AND HENRY GEORGE Hon. Henry H. Wilson	181
CROATIA AND THE MILITARY FRONTIER Pavlos Giannelia	182
OUR AUSTRALIAN LETTER..... A. G. Huie	183
THE CHOICE OF THE PIERCED EAR..... Craig Ralston	185
LOCAL TAXATION IN NEW ZEALAND Hon. P. J. O'Regan	187
IF HENRY GEORGE WERE LIVING TODAY E. S. Woodward	189
PUCK AND THE MAN FROM MARS..... Horatio	192
TWO FORMS OF GOVERNMENT..... Henry Ware Allen	193
SIGNS OF PROGRESS.....	195
A REJOINDER TO MR. McNALLY Committee of Ricardians	198
JAMES F. MORTON.....	199
BOOK REVIEWS	200
CORRESPONDENCE	200
NEWS NOTES AND PERSONALS.....	203

The articles which appear in LAND AND FREEDOM express the views
of the authors, and do not necessarily represent the opinion or the
policy of the editorial staff and publisher.

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 there-
fore 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 tax-
ation 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 aris-
ing out of our unjust economic system are the
penalties that follow such violation, as effect fol-
lows 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 in-
comes, 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.

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.

*"We cannot safely leave politics to politicians, or political economy
to college professors. The people themselves must think, because the
people alone can act."*—HENRY GEORGE.

Land and Freedom

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No. 6

Comment and Reflection

JUST as this issue of LAND AND FREEDOM was about to go to press, the cowardly bombing of the Pacific islands by the aggressors of Japan was adding another chapter to totalitarian treachery. If there was any doubt before, it should now be clear that it is impossible for democratic and fascistic governments to live together harmoniously in the same world. More than once this journal has declared that the defense of political democracy against fascism was essential to the attainment of our own goal. Therefore, LAND AND FREEDOM, as the voice of our movement in America, now calls upon all Georgeists to present a united front against the ruthless forces of totalitarianism. The better to cement our solidarity, we present herewith the convictions of some outstanding Georgeists on democracy in the light of the larger freedom we espouse.

READERS will recall that Joseph Dana Miller was quoted on this subject in our last issue, and Henry George's position as set forth by his son was also mentioned. We now quote Thomas G. Shearman, a close friend of Henry George and a prominent leader in the early days of the movement: "I am indebted to Henry George for the first fixed conviction that the British system was vastly superior, considered in the interests of humanity at large. . . . If, therefore, the opinion of Henry George was formed upon a sound basis, there is always a presumption in favor of Great Britain, whenever it is engaged in a controversy as to boundaries or the possession of land, so far as the interests of the whole human race are concerned."

OSCAR H. GEIGER, founder of the Henry George School of Social Science, wrote as follows to Dr. Percy McDougal of England, in 1934: "I like your 'Antidote to Fascism,' in defense of British liberties against Fascism in Britain. I hope you will not need to issue a 'Call to Arms,' but it's a fine move to arouse in the minds of the people a realization that there is a danger. Great Britain has long stood as the defender and upholder of liberty and democracy. It will continue to do so because of the true British spirit manifested in your 'Antidote'."

ANNA GEORGE DE MILLE, daughter of Henry George and president of the Henry George School Board of Trustees, wishes to record her views in this matter. On December 6, one day before the Pearl Harbor outrage, she sent us the following almost prophetic statement: "Today the

question is not whether we approve of war—no one can want war but a depraved sadist. The fact that must be faced is that the most far-reaching and devastating war in all history is upon us. How can we end this war most quickly and leave a wound least difficult to heal? By throwing our strength with the invaders, the dictators? This we certainly will do unless we actively throw our strength on the side of those who are fighting to keep alight the torch of democracy, as typified by our own Bill of Rights. 'Peace at any price' is the talk of 'appeasers,' the sort of talk that wrecked France—that acts as an opiate and develops an apathy that threatens utter destruction of what civilization man has as yet attained. Henry George abhorred war, but worse than war he abhorred slavery. He deeply regretted that during our Civil War he was too far away to strike a blow against chattel slavery and for the union of our States. He made a serious attempt to go to Mexico to help the Juarista Party throw off the yoke of the dictator Maximilian. Would he be an 'isolationist' today? I do not believe so. Would he not side with the democracies, since he knew that the only hope of economic freedom is via political freedom—that unless man can hold what freedom he has, true justice is retarded for centuries?"

MRS. DE MILLE adds: "Tired of having it said that Henry George was against war *no matter what the provocation*, of having it insinuated that by my own present stand I was denying him, I wrote my thoughts on this matter to a friend—one who has taken an active part in the Peace Movement in the United States and who personally knew Henry George—Alice Thacher Post, widow of Louis F. Post." Mrs. Post replied to Mrs. de Mille in a letter from which we quote, through the courtesy of Mrs. de Mille and with the permission of Mrs. Post: "I agree with your interpretation of the present crisis absolutely, and while I would not venture of myself to be sure what Henry George would decide, I would be surprised and sorrowful if I thought he were deciding any other way. . . . Democracy is not just another kind of government. It is the appearance in modern times of the working out of the 'right of choice' in mass life—even though at present only imperfectly. . . . Only free man can work with God in the making of a free society. Never before has an issue been put before the world on so stupendous a scale and with so definite a quality. Men are answering the challenge according to their inner temperaments and visions of value. I *believe* your father and Louis Post are working on the freedoms in the great universe of the spirit in these fateful days."

Problems of National Defense

I. The Financial Problem

By THE STROLLING REPORTER

IN the midst of a great World War, in which the United States is becoming more and more involved, many problems present themselves. One of the most pressing to the forefront today is the financing of the vast defense program in which we are engaged. The American people are on the verge of being taxed in amounts reaching geometric proportions. But so generally recognized is the national emergency that little or no objection is being raised against increasing income taxes, both on past as well as future earnings.

The latest reports from the Treasury Department indicate that the taxes for national defense will be as heavy, if not heavier, than those in Great Britain. A ten per cent. tax on incomes has already been approved by Congress and now an additional fifteen per cent. is proposed by the Treasury Department. In addition to this, citizens will be compelled at the beginning of 1942 to pay their income tax for 1941 and then have their wages deducted for the 1942 tax in advance.

No account has been taken of the income taxes which must be paid to the various states which impose such a tax. In the State of New York the income tax is four per cent on incomes of less than \$5,000 a year, with a rising scale for higher incomes. In New York City we still have a sales tax, although it was cut in half for political purposes during the last Mayoralty campaign. Few persons recognize that the State of New York collects a tax on the total amount of earnings, allowing no deduction for the tax paid to the federal government.

While all sorts of taxes are leaping skyward, a great untapped source of revenue remains ignored by the government—the land values of the nation, which, if taxed, would go far toward financing the defense effort.

The present administration is called by its proponents a "New Deal," in contradistinction to what is called a "raw deal" given by former administrations. A glance at the record of the New Deal and at the direction in which it is going indicates that the people are now getting as raw a deal as they ever got.

Few recognize exactly where the administration is leading us. Every move indicates that it is in the direction of state socialism, where the government will control all the means of production and distribution as well as the means of transportation and communication. An illustration of this trend is seen in recent public finance and tax developments, spurred by the defense effort. Since the expenditures of the national government have been increasing from the inauguration of the

New Deal, bonds have been sold by the government and taken up by the banks. In order not to frighten the depositors, all accounts are guaranteed up to \$5,000 by the federal government. This keeps the depositors from giving too much thought to governmental affairs, being assured that their savings are safe. Otherwise, they would be taking their money out of the banks and hiding it in the mattress, as was done before savings banks were introduced.

It is interesting to note that in most of the states, savings institutions invest the largest portion of their deposits in real estate mortgages.

The government has now gone into the housing business and is erecting dwellings throughout the country for the benefit of the poor who cannot pay a rent dictated by the market—with the result that in the urban centers the subsidy amounts to approximately \$250 a year per family. This is guaranteed for the next sixty years. It has had a tendency to discourage private industry to the point where the construction of dwellings by private enterprise is reaching a low point. At the same time, existing dwellings are gradually losing value, for the reason that there is a fear of increasing governmental competition. Improvements have not been made in the older houses, with the result that they are losing their tenants, and the property is being taken over by the mortgagees.

Insurance companies and savings banks hold practically all the mortgages throughout the country. They are loaded down with foreclosed properties—"cats and dogs," as they are called—entailing a heavy loss to the mortgagees, for under the law they must dispose of them within a limited period. The result has been a decreased interest paid to depositors in the savings banks and the lowering of premiums given to the holders of insurance policies.

The indications now are that if this condition continues the federal government will step in and take over the institutions. As an illustration, a \$5,000 mortgaged property will be sold for \$3,000, *i.e.*, at a loss of \$2,000. The depositors in the banks are guaranteed \$5,000 by the federal government. The cumulative losses will be made up through increasing taxes paid by the citizens. So on the one hand the government protects the depositor and with the other hand takes it away from him in the form of taxes due to losses. Here we have an illustration of how the federal government, if the trend continues, will be in control of the savings banks and insurance companies.

The business banks hold untold millions of government bonds. In my opinion there will be no repudiation of those bonds, but when they fall due they will be called in and paid off with new bonds, perhaps at a lower rate of interest. This is a lesson the "brain trust" have learned from the railroads and utility corporations.

In the sale of the bonds for defense it is stipulated that they are redeemable in ten years and, in order to avoid a fall in the prices, they may be redeemed only by the purchaser. This is a point in favor of the New Deal. It was done to avoid a repetition of what happened after the last war, when government bonds fell to around eighty. There was speculation and millions were made at the expense of the poor man, who from patriotic impulses bought bonds to help defeat our enemy.

Another point in favor of the present administration is the effort to prevent "wildcat" speculation in Wall Street, such as occurred during the easy money days of the Harding and Coolidge administrations. The "boom" exploded in 1929 during the incumbency of President Hoover. The public lost heavily, "paper millionaires" had to go to work, and the conservative political party was practically wiped out.

The investigations of the railroads and holding companies lead in one direction only—they will eventually be taken over by the government, since they will be unable to finance the improvements needed to meet modern methods of transportation.

We are witnessing the steady growth of "control from the top" in other ways. A sermon recently prepared by Mayor LaGuardia, Director of Civilian Defense, and sent to ministers of various denominations for delivery in their churches, is only a beginner. (Later on the newspapers and magazines will be told what to print and when.) The sermon in itself was excellent, but the idea behind it is control of the pulpit and the press.

That we are leaning towards regimentation is becoming more evident every day. Regimentation is nothing more than control of groups who will support the administration.

The farmers are getting subsidies, likewise the cotton growers. Labor unions are organizing everywhere and under the Wagner Act have certain advantages when it comes to strikes. The poor are being controlled through relief and modern charity housing.

Statisticians who deal with governmental finances say the cost of the federal government is now ten times what it was in 1940 and the interest-bearing national debt is fifty times what it was then. The cost of government in cities and states is increasing, and before long the bulk of incomes will have to go to the support of government. Excessive taxation has ruined many nations and will ruin ours if the cost of government is not reduced and the people be not allowed to retain their incomes instead of turning them over to the government.

This is not to say that the people should not be called upon to support the defense program. In a period of emergency

like the present the people have demonstrated beyond doubt their willingness to sacrifice for their country. When called upon to reduce their own expenses, to tighten their belts, and pull together for the defense effort, they respond. But should not the government be expected to do the same? There is no tightening of the belt of the federal government. Governmental employees are on the increase constantly. There is no attempt whatsoever made to reduce national expenses. And when the world disturbance comes to an end, if it does in our own time, and we move from a war period into one of peace, the employees in the federal government will make every attempt to hang on to their jobs. There is nothing unnatural in this, for if they are let out they will be unable to secure work that will provide for themselves and their families.

The longer the excessive cost of government and the high taxes continue, the more difficult will be the solution. Every effort should be made by the people as a whole to at once impress upon Congress that the cost of government must be materially reduced.

The American people have never yet opposed supporting the government, physically or financially, when there is need. They have willingly stripped themselves of nearly everything they possessed for the successful outcome of any difficulty the government has engaged in, but the administration must do something too, and that is to reduce the cost of government by cutting out all non-defense expenditures, and to cut taxes to a minimum.

A continuance of the present methods indulged in by the federal government will undermine and destroy the democracy which we have built and lead us straight to state socialism and slavery.

Congress in a Tax Dilemma

By J. RUPERT MASON

CAREFUL students of Political Economy who had forebodings about the 16th Amendment to our Constitution, predicting that it would tend to open the door for special privilege and extravagant spending, would perhaps be listened to today, as they were not at the enactment of that legislation.

Although we had conflicts of interest aplenty before the passage of the Income Tax Amendment, there was no opportunity for conflict then between those who believed government should be supported according to "benefits received" and our latter-day "ability to pay" saints.

In the feverish search by the Congress for any sources that still may be suspected of having left any "ability to pay," we have witnessed the swing of the pendulum to the point where currency inflation is rearing its ugly head. The one ray of hope that the President will make some serious effort to stay this growing tempo of inflation was his veto of the

\$325,000,000 Road Bill, and the Bill to prevent the government from selling certain crops it has acquired under one of its AAA experiments. This is good, but does not involve the *source* of government revenues.

All too many have forgotten that ours is a form of government unique in history. The thing that made it unique is the "dual sovereignty." The states were each a sovereign, and the federal government possesses only such sovereign powers as were surrendered by the states to it.

The power to lay import tariffs and excise or indirect taxes belongs to the Congress. But such restrictions were inserted in the Constitution that Congress has only levied direct taxes on "property" a few times. The rule of apportionment all but prevents Congress from levying such taxes. In fact, the first federal income tax law was held void in the famous Pollock case, because it attempted to tax ground rent the same as earned incomes. The court held it to be unconstitutional. Although the 16th Amendment corrected that, it gave Congress no power to tax the rental value of land not actually rented and yielding an income. All such land is now wholly federally tax exempt.

The untaxed rental value of unused land has been "capitalized" by the title-deed holders at many billions of dollars, and the holders are becoming increasingly loath to build on their land, or otherwise develop or improve it, or to sell it, due to the uncertainty over taxation. They have come to regard it as better business to leave land idle, than to risk capital in buildings, mining or mill equipment, knowing that they will be permitted to keep very little of any profits that hard work might produce. Many are holding valuable land idle, as a hedge against inflation.

But idle land gives neither guns nor butter, and Congress is now seeking to justify its new nuisance and sales taxes on the theory that consumers have too much purchasing power—that if it is not curtailed by taxation, there won't be enough guns or butter. It was only yesterday that these same Congressmen were shouting to high heaven that Congress must borrow money to "spread around" because consumer purchasing power was less than our ability to produce. Now our ability to produce is suddenly found to be below our so-called "purchasing power."

The perfectly obvious fact that no matter how complex our industrial system may seem, it is still as true as ever that access to the natural resources found in or on land is essential, before we can have guns or butter or anything else, is never even mentioned by our present leaders.

A good example of self-confessed ignorance on the part of politicians appears in the printed Hearings on August 8, 1941, before the Senate Finance Committee on H.R. 5417, during the testimony by Secretary of the Treasury Morgenthau. On page 4, Senator Barkley interrupts Secretary Morgenthau with the remark: "That is partly due to the fact that the experts have written most of these bills."

Secretary Morgenthau: "That is right. If they left it to you and me, it would be different."

Senator LaFollette: "I think it is hardly fair, if I may interject, to the experts. They did not invent this 10 per cent. defense tax."

Senator Vandenburg: "It is hardly fair to the Secretary, because he is supposed to be an expert too."

Senator Barkley: "No member of the committee will lay claim to such distinction."

Secretary Morgenthau: "I am sure Senator Vandenburg will."

Senator Vandenburg: "I will not."

On August 20, 1941, before this same Committee, Mr. Benjamin C. Marsh of the People's Lobby offered his opinions for a just tax program. On page 989 of the Hearings, Mr. Marsh suggested a tax on land values, to raise \$495,000,000 a year, pointing out that such a tax can't be shifted. No member of the Senate Finance Committee attempted to argue the point or even comment on the suggestion. The only remark by any member of the Committee shown in the printed copy of these Hearings, was by the Chairman, who soon after Mr. Marsh made the suggestion above, interposed and said: "Your time is over." Spokesmen for the big industrial and financial groups were given unlimited time to testify when they advocated sales taxes, and compelling lower income groups to pay an income tax. If any other witness except Mr. Marsh suggested collecting any part of the cost of National Defense from the holders of title deed to land, this writer missed their testimony, although he has tried to study all suggestions.

No one even appeared to recommend that the law be amended to stop the privilege now given landlords of deducting any taxes paid to the state or local government from their federal income tax return. In cases where the owner of land is a person with large taxable income, this privilege is tantamount to getting the federal government to pay as much as 79 per cent. of any state or local taxes paid by the title holder. The deduction is from the highest surtax bracket, under present law.

Not since 1861 (12 U. S. Statutes at Large 292) has the Congress put any tax on the annual rental value of land. Only since the 16th Amendment has Congress gotten revenue from rent actually collected by landlords. The huge amount of mineral, timber, urban and other lands now idle, no matter how valuable, are not helping National Defense with guns, butter or revenue. Perhaps Justice Marshall had such a state of affairs in mind, when he wrote: "The power to tax is not only the power to destroy, but it is also the power to keep alive."

A free copy of LAND AND FREEDOM is an invitation to become a subscriber.

Britain and the Atlantic Charter

By DOUGLAS J. J. OWEN

A SURVEY of British opinion since our last letter must give first place to discussions of the Atlantic Charter. Its "Eight Points" for a "better future for the world" have been widely and eagerly debated, whilst the Ten Points of the Church leaders of December last, referred to in a previous letter, and which include the Pope's Five Points, are still the subject of public meetings and numerous study groups. We may also remember that there were once upon a time "Fourteen" famous and ill-fated Points sponsored by President Wilson. Are these last an omen or a warning of what becomes of well-meaning proposals when the public will is lacking or too weak to carry them through? All through the debate there stand out the Two Points of Henry George as a continuing challenge to builders of new worlds—Free Trade and Taxation of Land Values. These two are the lowest common measure of any successful reckoning of points for world peace. The Eight Atlantic Points are already having to submit to such tests.

One illuminating comment, for instance, was that of the Financial Editor of *The Manchester Guardian* of August 15. He pointed out that "the part of the Anglo-American declaration referring to trade is carefully guarded. Due respect for existing obligations may, for example, cover a very real reluctance to relax the tariffs and quotas by which most countries and groups of countries had contrived before the war to secure certain privileges. More particularly," he went on, "the phrase might serve to exempt from reform the United States import tariff and the Ottawa preferences for Empire trade. If that were really meant, there would be little sense in promising all states access on equal terms to the trade and raw materials of the world." This was an early recognition of the chief difficulty that will have to be overcome if the Charter is to be implemented, that is, the existence of vested interests in tariffs.

The Financial Editor proceeded to discuss the position of the Axis countries with regard to these tariffs. "It is," he wrote, "no doubt unfortunate that the old Axis term 'access to raw materials' has been loosely retained. There has never been any difficulty about access to raw materials for all who could pay for them." Quite so, and we seem to remember the similar argument of defenders of private landownership, that there is no such thing as land monopoly, as anyone can have access to land who can pay for it. The above writer goes on to instance large shipments and imports to Germany of copper, rubber and many other materials right up to the start of the war, as evidence of their having this access. But he also admits the vital point: "What was wrong was the difficulty of paying for raw materials by exports." Of course,

and that is just where tariffs by preventing exports from the purchasing country make it impossible for the transaction to be completed. The writer quoted sums up the position: "The key to post-war world trade is the readiness of the United States to open its market to greater imports."

In a letter by the present writer, parts of which were printed by *The Manchester Guardian* (August 19), it was pointed out that "this country itself, and the Dominions, will also have to be ready to accept greater imports if world trade and world peace are to be settled." So far as Great Britain is concerned we cannot forget that the Ottawa tariff system of 1931 was the alternative adopted in place of the system of taxation of land values which had been inaugurated by Snowden in his budget and which the National Government repealed, committing a gross breach of faith. And if the principle of Point Four of the Atlantic Charter is ever carried out against the pressure of trading and commercial interests who benefit by tariffs, the problem will remain of finding a fresh source of revenue to replace the import duties. This can only be done by taxing the land value fund, the only source of revenue in Great Britain so far untaxed. Thus Henry George's Two Points are essential to the Eight Points.

The qualifying phrase in Point Four which may vitiate the whole purpose of the agreement was referred to again at the important gathering of the Allied Governments in London, which was convened on September 25 to register their adhesion to the Atlantic Charter. The Foreign Minister of The Netherlands, Dr. van Kleffens, stated: "Existing obligations should not be perpetuated, even as exceptions, when it is clear that their continued operation would seriously impair or diminish the beneficial effect which is to accrue to all from the application of the general rule." After this warning, which was the official view of his government, Dr. van Kleffens went on: "In our present world, which is only the morrow of yesterday's world with its nefarious autarchic tendencies—the very opposite of the spirit expressed in the Atlantic Charter—we shall all have to do away, to some considerable extent, with measures designed to protect existing economic units. Since in the economic field protection engenders protection, there should not be left in being, in our opinion, important exceptions to the general rule of free access to trade and raw materials on the basis of equal opportunities for all."

Referring to this speech the same day, *The Manchester Guardian* said: "So unanimous was the mood of the conference that it gave one a mild shock of surprise to hear the Dutch Foreign Minister give his warning. . . . It was perhaps no bad thing that he should remind us that this was a conference, not merely a meeting of shareholders to pass the director's report without discussion."

On the same day as the above references there appeared in *The Listener*, the organ of the British Broadcasting Corporation, with a very wide circulation, the report of a broadcast address by Professor Allan Ferguson regarding the aims and objects of the British Association for the Advancement of Science, which was then meeting in London. The B. A., incidentally, have also drawn up a series of principles for the new world we are waiting for. What concerns us here, however, are the remarks of Professor Ferguson in his radio address: "The world is a unity—whether we like it or not, that is a fact—the nation, the Continent even, cannot now be considered a self-sufficient entity and man must school himself to this outlook or perish." After referring to the wonders of inter-communication in a way that recalls the opening pages of "Progress and Poverty," the Professor continued: "No less than thirty countries contributed to send us food, and the seasons were abolished; there was fresh fruit on the coster's barrow all the year round [in normal pre-war times]. On the average we spent, on each day of the year, no less than £750,000 on food brought into this country from abroad. And *this, surely, in a world that is not mad, is as it should be.* A policy of self-sufficiency spells a policy of poverty."

We have italicized the significant passage because this fact of the importation of foodstuffs into Britain to the tune of three-quarters of a million pounds a day has usually been cited as a source of danger, and as uneconomical by such people as protectionists, would-be planners, and even scientists, and the demand has gone up for tariffs on imported food, or subsidies on home-grown food, or both, in order to keep out food grown abroad. It is therefore like importing fresh air into the discussion to hear some common-sense from such an eminent scientist, who also stressed the necessity for wisdom in world planning after the war.

This wisdom will be all the more necessary in reconciling the ideas contained in Points Three and Four of the Charter. Point Three refers to the restoration of "sovereign rights," but if a number of sovereign states are to be set up in Europe and then encouraged by the example of the "great" powers to build another system of high tariff walls, then Point Four and equal access to the trade of the world will become a dead letter.

A further reference to the Charter was made in the October Trade Supplement of *The Times*, in a paragraph on Germany's industries: "In the last annual report of the I. G. Farben-Industrie concern, reference is made to the large proportion of its profit, which is derived from *ersatz* industries. Thus it has a very large vested interest in Hitler's policy of self-sufficiency, and probably no German concern can be more seriously affected by the implications of the Roosevelt-Churchill charter, which by restoring international trade, will put uneconomic industries out of business." Here we have an admission by an important authority of one side of the Free

Trade case. The industries that grow up in all countries under the skirts of protective tariffs may not be called "ersatz," but they are in reality what is described as the manufacture of effective substitutes for previously imported commodities, as for instance, in the I. G. F. B. production of Buna, or synthetic rubber. Such substitute industry is uneconomic in Germany and elsewhere.

This is not so obvious to some people. A curious comment is to be found in the pacifist weekly, *Peace News*, which is only quoted here because of the wide influence of the Editor, Mr. Middleton Murry, and also because it is typical of opinion on the "Left" of British politics. In an editorial on the *Times* quotation above, it is asked: "What does 'uneconomic' mean here? It means, incapable of making a profit when exposed to the full blast of free international competition. British agriculture, to take one example, is such an uneconomic industry. And, of course, if the Atlantic Charter really did mean the restoration of international free-trade, it would also mean that British agriculture would be destroyed all over again." This is an admission that British agriculture has to be subsidized and protected at the expense of the taxpayer and the consumer, which is doubly uneconomic, for it does the farmer no good, as any profits find their way into the landowners' rent account. Though *Peace News* admits the bad economy, it wants it to be preserved, rather than replaced by sound economy through free trade. "But of course," the article goes on, "the Atlantic Charter does not mean the restoration of international free trade. The Americans, the Dominions, are committed as deeply as Germany itself to a policy of high protection. How many 'uneconomic' industries in the U. S. A. would be put out of business if British or Japanese manufactured goods had free entry there!" Our pacifist Editor of *Peace News* seems somewhat mixed about the whole business. His further comment is: "The pretense of international free trade is a pure humbug. Germany is no more wicked in making her own artificial rubber than we are in trying to make decent field-glasses, or developing the manufacture of petrol from coal." That word "wicked" is good; it reveals some "ersatz" logic somewhere! Then we read: "The one condition of genuine international free trade is the economic unity of the world." This neatly puts the cart before the horse. But we had better follow it a little further, for it bears on our topic: "Only in a world-federation, assured of equal justice and stable peace, can the component nations allow themselves to be dependent for vital necessities upon the rest of the world. Moreover, they must be sure of being able to get them, quite irrespective of whether they can 'pay for them' or not. The idea of universal free trade at a universal profit is an illogical and preposterous idea—dead as a door-nail." Protectionists, isolationists in every country, and the armaments industries will welcome such arguments. They spell more tariffs, a lower standard of living, international friction, the building up of impregnable monopolies, all upon

the basis of the age-long monopoly of land, to perpetuate which is the chief of the evils of tariff systems.

Peace News admits there is an "ideal" in the Free Trade cause, but thinks "it will, alas, take us generations, perhaps centuries, to reach this condition." And instead of helping to speed its coming, the article says that, "In the meanwhile the best the world can do is to create, *by fair means or foul* [our italics], larger economic units, wherein the standard of life can be raised." This shows how far a pacifist writer will go in his refusal to see the light.

A comment on the contention that British agriculture must be preserved as an uneconomic industry, and that vital necessities must at the same time be got from abroad, "irrespective of whether they can be paid for or not," and all this rather than have "universal free trade at a universal profit," is provided in a press item at the time of writing. *The Daily Herald* (October 7) reports that Wing-Commander A. W. H. James, Conservative M.P. for Wellingborough, will ask the Chancellor of the Exchequer if he has noticed the growing volume of speculation in agricultural land. And then, if he has noticed it, he will ask what he proposes to do about it. Profits of up to 100 per cent. have already been made by speculators, says *The Daily Herald*. Farm land in many districts is now fetching twice, even three or four times, its pre-war price. "A leading London estate agent told me yesterday," says the *D. H.* reporter, "that nine out of ten of his enquiries were for farms, country estates and land. Some shipowners are putting money received as compensation for their sunken ships into farm land. Working alone and in syndicates they are scouring the countryside buying every acre that seems cheap to them. They have already made profits in some cases." This shows that somebody can make profits out of British agriculture, and it proves that speculation in land values is still the basic cause of national as well as international injustices, as Henry George diagnosed it to be. When this is recognized, his remedy also will be seen to be the only way to a better future for the world.

Edward Coke and Henry George

By HON. HENRY H. WILSON

SIR EDWARD COKE (1551-1634) was the great repository of the Common Law in England. In his time all wealth, and all civil and most criminal law, had direct reference to land; and it may be said that the Common Law was the history of English land. After his removal as Chief Justice he became a leader in Parliament, and is known in history as "The Father of English Liberties." I doubt if his economics have ever been recognized. But from the following two excerpts from Campbell's "Lives of the Chief Jus-

tices of England," Coke seems to have had a very clear perception of the whole Georgian philosophy.

"The ex-Chief Justice worked diligently in his committee of grievances, and prepared a report exposing the illegal grants of monopolies to Sir Giles Mompesson, to Sir Edward Villiers, the brother of the favorite, and to many others, by which the public had been cruelly defrauded and oppressed. In answer to the argument of the courtiers that these grants were all within the scope of the King's prerogative, he said—

"The King hath indisputable prerogative, as to make war, but there are things indisputably beyond his prerogative, as to grant monopolies. Nothing the less, monopolies are now grown like hydras' heads; they grow up as fast as they are cut off. Monopolies are granted *de vento et sole*; of which we have an example in the patent that in the counties of Devon and Cornwall none shall dry pilchards in the open air save the patentee, or those by him duly authorized. The monopolist who engrosseth to himself what should be free to all men is as bad as the depopulator, who turns all out of doors, and keeps none but a shepherd and his dog; and while they ruin others they never thrive or prosper, but are like the alchemist, with whom *omne vertitur in fumum*.'" (Vol. 1, p. 319)

"It should be mentioned, to the credit of the Chief Justice, that during this session, although he propounded some doctrines on the subject of money which no class of politicians would now approve, he steadily supported free trade in commodities. A bill 'to allow the sale of Welsh cloths and cottons in and through the kingdom of England,' being opposed on 'reasons of state,' he said, 'Reason of state is often used as a trick to put us out of the right way; for when a man can give no reason for a thing, then he flieth to a higher strain, and saith *it is a reason of state*. Freedom of trade is the life of trade; and all monopolies and restrictions of trade do overflow trade.' On the same principles he supported a bill 'to enable merchants of the staple to transport woolen cloth to Holland.' And a bill being brought in 'to prohibit the importation of corn, for the protection of tillage,' he strenuously opposed it, saying, 'If we bar the importation of corn when it aboundeth, we shall not have it imported when we lack it. I never yet heard that a bill was ever before preferred in parliament against the importation of corn, and I love to follow ancient precedents. I think this bill truly speaks Dutch, and is for the benefit of the Low Countrymen.'" (Vol. 1, p. 322)

That Sir Edward Coke became one of the greatest landlords of England, instead of a "Leveller," may at worst be excused by the age in which he lived. But that he had such sound economic views is the surprising thing, both as to Sir Edward Coke and the Common Law, as well as early English institutions.

Croatia and the Military Frontier

By PAVLOS GIANNELIA

IN the Spring of 1941, when the Germans invaded and conquered the state of Yugoslavia, a new "puppet" kingdom was formed out of one of the territories of that country—Croatia. It will be interesting to see, as time goes on, whether the new kingdom will fall completely under the domination of the New Order, or whether some of the ancient Croatian customs will be revived.

One of the old customs of Croatia was a policy which ruled a large portion of that land until 1881—"the Military Frontier" (*Militärgränze*), which has an interesting history as well as many curious aspects of interest to Georgeists.

The custom can be traced to as far back as the twelfth century, when peasant archers were entrusted with the task of defending the borders of Croatia at the valleys of the Drave and Mur against invaders. The archer (*sagittarius*) was given a lot of land (*huba*) at the border in exchange for his military services. (In a similar manner the *akrites* (border folk) protected the borders of the Byzantine Empire, having been settled there by the Emperors Romanos and Basil as peasant soldiers.)

A second Croatian border was fixed in 1463 (ten years after the fall of Constantinople) by King Matthias Corvinus, who settled in the Lika and Corbava (near Fiume) 20,000 liberated Christian prisoners, granting them exemption from taxes and religious liberty in exchange for the obligation to defend the borders.

The true birthday of the historic Military Frontier was on the first of January, 1527, when the Croats offered their crown to the Austrian Archduke, King of Hungary and Bohemia and brother of Charles V. At first helped by the Holy See, the German Empire and the Styrian Parliament, and afterwards alone, Austria organized the Military Frontier in Croatia from Fiume to the Danube, and along this river to Bucovina, bordering the principalities of Wallachia and Moldavia. Religious liberty was granted to the Frontier settlers, the majority of them being Greek Orthodox refugees; and the tax exemption was largely compensated by the blood tribute to their military service.

Worth mentioning is the decision of Emperor Charles VI, in 1717, "not to tax the property of the Frontier men, nor to transfer them into the class of peasantry." He also opposed increasing the land tax in the Lika and Corbava, territories which were called *desertum primum* and *desertum secundum*, before the settlers "had transformed by their indefatigable labor this desert into a cultivated land."

The basis of the Frontier laws, it is seen, is the combination of military service with landed property. The most perfect of

these laws—that of 1807—provides as follows: "All the possessions of the Frontier are real feudal farm houses, to which the tenant is entitled to unlimited use, the supreme property rights of the Emperor being respected and all obligations fulfilled. The feudal farm houses are not only landed possessions granted by the sovereign, but are provided with perpetual and inalienable right of use."

Every able-bodied tenant was compelled to perform military service for life. Thus, it is no wonder that in the Frontier one out of every four men was a soldier, while in other parts of the Empire only every thirtieth man performed military service. The Frontier men were excellent soldiers about whom Napoleon said, "It is not enough to shoot a Frontier soldier; he must be pushed, to make him fall." In the last years before the first World War, one-third of the Austrian officers came from Frontier families. It is also interesting to note that General Kvaternik, who this year proclaimed the "independence" of Croatia, is a *Gränzer*.

Another important characteristic of the Frontier laws was the family community system. While the soldier was granted land tenure, this tenure was exercised by the household—*zadruga*—composed of a whole family as a unit under the command of a patriarch, or house-father. This command was of a military nature, and was supplemented by the quasi-military command of the house-mother over the other wives in the family. The law of 1737 stated: "Every family forms a community with common property and stands under the superintendence of an elected patriarch. Every family must supply to the army at least one able man." There were special rules for the changing of patriarchs, etc.

Landed property in the Frontier was divided into "basic" land (*Stammgut*) and "emergency" land (*Uiberland*). A minimum size was stipulated for the "basic" land, and it required the authorization of the Emperor to change hands. As for the "emergency" land, the consent of the entire family, including women, was needed before it could be sold or mortgaged. This tradition lingers on in present-day Serbia.

Land remaining idle for two consecutive years was given by the parish to needy Frontier men, or used as common pasture land. The woodlands bordering the Frontier were also recognized as common property from which the settler was privileged to take wood for building and fire. Thus, common property in land was recognized in several ways—the household had common property in its land, the parish in idle land and pastures, the Frontier in the woodlands, the Styrian Parliament in the ores, and the Emperor in the land and waterfalls. In contrast to this treatment of land, movable

wealth was the unlimited private property of every Frontier family.

Joseph II, beloved son of Maria Theresa and ruler of the Military Frontier, was inspired by the French economists in his search for a just tax. In 1783 he wrote the following: "The land, given by nature for the sustenance of man, is the source from which all comes and to which all returns, whose existence is eternal. From this follows the undeniable truism that only the land can sustain the necessities of the State. It must then be concluded that every one must be taxed only in proportion to the *extent*, the *fertility* and the *site* of his land."

While this was a splendid utterance, the application was far from realizing the ideal. Joseph introduced a tax of eight per cent. on the *gross* yield of land in the Confines, and did not relieve the trade restrictions. The elder Mirabeau, a Physiocratic leader, saw the error in this; he remarked: "It is said that the Emperor has realized the Physiocratic system. *Mon Dieu!* What sort of Physiocracy is that? Imposing custom duties on imports and exports, and hampering trade. The Emperor merely introduced a land tax. *Voilà tout!* It is the greatest nonsense to believe that he realized the Physiocratic ideal. Where indirect taxes remain and are increased, where trade is handicapped, a land tax is heavy and insupportable."

Fortunately, Joseph's brother, Leopold II, revised the tax on the gross yield of land. From 1792 the land tax in the Frontier was calculated according to the land's *quality* and *fertility* (*Güte und Ertragsfähigkeit*). Although this reform was far from the ideal of basing taxation on the *value* of land, it was a first step in the right direction. In 1810, 95 per cent. of the tax revenue was derived from Physiocratic taxes, and only five per cent. from all other sources. In 1860, the Physiocratic taxes still comprised over half the revenue.

The Frontier men were quite jealous of their status, and resisted the many changes that political leaders of those days sought. They were proud of their direct dependence upon the Emperor, and, in their own words, they "feared more the intervention of the Germans than the sword of the Turks." They guarded well their common property in the woodlands, but in 1867, when the Frontier passed to the Hungarian monarchy, this common property was violated by the new rulers, and appropriated by the State. The protests of the inhabitants were ignored, and despite the many propositions to preserve the common lands in a modernized form, the dissolution of the Frontier was undertaken.

On October 15, 1881, a penstroke from Francis Joseph abolished the Military Frontier. But the Frontier men didn't accept this without resistance, and, as a contemporary slogan went, "the soldiers of *Emperor* Francis Joseph fought against the soldiers of *King* Francis Joseph." Finally, armed resistance in the Frontier was broken by the Hungarian troops in a battle at Lika.

Thus ended the Military Frontier—a custom which had proven its worth over and over again during the many difficult periods in the history of the Balkans—an institution admired and emulated by such great statesmen as Prince Eugene of Savoy, Charles VI, Catherine and Peter of Russia, and Napoleon.

Today the territory which formerly comprised the Military Frontier—a territory which for centuries formed the dividing line between Eastern and Western civilization—forms the backbone of the newly created Kingdom of Croatia. The Kingdom is now ruled by a Savoyan prince, symbolizing Western culture, and a Greek princess, personifying the influence of Byzantium.

What will be adopted of the salutary features of the Military Frontier in the new Croatia?

Our Australian Letter

From A. G. HUIE

WHEN he was leader of the Opposition in New South Wales, Mr. W. J. McKell promised that if he was returned to power at the then forthcoming General Elections, he would abolish the Wages Tax. As reported in my letter in your July-August number, he was successful and assumed office. The Wages Tax was introduced over ten years ago. At first it was three pence on the pound over a moderate minimum. The Lang Labor Government increased it to a shilling. After its defeat the rate was reduced. It has always been regarded as a particularly obnoxious tax.

Latterly its title was changed to "unemployment relief and social service" tax. As this tax in the past year produced nearly nine million pounds and the State could not afford to lose that revenue, Mr. McKell was set a difficult problem. The Henry George League of N. S. W. arranged a deputation to the Government. It was received by the Hon. C. C. Lazarini, M.L.A., Honorary Minister, on behalf of the Premier. The speakers commended the Government for its determination to abolish the Wages Tax. It suggested taxation of land values to at least make good a substantial portion of the revenue needed. Consideration of our suggestions was promised.

There was no evidence of it when Mr. McKell made his budget speech. It appears that a readjustment of the income tax, with a higher minimum is to be adopted. Details are not yet available, although expected shortly. The plea of the Labor Party is to make the higher incomes pay more, to tax dividends and companies. Of course all business concerns will have their production costs increased and so the workers will have to pay higher prices.

The Henry George League had arranged another deputation, about three weeks earlier, to the Minister for Local

Government, the Hon. Jas. McGirr, M.L.A. It submitted four requests to him, in the following order:

1—The work of valuing the lands of the State by the Valuer-General should be speeded up and completed as soon as possible. The speakers pointed out the desirability of uniform and up-to-date methods in valuing land. The Valuer-General had done good work, but he had inadequate support from successive Governments.

2—Water and sewerage taxes in Sydney and Newcastle areas should be imposed upon land values, instead of assessed annual values, or in other words, the use of land. This proposal has been on the platform of the Labor Party for many years.

3—The option for local governing bodies to adopt proportional representations for their elections should be made workable. The permission given to adopt improved electoral methods in the 1919 Act had proved hopelessly unworkable.

4—Local taxes should be payable upon Government properties. This was the case formerly, but Mr. Lang, some ten years ago, when he got the State into financial difficulties, exempted the Government from making its contribution towards the cost of local services.

The Minister replied sympathetically with respect to the first three proposals and was non-committal with respect to the fourth. So far nothing has been done.

At the last Federal elections, about a year ago, the chief political parties were returned with almost equal numbers in both the House of Representatives and the Senate. With a war on, this was very unfortunate. The Government continued precariously in office. Common-sense would seem to indicate that under such conditions, both parties should sink their differences and form a united Government at least for the duration of the war.

The Government was willing, but the Opposition was not. A few days ago the Opposition challenged the Government on the budget. With the help of two Independents it succeeded in defeating the Government. Mr. Curtin, the Labor leader, will be the new Prime Minister. The Labor Party has been in the political wilderness for about nine years and its leading men were very hungry for office.

The budget of Mr. Fadden, the defeated Prime Minister, was strongly criticized by Labor members. It relied chiefly on increased income taxes, ordinary borrowing, plus a compulsory loan, to be called a "post war credit" at two per cent. interest, to be repaid after the war. No attempt was proposed to get revenue from the right source, land values. The first step of the new Government will be to revise the budget proposals. The intense party strife while a great war is on is viewed with much disfavor by the helpless onlooking public.

Propaganda work while the country is involved in a great war is not easy. We are trying to get as many of our friends as possible to communicate with their local member in Parlia-

ment, asking him to impress its importance upon the Government. Further, we are getting a number of opportunities to address local organizations, such as Municipal Councils and Progress Associations to also approach their member.

It is generally conceded that land values instead of the use of land should be the basis of rating, *i.e.*, local taxation. For 25 years the writer has been working on this reform. Local Government Conferences have repeatedly favored it. Talk to the ordinary man and he favors it. I addressed a Progress Association last week. They unanimously approved of a resolution which I had drafted, with a view to their sending it to the local member. This is not an isolated case. If the Government would take the matter up in earnest it would be passed into law.

We do have friends in the Government. One of them is the Hon. C. C. Lazzarini, referred to previously, a member of the N. S. W. Government. At the Henry George Anniversary meeting in Sydney, September 22, Mr. Lazzarini spoke as follows:

"Those assembled here tonight have met to perpetuate the memory of a great man of the people, a man who preached a philosophy that had for its purpose the right of equal opportunity for all.

"He was not reared with a golden spoon, and in his younger life suffered many hardships and disappointments, and experienced all the various vicissitudes of life which gave him a great knowledge and understanding of human affairs. Henry George was honest and sincere in his convictions, and his unflinching devotion to principle is an inspiration.

"I have never claimed to be a complete follower of all the economic doctrines of this great teacher, but the more I see of life and the great paradox of poverty in a world of plenty I am satisfied Henry George put his finger on one of the main reasons in his land taxation proposals.

"He laid down the doctrine 'that there can be no just title to an exclusive possession of the soil,' and that private property in land is a bold, bare enormous wrong like chattel slavery.

"I believe the private ownership of land under the conditions existing in most civilized countries rob the children of men of their God-given heritage. The true value of land is that given to it by the community, but Governments in all countries have allowed greedy and selfish individuals to acquire large areas held out of proper use for pure purposes of speculation.

"Such land has been held until public expenditure in various ways, and the urge of land hungry seekers have inflated values beyond all reason. Such persons are the real fifth columnists of all countries and they hold the people to ransom.

"Henry George's method of Land Value Taxation seeks to secure this unearned increment for the nation and thereby prevent exploitation by the greedy few and also bring land, which is man's heritage, into proper use for the benefit of all."

The Choice of the Pierced Ear

By CRAIG RALSTON

THE world does not agree on what freedom means. It never has.

The stouthearted want to be free to come and go, to do what they like, to think what they please, to speak what they think. Those who embrace this philosophy must assume risk and responsibility for their acts. They must be on their own.

Others proclaim a different freedom—freedom from responsibilities and care. They dodge risks, seek the sheltered life. In ancient times, they clung to the kind master—in medieval times to the benevolent Seigneur, in our day to the benign totalitarian state.

Seeking each its way of life, these two groups have split our world into warring camps. The first upholds the “democratic” way. The second acclaims what Anne Morrow Lindbergh calls “the wave of the future.”

If we go back far enough, we will find Moses, leader of the ancient Hebrews, tussling with both groups. People sloshed around in Mrs. Lindbergh’s wave of the future thirty-five centuries ago. Perhaps it is what beauticians call a permanent wave.

Moses solved his problem. His novel program rejoiced libertarian and totalitarian hearts alike. The libertarian dwelt in peace and the totalitarian never got organized for a start.

Moses had the help of Jehovah: *Jehovah spake unto Moses in Mount Sinai. Jehovah started at the beginning. He brushed early landlords aside: And the land shall not be sold in perpetuity; for the land is mine; for ye are strangers and sojourners with me.*

This conception of title vested in God gave Moses command of an instrumentality of which modern statesmen are apparently unaware. Moses utilized land to enable the first of the two conflicting social groups to realize its aspirations.

The Promised Land, whither Moses conducted the twelve Israelite tribes, was thrown open to settlement on a plan like that adopted much later in our western land drawings. Each homesteader designated his allotment by landmarks, which were safeguarded by this mandate: *Thou shalt not remove thy neighbor’s landmark, which they of old time have set in the inheritance which thou shalt inherit in the land that Jehovah thy God giveth thee to possess it.*

Moses enjoined strict obedience to this mandate. He commanded that when the Israelites crossed the Jordan, the Levites should pronounce a separate curse upon each of twelve abominations. Ten curses were hurled at religious and moral offenses. One was economic: *Cursed be he who moves his neighbor’s landmark.*

Unless landmarks could be obliterated, it was impossible to

concentrate landownership into great estates such as we find in our times. The curse upon those who removed landmarks was therefore a curse on all who sought to destroy the freeholds of the people. The twelve curses placed Hebrew landgrabbers in a category with idolaters, unfilial sons and daughters, miscreants who cheat the blind or rob widows and orphans, sodomists, three types of incestuous offenders, secret assassins, and scoundrels who for money connive the murder of the innocent. The final curse was upon every Hebrew who did not give force to the other curses—in effect, a double curse.

Landlordism could not even clothe itself in the garb of the clergy. The church could own no estates. If a pious person wished to consecrate a field to Jehovah, he could do so, but—*In the year of Jubilee, the field shall return unto him of whom it was bought, even to him to whom the possession of the land belongeth.* Jehovah himself instituted this year of Jubilee.

Fourth of July orators often quote Jehovah. The words they quote are engraved on our Liberty Bell. They were uttered when Jehovah decreed the year of Jubilee in speech to Moses: *And ye shall hallow the fiftieth year, and proclaim liberty throughout the land unto all the inhabitants thereof. . . . And ye shall return every man unto his possession, and ye shall return every man unto his family. . . . And . . . ye shall grant a redemption for the land. If thy brother be waxed poor and sell some of his possession, then shall his kinsman that is next unto him come, and shall redeem that which his brother hath sold. And if a man have no one to redeem it, and he be waxed rich and find sufficient to redeem it . . . he shall return unto his possession. But if he be not able to get it back for himself, then that which he hath sold shall remain in the hand of him that hath bought it until the year of Jubilee; and in the year of Jubilee it shall go out [be released] and he shall return unto his possession.*

The year of Jubilee secured to each Hebrew his stake in the country. The spendthrift and ne’er do well might trifle with his heritage, but he could not alienate it.

Universal rights in land founded the Hebrew nation on principles of economic freedom and self-dependency. Each citizen was his own boss. He made his own career. It was his right to go as far as his capabilities would take him. The complement of equal economic rights was equality before the law: *Ye shall do no unrighteousness in judgment; thou shalt not respect the person of the poor, nor honor the person of the mighty; and in righteousness shall thou judge thy neighbor.*

This was the plan. It left some of the retired Israelitish brick molders cold. It lacked trimmings. Social climbers desired fags of their own. Others had rather be slaves. It also seems likely that the Hebrews had their share of “liberals”—

liberals like those we know. Soap boxers popped up among them, the Bible text shows. These soap boxers cherished fond memories of gay life on the Nile, where Pharaoh furnished a planned economy, and Hebrews furnished the sweat and backaches and rustled the straw to make the economy hang together. In the rough going of the desert, these tub thumpers oft reminded Moses of the good old days in Egypt—the leeks, onions and fleshpots they left behind.

How Moses adjusted his social scheme to these groups should be of more than fleeting interest at a time when the same problem vexes us. His slave code portrays his method.

Considered as a whole, the Mosaic slave-code, so far as it related to Hebrews, might be interpreted as an abolitionist measure. It made it harder to be a slave and easier to become free.

A striking exception to its trend is this: *And as for thy bondmen and thy bondmaids whom thou shalt have; of the nations that are round about you, of them shall ye buy bondmen and bondmaids.* This jarring note is a sharp reminder that Moses was not world-wide reformer—his duty ended with his Hebrew brothers. Centuries were to pass before a greater than Moses was to proclaim the brotherhood of all men.

The code leaves no doubt as to Moses' attitude toward slavery among the "brothers." "Blackbirding" was punished by death: *If a man be found stealing any of his brethren of the children of Israel, and he deal with him as a slave, or sell him; then that thief shall die; so shalt thou put away the evil from the midst of thee.* The bankrupt "brother" earned discharge by serving till the year of Jubilee—*then shall he go out, he and his children with him, and shall return unto his own family and unto the possession of his fathers shall he return.*

This was Moses' fugitive slave law: *Thou shalt not deliver unto his master a servant that is escaped from his master unto thee; he shall dwell with thee, in the midst of thee, in the place which he shall choose in one of thy gates where it pleaseth him best; thou shalt not oppress him.*

The text shows that Hebrews were in servitude in Moses' time. How these Hebrews first became slaves—whether by act of their own or otherwise—we do not know. But they were there, afloat on an ancient wave of the future. Many slaves liked the wave.

This liking is duplicated in our times. People who have never enjoyed freedom, or had knowledge of it, often fear and flee it, and fight ferociously for their wave.

Moses did not disturb the wave-enamored Hebrews. He let them have their wave. This was his solution: *If thy brother, a Hebrew man or a Hebrew woman, be sold unto thee, and serve thee six years, then in the seventh year, thou shalt let him go free from thee. . . . And it shall be, if he say unto thee, I will not go out from thee, because he loveth thee and thy house, because he is well with thee; then thou shalt take*

an awl and thrust it through his ear into the door and he shall be thy servant forever. And also unto thy maid servant thou shalt do likewise.

To his Hebrew brothers, Moses opened two ways of life. To the courageous brothers, who wanted to tackle life in their own way, he gave inalienable right to land. For the gun-shy brothers—ne'er-do-wells, perhaps, unhappy wights frustrated by the day's riddles or too indolent or dull to undertake their solution—he provided escape—a punch through the ear with an awl.

It might not be amiss for our disordered world to ponder this perforationist device.

The Hebrew "liberal" was inducted into the "new order" by personal, private initiation. He furnished only his own ear to be punched; others could do as they liked about their ears. He fixed his ear against his master's door. Brad poised, the benevolent totalitarian approached—a punch and a yelp did it. The voluntary slave chose his own master; he adjusted the yoke to his own neck with his own hands, and presumably lived happily ever after. This Hebrew, too, had his way of life.

The Mosaic plan—two ways of life—contrasts with the stilted statecraft of our times.

Our statesmen open no way of life. They have thrust Jehovah and his land laws out of the world, into a remote place called Heaven. Squatters, who call themselves landlords, usurp Jehovah's title. They build toll gates over our free way of life. From land users—that is, from all of us—they collect all the traffic will bear. Those who can pay travel that road. Devil take the others.

Barred from the free way, millions stampede to the alternative way of life. That road—the road to slavery—is closed, too. Our constitutions and peonage acts block it. Our statesmen pride themselves on their abolitionist exploits. To punch holes in peoples' ears would shock their sensibilities.

The upshot of this delicacy is that ear-punching has passed to the realm of outlawed arts. It is become a ponderous and complex pursuit. It must be undertaken collectively, *en masse*. This elevates it to the dignity of a Cause. Like all Causes, it possesses its own philosophers, intelligentsia, martyrs, and statesmen. Heroic forms move on its horizons—the famed Knights of the Punched Ear, Adolf, Joe, Benito, Hirohito.

To get his ear punched, the modern "liberal" treads paths devious and violent. He cons Marxian tracts, proclaims proletarian philosophies, devises crack-pot reforms, consorts in dim cellars with Communists, Nazis, Fascists, Fifth Columnists and Fellow Travelers, and darkly plots the social revolution. When he gets the power, he transforms the state into a benevolent ear-punching instrumentality and bombs and bothers everybody, and drags whole nations to the punching post.

Moses was more broadminded than we are.

Local Taxation in New Zealand

An Historical Résumé

By HON. P. J. O'REGAN

IN his great work, "An Enquiry into the Nature and Causes of the Wealth of Nations," Adam Smith (Book V, Ch. II) expounds his principles of taxation, and few readers, it seems to me, realize that the learned author was in fact a precursor of Henry George. For instance, he points out that the cardinal defect in the English Act of 1693, which provided for the imposition of an annual land tax according to the "true annual rental," is "the constancy of the valuation," meaning, of course, that there should be periodical revaluations. Moreover, Smith maintains that legislation ordaining the periodical valuation of land, indemnifying the owner for his expenditure—that is to say, exempting improvements—should be "a perpetual regulation or fundamental law of the commonwealth." When he is referring to rural land, Smith refers to "the ordinary rent of land," but when he is referring to the community (unimproved) value of land in centers of population, he calls it "the ground rent of houses," and in that connection he writes: "Nothing could be more reasonable than that a fund, which owes its existence to the good government of the state, should be taxed peculiarly and should contribute something more than the greater part of other funds towards the support of the government." As he is really a pioneer in the literature of political economy, the great Scotsman may be pardoned for overlooking the fact that "the ordinary rent of the land" and "the ground rent of houses" are different names for the same fund.

Curiously enough, we have had on the statute-book of New Zealand since 1896 the Government Valuation of Land Act which conforms in all respects to Smith's requirements. Under that Act there is a Valuer-General, the head of the Valuation Department, and a staff of valuers, and the value of all land and improvements, the unimproved value being shown separately, is ascertained and recorded. The intervals between valuations are in the discretion of the Valuer-General—a defect, in my opinion—but it is only a matter of time when the Act will provide for valuations at prescribed intervals.

It is a remarkable fact that Adam Smith's name was not mentioned during the debates on the measure prior to its becoming law, and there can be no doubt that the Seddon Government, who fathered the legislation, "builted better than they knew." The fundamental importance of the law is shown by the political commotion a like measure has provoked in England where legislation of the kind has been attempted twice unsuccessfully. We can only hope that in due course our friends in England will return to the attack, inasmuch as the taxation of the unimproved value of land

is impossible without the separate valuation of land and improvements.

Originally the Parliament of New Zealand did not concern itself with rating, as local taxation is called in this country. The country was divided into Provinces, each of which was governed by an elective council of its own. The Provinces were disabled by law from imposing indirect taxes, and so necessarily all their tax-revenue was provided by direct taxation. In 1875 the Provinces were abolished, however, and in the following year was passed the Rating Act, setting out the provisions under which the counties and municipalities, by which the Provinces had been replaced, could levy rates. The Act prescribed rating on the annual value, meaning the rental value of land and improvements. In 1882 the original Act was repealed, and the Rating Act enacted that year allowed local governing bodies to rate on the capital value of land and improvements, if they so desired. In adopting either system the ratepayers were not consulted. All that was necessary was a resolution of the local body. Rating on the capital value was suggested by the Property Assessment Act, 1878, which ordained for national purposes a direct tax on the capital value of all property. Under that Act a Valuation Department and Commissioner of Taxes were set up, and the legislation of 1882 provided that where the local body adopted rating on the capital value it had to accept the valuation prescribed by the Act of 1878. Those bodies rating on the annual value, however, were allowed to make their own valuation, as theretofore. It had since been enacted that when rating on the unimproved value had been adopted, the rates are to be levied on the government valuation.

In 1894 the Seddon Government submitted the Rating on Unimproved Values Bill to the House of Representatives, and the measure passed the Representative Chamber by a substantial majority. The Legislative Council—our Second Chamber—rejected it, however, and did so again in 1895 after the House had reaffirmed its decision by repassing the Bill. In 1896 the measure was again passed by the representative branch of the legislature, and this time the council withdrew its opposition and the Bill became law.

Since it was enacted 45 years ago the Rating on Unimproved Values Act has been repealed, but has been incorporated as part of the general Rating Act, and thus the whole of the legislation relating to local taxation is embodied in one statute. The law makes the ratepayers masters of the situation in that a proportion of them in any county, municipality, or other local district, may demand a poll, to be held within one month after the presentation of the demand to

the chairman or Mayor, and a simple majority of the voters decides the question. A rescinding poll may be held after three years, but rescinding polls are becoming rarer as time goes on.

The foregoing historical sketch will show your readers that we have in this country now three systems of local taxation—rating on the annual value, rating on the capital value, and rating on the unimproved value, and such is their chronological order. The two earlier systems are really identical in principle in that they both involve the taxation of improvements. I am satisfied that whether the legislature intervenes or not to make rating on the unimproved value mandatory, the annual and capital value systems will disappear, and that rating on the unimproved value will become general, permanent and irrevocable.

The movement to levy the local taxation on the unimproved value continues to make unostentatious but steady progress. There are in this country 121 boroughs or municipalities, of which 81 rate on the unimproved value, the most important being the capital city of Wellington. We have 129 counties, and of these 58 rate on the unimproved value. The latest gain is Hawke's Bay County, covering 1,600 square miles of territory. The ratepayers in that county adopted rating on the unimproved value six years ago. Three years later "our friend the enemy" got busy and obtained a second poll at which the system was rescinded. Three years more had barely expired, however, when a third poll was held, and rating on the unimproved value was readopted by a majority so decisive that we may be assured there will be no more polls in Hawke's Bay County.

Wellington City comprises 16,180 acres, or a little more than 25 square miles, and its population is 123,000. The capital value of land and improvements is £45,012,257,* of which the unimproved value is £18,238,110, and the value of improvements £26,774,147. The rate-revenue last year, again using round figures, was £600,000, not a penny of which was paid by improvements. The total rate-revenue of all the local bodies in New Zealand last year exceeded £7,000,000, and is increasing from year to year. Surely to raise all that from the unimproved value of land must be a great stride in the right direction, and we are going to see that stride taken, and that before long!

One great fact in connection with rating polls is that they break up political parties. To illustrate what I mean: In Wanganui, for example, two of the greatest benefactors by the change in the system of rating are wealthy companies, one a meat freezing concern, the other a fertilizer manufacturing company, having branch factories in all the main centers. These are what our Socialistic friends describe as capitalistic undertakings, and hence, were we to believe their arguments, are entitled to no consideration. The reply, of course, is that there is a fundamental difference between

capital applied to the production of wealth and capital utilized in blockading land. In the one case capital is fulfilling its proper function—cooperating with labor in production. In the other, capital is utilized to *prevent* the utilization of land, and therefore the employment of labor. Karl Marx's "Das Kapital" comprises three volumes, in neither of which does he make any attempt to define what he means by capital. In the first volume, however, we are told that "capital is dead labor which, vampire-like, sucks the blood of living labor." The fallacy here is that Marx makes no distinction between capital applied to production and capital utilized in monopolizing land. As a matter of fact, the joint-stock company, a device whereby men are able to pool their capital for a common purpose, is one of the triumphs of modern civilization, and no Henry George man will sympathize with any denunciation of such combinations of capital as long as they are applied to the production of wealth. In Hawke's Bay County, where our system has just won a great victory, there are several large slaughtering and meat-freezing companies which have spent huge amounts in erecting buildings and machinery. These are what Adam Smith calls fixed capital. Their erection and maintenance implies the constant employment of labor, and the very best way in which to encourage expenditure of this kind is surely to untax improvements. If this argument be stressed, being true, it must make an impression, and in connection with our movement for rating reform it is used frequently and with a salutary effect. In Wellington City one of our most enthusiastic supporters was a shipping company, the taxation on whose buildings was reduced by two-thirds.

In the national land tax, levied in this country since 1891, there are several serious blemishes, of which the greatest is the graduated exemption. This exemption does not entirely disappear until the unimproved value reaches £2,500. This has a sieve-like effect, and is the cause of a large annual loss of revenue. Another blemish is the graduated tax. Above the unimproved value of £5,000 the graduated tax is levied, the avowed object being to induce the subdivision of land. However, in the boroughs, where many properties are liable to the graduated tax, land there cannot be subdivided to any extent, and the Georgeist will readily understand that one of the effects of the graduated tax is to make land value taxation unpopular with people who fail to realize that graduation is no part of our policy. Fortunately, however, the rates on the unimproved value for local purposes are levied in strict accordance with Henry George's principles in that there is a flat tax without exemption or graduation. Thus we have an object-lesson along right lines.

Many visitors to New Zealand who have studied the matter are decidedly of the opinion that we have achieved something of world-wide importance—that the exemption of improvements from taxation and the taxing of the unimproved value of land are reforms so salutary that they can be safely adopted elsewhere in the world.

* One pound is approximately equal to four U. S. dollars.

If Henry George Were Living Today...

By E. S. WOODWARD

HENRY GEORGE visualized a social order of advanced culture and abounding prosperity founded on natural law, in which the citizens would retain their inherent birthright to equal opportunity and responsibility; self-determination and self-reliance; independence and freedom. He foresaw a benign society in which the associated units would achieve the sovereignty of their lives under the suzerainty of God. Never in the history of bewildered and frustrated humanity has there been greater need to recapture that glorious vision.

But George was more than a seer peering into the glories of a delectable city remote in time and space; he was also a pilgrim progressing towards a realizable goal. He was more than an investigator probing the theoretical abstractions of science; he was also a practitioner carrying the benefits of science to the daily lives of men. He was more than a preacher of ultimates; he was a doer of immediates. In a word, he was a realist dealing with ponderable problems in a practical world. He was unswerving in his devotion to principles but he was also resourceful in making compromises to advance them.

Henry George was not a hero worshipper. He would not expect us to worship him. He followed no man blindly. He did not expect blind devotion from his friends. He took nothing for granted and brought accepted teaching to the test of first principles. He bade us do the same. He begged no questions and shrank from no conclusions. Upon us lies the responsibility to be similarly honest, similarly fearless, similarly devoted to truth. If therefore we take time to consider what Henry George would probably do if faced with our problems in our environment of law, custom and circumstance, it is *not* because we exalt him as authority but because we respect him as counsellor and guide. As twentieth century physiocrats we acknowledge no authority but our own convictions born of asking, seeking and knocking at the sources of truth.

What Henry George would probably do in 1941 can only be fairly deduced by pondering what he did in the years 1860 to 1897.

It is fact to say that Henry George's life purpose was the restoration of equality of opportunity and the destruction of special privilege in all its forms. He was as much opposed to the inequality created by trade and money restrictions as he was to the inequality created by land monopoly. He was not a land crank with a special prejudice against landowners. Nor did he ascribe to the institution of landlordism all the economic ills of mankind. For the evils of landlordism, he prescribed an appropriate reform of the land system. For

the evils of tariffs, he prescribed free trade. And for the evils of the monetary system, he prescribed appropriate monetary remedies:

If landlordism had been the only barrier to prosperity, the only cause of inequality of opportunity, the only means of human exploitation, the only malignant monopoly, Henry George would not have wasted munitions upon protectionism in his great work, "Protection or Free Trade." If while blasting land monopoly he could have destroyed protectionism with the same bomb, he would not have saved some of his heaviest and most deadly bombs for his war on tariffs. What other conclusions can we draw therefore than that, in the opinion of Henry George, there are economic evils distinct from and not comprehended within the evils of landlordism against which we must wage war with weapons distinct from and not comprehended within the land restoration armory. This conclusion is extremely simple and should be obvious. But simple and obvious as it is, its significance has been lost upon many ardent and sincere land reformers.

Once the all-sufficiency of land restoration is disputed and the need for other reforms is conceded, there is opened a wider field of investigation and action. Henry George did not shrink from exploring this wider field. He reached conclusions which are on record. His resourceful mind devised ways and means of contending with the other evils he encountered. Notably in the field of finance he found barriers to production and trade, causes of industrial breakdown and unemployment, and agencies of human exploitation. To cope with these monetary evils he proposed, not land reform or free trade, but reforms which were exclusively monetary. It can be proved by the record that Henry George, in the years 1860 to 1897 was a better informed and more advanced money reformer than any of his contemporaries. In fact, few of the present crop of money reformers have caught up to his lead.

On page 581 of "The Life of Henry George" by his son, there appears the following passage: "Since a young man, Henry George had advocated as the best possible money, paper based on the public credit. He regarded silver as another kind of the protective idea: to raise artificially the price of silver. But he regarded silver as preferable to the monopolistic powers gathered round the gold, or so-called, 'sound money' policy."

Here is clear evidence that Henry George saw gradations in the merits of money. To him, gold was the worst possible and paper the best possible, with silver occupying an intermediate position. He saw monopolistic and exploitative powers gathered round the gold standard policy, which exploita-

tion could not be corrected by land reform but by a change in the money system. He saw in silver another, but less dangerous, form of the protective idea and he regarded bi-metallism as a scheme to raise the price of silver artificially. Here is evidence that Henry George, almost alone among the economists of the period, had emancipated himself from the delusions of intrinsic value and from the delusion of exchange value derived from convertibility into precious metals. It shows that seventy-five years ago Henry George was an advocate of a national paper currency, based on the public credit, and adapted in quantity to industrial and commercial needs.

What a contrast to the case of Karl Marx who doomed to puerility in advance all socialist attempts to overthrow capitalist exploitation when he accepted unchallenged the monetary delusion upon which the system rests. With Marx, gold was money and money was gold. With him, there were no exploitative powers gathered round gold. Hence Marx was far, far away from the enlightened paper money policy of Henry George.

What a contrast also to the case of Franklin D. Roosevelt, who, seventy-five years later, has not caught up to the idea of a national paper currency based on the public credit and divorced from gold and who, in consequence, has perpetuated the power of a private monopoly and based the nation's money supply upon the occult mysteries of Fort Knox.

But the claims of Henry George to be ranked as an advanced money reformer of vision and resourcefulness, in days when monetary reform has not reached its present popularity, does not rest upon the testimony of a lone quotation. Book V of his masterly and comprehensive "Science of Political Economy" is wholly devoted to the subject of money and affords ample proof of the writer's awareness that there are potentialities for both good and evil in monetary policy, which are independent of land policy.

Henry George's general attitude to burning questions of the day is illustrated by his action during the Grover Cleveland-William Jennings Bryan contest of 1896. On the one side were ranged tariff-protected trusts, railway monopolies, banks and financial institutions, representing the House of Have. On the other side were ranged the general body of wage workers, the majority of democrats, and a miscellaneous assortment of reformers of various schools. Bryan himself was an exponent of bi-metallism, campaigning for the free coinage of silver and attaching to that proposal much economic importance. Cleveland was campaigning for the continuance of the gold standard. On the question at issue, Henry George agreed with neither. He was emancipated from the gold delusion and he was too well informed on monetary matters to succumb to bi-metallism. But of the two evils, he thought bi-metallism the less. Moreover he considered free silver an entering wedge by which financial privilege might be ultimately overthrown. From such a contest he could not

remain aloof. The one side was struggling to preserve its monopolies and privileges intact. The other side was struggling, however mistakenly, for economic emancipation. Henry George and a majority of single taxers ranged themselves beside Bryan. A minority, unable to support the free silver delusion, ranged themselves behind Cleveland. On the eve of the poll Henry George made the following characteristic appeal to his dissident friends:

"Of those friends of mine, the few single taxers who, deluded as I think by the confusion, purpose to separate from the majority of us on the vote, I should like to ask that they consider how they expected to know the great struggle to which we have looked forward as inevitable, when it should come? Hardly by the true issue appearing at first as the prominent issue. For all the great struggles of history have begun on subsidiary and sometimes irrelevant issues. Would they not expect to see all the forces of ill-gotten wealth, with the control of the majority of the press, on one side, and on the other a reliance upon the common people, the working farmers and the artisan breadwinners? Is not that so today?"

"Would they not expect to have every man who stood prominently for freedom denounced as an anarchist, a communist, a repudiator, a dishonest person, who wished to cut down just debts? Is not this so now? Would they not expect to hear predictions of the most dire calamity overwhelming the country if the power to rob the masses was lessened ever so little? Has it not been so in every struggle for greater freedom that they can remember or have ever heard of?"

" . . . Gold and silver are merely the banners under which the rival contestants have ranged themselves. The banks are not really concerned about their legitimate business under any currency. They are struggling for the power of profiting by the issuance of paper money, a function properly and constitutionally belonging to the nation. The railroads are not really concerned about the fifty-cent dollar, either for themselves or their employees. They are concerned about the power of running the government and administering the laws. The trusts and pools and rings are not really concerned about any reduction in the wages of their workmen, but for their own power of robbing the people. The larger business interests have frightened each other, as children do when one says 'Ghost!' Let them frighten no thinking man."

It will be noted that Henry George conceived it to be sound principle and good tactics to participate in a struggle which did not involve any of the reforms he advocated. It did involve a monetary proposal in which he did *not* believe. He participated because he thought the election was a part of the ceaseless struggle between the Haves and Havenots. In such a contest he could not stand on the sidelines. He reminds us that all the great struggles of history have begun on subsidiary and irrelevant issues. Perhaps in this case he aspired to leadership so that he might direct it into more useful channels. In any case, he reminds us that assailants upon the

perquisites of the privileged classes will always be denounced; as Bryan and his associates were being denounced, as anarchists, communists and debt repudiators. He reminds us that gold and silver were not the real issues but merely the banners under which the contending forces were ranging themselves. The banks, railroads, trusts and pools were struggling less for their legitimate business interests than for the retention of privilege and power. The workmen were not struggling for silver or bi-metallism but for economic freedom. In these circumstances he appealed to his friends not to divide the ranks. In considering what Henry George would probably do today, the foregoing story of his battle tactics will be found very illuminating.

Henry George stressed the advantages of effecting drastic changes under old forms, of taking machinery already in existence and applying it to reform uses. Acting on this idea, he proposed to leave the outward shell of the land-ownership system still standing and to take the kernel of land-rent by taxation. Of equal importance for the purpose in hand is his expressing the belief that socialized rent would be found sufficient in amount to discharge the principal and interest of all public debts, defray the cost of all public services customarily rendered, and permit the assumption of a wide range of socialistic services then little more than dreamed.

Henry George was more concerned about his objectives and his goal than he was about the ways and means of attaining them. If he had known of better methods, he would have proposed them. If he could have anticipated sixty-two years of retrogression, during which the institution of land ownership would become more strongly entrenched in thought and action than ever; and the tax system infinitely more mischievous and complicated; and the money power more monstrous and more subversive of human rights; and tariff barriers, quotas and embargoes destroying the last vestiges of freedom of trade; and governmental boards and bureaus stifling industry, fixing prices, raising costs and controlling marketing, and as a consequence of these things, unemployment engulfing millions of men, he would have sought diligently for more effective methods of advancing the cause he had at heart.

If Henry George were living today, he would urge us to be realistic in the study and solution of our problem. He would urge us to an objective study of the causes of past failure. He would urge us to look around us for new methods and new opportunities of reaching our objectives.

He would chide us for having fore-doomed the policy of exempting municipal improvements from taxation to failure by launching it in a mathematically impossible field of operations. He would blame us for having blamed everybody but ourselves for the disrepute in which the single tax cause has fallen wherever it has been tried, in Western Canada, for example. He would remind us that he proposed to exempt improvements and to tax rent. Our practice has been to

exempt improvements and to tax an ever-decreasing fraction of rent. This practice has developed from the unchallenged acceptance by Georgeists of net, sale or residuary values as the basis for assessment, instead of gross capital value, or alternatively, the full annual value payable by the occupant on the assumption that the owner is liable for taxes. George would urge us to pay more attention to the legislative framework necessary to the operation of our system.

Henry George would also admit that his expectations had not been realized in respect to the supposed advantages of preserving the outward semblance or shell of landlordism whilst taking the kernel of rent by taxation. The weakness of the method, revealed in actual experience, is that by failing to destroy the concept of private ownership in the minds of both owners and public officials it tends to generate opposition, not only from landlords, but from those whom it seeks to benefit. The single tax method, by leaving the ownership concept unweakened, excites hostility as an infringement of right rather than develop support as a vindication of right. It appears, even in the minds of the general body of citizens, to single out one form of property for discriminatory tax penalties. Henry George would admit that in the light of the experience gained, it is necessary to reconsider the single tax method and to adopt a method of attack which will leave no illusions of ownership in the minds of anyone.

In his search for new methods of destroying special privilege in land, money and trade and of delivering mankind from their accumulated burden of interest-bearing debt, Henry George would by no means overlook the important contribution made by Silvio Gesell. Just as Henry George proposed to render land valueless to monopolists and to force it into maximum use by collecting land-rent, so Silvio Gesell proposed to render money valueless to monopolists and to force it into maximum use by collecting money-rent. This would immunize the nation's money supply to usury, and make it available to labor without tribute to parasites. Henry George would perceive quite clearly that the adoption of this simple proposal would have far-reaching and extraordinarily beneficial consequences. There would be no idle acres in congested areas and no idle money and no idle men. The forces of production would be liberated and there would be more wealth to divide. And the only people to divide it would be those who produced it, inasmuch as landowners and interest receivers would be eliminated. There would arise a strong demand for non-interest bonds as a means of saving, *i.e.*, to escape the rental charge on money, savers would gladly exchange their savings for bonds which escaped the rental charge but which paid no interest. With the proceeds of these non-interest parity bonds, the top-heavy debt structure could be undermined. At present, refunding operations are a means by which the burden of interest is perpetuated for generations, by which the people are kept in bondage. Under the circumstances, refunding operations would pay off interest-

bearing debt with non-interest bearing bonds and bring emancipation to the people. If Henry George could see tactical advantage in sponsoring Bryan's ineffectual monetary proposals, how much more certain it is that he would see the importance of Gesell's more fundamental contribution.

Equipped with demurrage-money and non-interest parity bonds, Henry George would not hesitate to tackle the land restoration problem from a new angle. The chief objection to liquidating landlordism by expropriation proceedings has always been the knowledge that it would perpetuate the old evil in new form. Rent receivers would become interest receivers without gain to the community. Under the new circumstances introduced by Gesell's important proposals, landlordism can be completely eradicated by expropriation within fifteen years. In equity, landlordism has no claim to compensation but in fact it is still in full operation and landlords are still receiving economic rent. Seventy-five years of single tax activity has not made the slightest dent in the armor of landlordism. It is, in fact, more strongly entrenched than ever. What hope is there that at the present date of progress by the single tax method, the next seventy-five years will show any better results? Henry George would be realistic enough to see the advantages of paying off the landlords with non-interest bonds, socializing rent in one large-scale operation, using the proceeds of rent to retire the bonds, and having the whole institution liquidated in fifteen years.

The choice lies between perpetuating landlordism indefinitely by pursuing ineffectual methods of dealing with it, or of terminating it quickly by pursuing effectual methods. Henry George would not allow anything to prevent him from going right to his objectives by the shortest and cheapest route. He would also remind us that by expropriating landlords with bonds, the psychological difficulty would be surmounted. The very concept of landlordism would be destroyed in the minds of everyone.

Finally, Henry George would urge his followers to organize for victory, *i.e.*, the complete emancipation of the people from rent and debt-burdens to a privileged class. He would urge a Board of Strategy. He would urge us to prepare young men trained in assessments, valuations, law, finance, accountancy, engineering, executive administration, writing, speaking, public relations, etc., to fill the important offices of public life. These men should not have to pussy-foot their principles because of the inapplicability of their proposals; on the contrary their principles should find expression in practical measures of immediate and permanent benefit to the people. The post-war world will require leaders who know where they are going and how to get there. The objectives and the goal of the Georgeist movement are as right as ever. Its methods are hopelessly out of date, and absolutely ineffectual. A heavy responsibility of evil will rest upon all Georgeists who persist in ineffectual methods which are getting nowhere.

Puck and the Man from Mars

By HORATIO

"What fools these mortals be!"—Puck

THE Man from Mars asked Puck the reason why Men starve in sight of plenty on this plane. "There's something wrong upon your Earth, and I Would like to know why your wise men refrain From seeking out the cause." "The over-rich," Said Puck, "are too well fed to even think About such matters. Sleeping at the switch Their sages are—let Civilization sink!" "Since work is the wealth-maker, why should work Be hard to find, while men are wanting wealth? And those who do work, toiling like a Turk, Why can't they earn enough to keep in health?" "It is a riddle science will not solve, Because the clue would privilege involve."

The Man from Mars was puzzled. Puck showed him How people on this planet cripple Trade; At every port a Custom House to skim The cream from Commerce like a pirate raid! "Caprice," said Puck, "is their besetting sin; Nor do their Solons know what they're about— They dig out harbors to let Commerce in, And then raise tariff walls to keep it out! Yet these same men are wise in other ways— Like Hamlet, they are only 'mad North-East!' A privilege is entrenched each time we raise The tariff walls. But poverty is increased, And want means war—for hungry men will fight, With tariffs first, and then with arms outright!"

"They must be crazy," mused the Man from Mars, "To dig canals, then fill them up again. Such waste of public revenue—my stars! These fools upon your planet cause me pain." "But that makes *work*," said Puck, "and work is what They think they want the most. Their bumper crops Have been plowed under or allowed to rot, Lest field hands starve next year if farming stops." "If work is what they want, let them catch flies, Or roll stones uphill till their muscles tire," The Man from Mars facetiously replies, When Puck suggests work is their chief desire. "What they need most is *less* work with more pay, These earthly fools, why can't they find the way?"

The Man from Mars and Puck were standing by To watch the people making tax returns. "Stand and Deliver this scene might well imply On any sphere where Equity sojourns; But on this planet," said the Man from Mars, "They do not know there's revenue enough In natural Rent—and only so because Their learning is not worth a pinch of snuff! The Rent—that you call Rent of Land—is paid For 'social gains.' And your landowners here Reap in this gain. And all the while, it's Trade And Public Service that make Rent appear. If men took Rent for public use, tax free They'd be." Said Puck, "What fools these mortals be!"

Two Forms of Government

By HENRY WARE ALLEN

I. DEMOCRACY

ALEXANDER POPE'S oft-quoted couplet—"For forms of government let fools contest; whate'er is best administer'd is best"—while clever, leads to an erroneous conclusion. If the law is better enforced in England or more efficiently in Germany, that does not prove those forms of government to be better than ours. An inferior machine may run more smoothly than a better one which is out of order. It is a common mistake to place emphasis where it does not belong, to give credit to that which is unessential, and to undervalue that which is essential. Many people assume that the *mode* of government is of little consequence, the only important thing being to have good men in public office. This is very much like saying that the *skill* of a locomotive engineer is inconsequential, the important consideration being that he should be a good man. A good system of government in the hands of inferior men is preferable to a wrong system of government in the hands of superior men.

Thomas Jefferson and his associates of 1776 established the individualistic form of government, which has prevailed in the United States since that time. Jeffersonian democracy is founded upon natural law. It works with nature; never against her. It asserts that that government is best which governs least, and has for its aim at all times the reduction of governmental functions and expenses to the minimum consistent with the maintenance of law and order. It recognizes the beneficent effect of normal competition between individuals and between business institutions; it also recognizes the tendency of men to abuse the exercise of power when given the opportunity to do so. Its fundamental principle is "Equal rights for all; special privileges to none."

Jeffersonian democracy accepts the dictum "Eternal vigilance is the price of liberty" as a mandate to resist at all times the invariable tendency of public officials to exceed the legitimate exercise of their power. It substitutes drastic action for flowery phrases. An illustration of this is found in the records of Jefferson's first term as president, during which he reduced the number of public officials fifty per cent. and also reduced the public debt by nearly thirty million dollars. Another instance was the veto message of President Cleveland returning a proposed appropriation of twenty-five thousand dollars for the relief of a group of unlucky farmers, with the statement that (1) such an act would be unconstitutional, and (2) that it is the province of the people to support the government, but not of the government to support the people.

Jeffersonian democracy is based upon absolute justice. Under its domain no citizen or class of citizens would be given any privileges not given to all. All men are created

equal and should have equal rights, opportunities and protection under the law; but entirely consistent with this is the right of all men to accumulate wealth in proportion to their ability and opportunity to do so, and without limit even to the accumulation of millions of dollars. It is the right of all men to prosper in accordance with their ability and industry.

Under Jeffersonian democracy wealth which has been earned is justly entitled to interest paid for its use, and the rate of interest upon invested capital cannot properly be regulated by law. Money is worth what it will bring in a free competitive market. Laws regulating rates of wages, hours of labor, prices of commodities and child-labor are not legitimate, and never have been enforceable, for where they seem to be necessary it is only because a full and free democracy is not in force.

What is generally not understood is that governments are amenable to the same moral laws as are individuals and that they are made to pay the penalty for violation of those laws with inexorable certainty.

European and other critics have at times called attention to certain glaring defects in our system of government as proof that our democracy is a failure. The explanation of this is that our democracy has included much that should have been excluded and has failed to include much that is essential to it, and furthermore that our democracy has carelessly been permitted to deteriorate in many serious respects. The first mistake was made by the continental fathers in not abolishing chattel slavery. This omission cost the nation a bloody civil war. Then we have been denied the right of international free trade. A contradiction to democracy of even greater importance which is still unappreciated and therefore uncorrected, is an unjust system of land tenure and taxation. This has promoted the greatest of all monopolies, that of the land on which all must live, and is therefore more intimately connected with the problem of general welfare than any other.

An important reform would be adoption of the proportional representation plan of voting, which provides justice to the voter by making every vote count, and justice to the candidates by giving them all a fair chance. An important condition of true democracy is renunciation of all imperialism, which so frequently leads to international war.

There are other needed reforms which, although not peculiar to Jeffersonian democracy, nevertheless are necessary in order to remove evils of administration. One of these is strict compliance with civil service principles. In certain respects it must be conceded that many European countries have made a far better record than have we. These are rather matters of detail than of basic character, and it is reasonable

to believe that their reform will be made easier after the more fundamental changes have been made. The all-important condition of democracy is that it must be true to the demands of justice in every way, for "Unless its foundations be laid in justice, the social structure cannot stand."

II. SOCIALISM

In the year 1825 Robert Owen came to this country from England in order to present state socialism as a new and improved form of government. But the real founder of state socialism was Karl Marx, whose theory of government was published in his book "Das Kapital," in 1867. Karl Marx is today the patron saint of Russia and his doctrine has been the inspiration of Hitler, Mussolini and socialists everywhere. The salient feature of socialism is a denial of natural law and the substitution for it of arbitrary man-made law or "economic planning." Its foundation is based not upon principle, but expediency. It demands equality of status instead of equality of opportunity, which is as much against nature as would be a forest with the trees all of one size and shape. It assumes that the state is wiser than the people and must, therefore, be given the power to direct the activities of the citizens very much as school children are managed by their teacher. The case is clearly stated by Henry George in these words: "The socialists seem to us like men who would try to rule the wonderfully complex and delicate relations of their frames by conscious will." It is noteworthy that the Roman Catholic Church is unalterably opposed to socialism. This is because socialism is in essential opposition to religion, both natural and inspired, and also because socialists as a rule have been opposed to the church. It is inevitable that the adoption of any philosophy which is based on false premises and therefore wrong in principle will lead to other irregularities, for it is always true that error begets error. This is conspicuously true with totalitarianism. Socialism leads to communism, confiscation of private property, persecution of Jews and others opposed to its government, execution of leaders of the opposition, concentration camps, hatred of the democracies, false propaganda, and lastly an ambition to subjugate all other peoples. In the United States its antipathy to individualism has been manifested by enmity to business men and business enterprises. Socialism takes away the incentive for individual initiative, invention and achievement.

When the philosophy of socialism is embraced, it is an easy step to other irregularities of thought and action, the assumption, for example, that there is no moral law any more than there is natural law; that right and wrong, virtue and sin are only relative terms and have no definite application; that the property of all must be applied for the greatest good of the greatest number, regardless of equity; that the end always justifies the means. It is no mere coincidence that Robert Owen's advocacy of socialism in 1825 was coupled with an attack upon the normal marriage relation. It is in-

evitable that the repudiation of natural law inherent with state socialism has the effect of lessening one's respect for an orderly universe operating under divine law.

Something over fifty years ago Edward Bellamy published his interesting romance, "Looking Backward," which presented in a charming way the successful operation of socialism in the year 2000. This he called nationalism, and it presented a perfected state of society in contrast to the evil conditions which existed when the book was written. The idea was so captivating that nationalist clubs were formed in many places throughout the country. Soon afterward the term Christian Socialism, a misnomer, came into use. Prior to that time socialist agitators were usually of the bewhiskered type of European immigrants who proclaimed their philosophy as soap-box orators in our larger cities and were given but scant attention by the average man. A more seductive type was the "parlor socialist" of recent years, comprising men and women of culture and eminence in the literary and religious world. Their influence became manifest in popular journals and in the economic thought prevalent in colleges and universities. It was assumed that democracy was a failure; this was easily proved by the increasing number of unemployed, the growth of vice and crime, pauperism, distress and child labor. And following the line of least resistance, socialism was presented and is favored today as an alternative.

Although the vote for socialism has steadily diminished in successive national elections, measures which are essentially socialistic have been adopted to a startling degree by the administration in Washington. Could Jefferson, Lincoln, or Cleveland return to Washington today, he would be forced to conclude that state socialism has been triumphant at the polls. The multiplication of new governmental bureaus, governmental entry into the arena of business enterprises such as savings banks and life insurance, and what is more important than all else, a steadily increasing exercise of governmental supervision and regulation of every kind of business enterprise, constitute a serious challenge to our supposed democracy. By reference to the socialist party platform or to dictionaries, we find that the chief aim of socialism is the "socialization of all industry." This means enmity to Jeffersonian democracy, the profit system, free competition and capitalism. In times past this partial adoption of state socialism would doubtless have been arrested as unconstitutional.

The question that must be answered sooner or later by the American voter is, "Shall we surrender the individualism of Jeffersonian democracy under which we have lived since the establishment of the nation, or shall we exchange this for the socialism of Karl Marx that is now in full flower in Russia, Germany and Italy?" There is no half-way compromise. We must go in one direction or the other. Socialism is just as much a poison when presented to us by a twentieth century clergyman of the Christian Church as when presented by Stalin, Hitler, or Mussolini.

Signs of Progress

Georgeist Activities Throughout the World

Robert Schalkenbach Foundation

REPORT OF V. G. PETERSON, SECRETARY

Our campaign to increase the study of Henry George's books in college classrooms rolls merrily along. You will rejoice to know that our Guide for Teaching the Principles of Political Economy, based on the text of "Progress and Poverty," by Henry George, continues to be effective as an opening wedge. Seven hundred and fifty professors have requested this guide; 250 of them have asked for desk copies of "Progress and Poverty," and 10 colleges have sent for lesson sheets. These colleges are:

University of Seattle, Wash.....	25	students
St. Joseph's College, Brooklyn, N. Y.....	50	"
St. Benedict's College, Atchison, Kans.....	5	"
Marietta College, Marietta, Ohio.....	10	"
Skidmore College, Saratoga Springs, N. Y....	24	"
University of Florida, Gainesville, Fla.....	50	"
Whitworth College, Brookhaven, Miss.....	45	"
St. Olaf College, Northfield, Minn.....	20	"
Eureka College, Eureka, Ill.....	19	"
Bucknell University, Lewisburg, Pa.....	8	"

St. Olaf ordered 29 copies of "Progress and Poverty"; Eureka ordered 19, and Bucknell ordered 8. Other colleges state they have sufficient library copies for the class to use.

An interesting sidelight on this work is a letter we received from a professor on the Agriculture Campus of Cornell University, to whom books had been given by our friends who made the test trip to colleges in Upper New York State. The letter reads:

"The other day I told my seminar in taxation about the books you gave me. They seemed interested. The group—all graduate students—includes a brilliant Turk who is here on a government fellowship and is destined, if the Germans keep out of Turkey, to work in the office of the Prime Minister of Turkey, and three economics students who will hold teaching positions in colleges before long. In fact, they are now teaching elementary economics in Cornell. If you care to send me four copies of 'Progress and Poverty,' and four copies of the abridgement, I will give them to the seminar. I was very glad to have had the visit with Mr. Fairchild and Mr. Hansen."

The 1942 calendar, which is ready now, is the third one published by the Foundation. This year we are featuring quotations, not only from Henry George, as in the past, but from two other American patriots as well—Abraham Lincoln

and Thomas Jefferson. The pictures of the three men, in an attractive design of furled flags, ornament the calendar and recommend it for a conspicuous place in the best room in the house. The calendars are selling, as usual, and in spite of increased prices, at twenty-five cents each, five for one dollar. We have printed only a thousand and urge that orders be placed as soon as possible.

Henry George's books as Christmas presents have long been recognized as an effective way to introduce others to our philosophy. Each year the Foundation encourages its friends to join in this Yuletide effort by lowering the price of its literature to a point below the cost figure at which it is usually priced. The other books we carry, selected because they develop some particular phase of the George economy, are offered in combination with George titles at extremely attractive prices. These combinations of books make it possible for you to enlarge your own library and pass along to a friend the George book which you may already have. Please write for our Christmas circular—a postcard will bring it to you by return mail.

The year now closing has been an active one; in many ways it has been an extremely successful one. We thank those friends who have helped and encouraged our efforts. And now, as befits the Christmas Season, on behalf of our President, our Directors, the office staff and myself—Merry Christmas, Everybody!

American Alliance to Advance Freedom

REPORT OF SIDNEY J. ABELSON, CHAIRMAN

After functioning for more than six months from desk room provided by a member, the American Alliance has acquired permanent headquarters at 160 Fifth Avenue, New York. These new quarters provide office facilities, library space, a meeting place and a classroom.

Mrs. Celia Chancas is in charge of the library and research material and will welcome contributions of Georgeist books and pamphlets, as well as other literature on economics and sociology.

The program originally outlined for the Alliance will now go forward at an accelerated pace. Current Events Discussion Groups are being held regularly on Thursday evenings. These serve to clarify the events of the day in the light of Georgeist doctrines. Newcomers to these groups—particularly newly-made Georgeists—find the topical discussions

revelatory of George's practical grasp of world affairs and gain an increasing understanding of the power of the Single Tax proposal.

In addition to such groups, the Alliance is forming classes in Georgean economics. The first class, using "Progress and Poverty" as its text, will hold its opening session at the Alliance headquarters on Tuesday, January 6, 1942, at 8:00 P.M. The instructor will be Miles Shefferman, former instructor at the Henry George School of Social Science.

The Speakers' Bureau, under the direction of Miss Sara Wald, is organizing an intensive campaign to arrange appointments for Alliance speakers in various organizations.

Copies of the Alliance's "Proposal for Georgeist Action Now" and "Functional Chart" are still available without charge upon request. For these, and for any information about the Alliance, address Elbert E. Josefson, Secretary, American Alliance to Advance Freedom, 160 Fifth Avenue, New York.

Henry George Schools

From the Chicago School's little paper, *On the Campus*, we glean the following news: Chicago has been aiming for an enrollment of 500. This Fall, the enrollment far surpassed that mark, the number of students being 682. This encouraging figure is twice that of last term, and nearly 50 per cent. higher than the 1940 Fall enrollment. The School is now thinking of its 1942 Spring term, and is aiming at the thousand mark. The financing of the School is undertaken largely by the Alumni Finance Committee, which has already received pledges amounting to \$3,000 from friends and graduates toward the School's \$5,000 yearly budget. The progress of the campaign indicates that the goal is within sight.

The Henry George Fellowship of Chicago conducts a weekly Fellowship Forum at the School's headquarters (64 W. Randolph Street, Chicago), under the leadership of Edwin Hamilton. Among the speakers at the Forum was Paul H. Douglas, Alderman of the Fifth Ward, who addressed the group on November 6.

The Square Deal, Canada's Georgeist paper, yields this information about the Canadian School: At a recent meeting of the Directors of the Montreal School it was decided henceforth to operate under the name "Henry George School." (The School has hitherto been known as "The School of Economic Science.") In Ottawa, graduates of Henry George study groups met on September 18, at the home of Mr. H. G. Barber, and organized as the Henry George Society of Ottawa. This organization will cooperate with the study groups, which are being held at Mr. Barber's home. Mr. R. C. Berkinshaw, active in the Toronto movement, has been appointed Chairman of the Wartime Industries Control Board, thus becoming controller-general of the wartime controllers. More and more, important positions in Canadian national life are coming to be occupied by Georgeists or sympathizers.

Advanced courses, leading to a fuller understanding of the Georgeist philosophy, are on the increase in the various Henry George Schools. Hartford, Conn., is preparing a "Democracy Versus Socialism" course. The New Jersey School has its own Teachers' Training class. Imposing is the list of advanced courses in the Chicago School.

Everywhere the signs are that the Georgeist educational movement is going forward. In addition to those mentioned above, permanent Henry George Schools are in operation in the following cities: Los Angeles, San Diego and Berkeley, Calif.; Boston, Mass. (with its own building at 90 Beacon Street); Philadelphia and Pittsburgh, Pa.; Alstead, N. H.; Sioux Falls, S. D., and Hudson, N. Y.; and Valdez, Alaska (under the direction of Jim Busey, editor of *Alaska Frontier*). The encouraging thing is that the progress of all the foregoing schools is made possible through the interest and the organized and independent action of newly-made converts.

Henry George School of Great Britain

REPORT OF LEON MACLAREN

[In a long letter to Mrs. Anna George de Mille, dated September 24, Mr. MacLaren related the very interesting history of the British Henry George School of Economics and Henry George Fellowship. Through the kindness of Mrs. de Mille, we present portions of Mr. MacLaren's account herewith.—Ed.]

The Henry George School of Economics was started in 1937 by Messrs. Stokes, Fox, Berens, Gardener, Mawson, Hildreth and myself. Preliminary preparations were undertaken in the Summer at a meeting held in a committee room of the House of Commons. For the first term, held in the Fall, we secured 170 students. By the end of our first year we had enrolled over 450 students in "Progress and Poverty" classes. Advanced courses were also given. In September, 1938, we obtained 350 students, despite the critical moment—that was the time of Munich, you remember.

In January, 1938, we formed the Henry George Fellowship and enrolled about 60 of our students. Dues were a minimum of a dollar a year. The objects of the Fellowship were to spread the work of the School and to undertake political activities in an effort to bring about a change in the laws of the land to accord with the economic principles the School was teaching. In the Spring of 1939 we found the Fellowship declining and the finances of the Fellowship and the School in a bad way. We therefore spent the Summer of 1939 putting the whole matter on a sounder footing. The Fellowship took over the entire responsibility for the School, and the Fellowship Committee took over the control of the School's activities, the self-appointed School Committee (consisting of the gentlemen named at the beginning of this letter) resigning. A strong Committee was elected at the Fellowship Annual General Meeting, and certain principles were laid down, chief among which was sound financing. It was decided to charge

students a small fee for the courses, and to put the Fellowship dues into a sinking fund. Extra expenses were to be raised by special appeals. Every member of the Committee was to be responsible for a department of the School's work, and Fellowship meetings were rather like a board of active directors sharing information and work. This plan worked exceedingly well, and the School and the Fellowship moved forward.

Needless to say, the declaration of war in September, 1939, disrupted our activities. However, as the months went on, and it appeared that life was still reasonably normal, we resumed classes and meetings in January, 1940, and the results were gratifying. As the Fellowship was reviving from the first shock of the war, we decided that we should have a permanent headquarters. At Grosvenor Place we acquired a splendid clubroom, with other rooms available when we needed them. With our new quarters we launched into a big program for the Fall of 1940. Besides six introductory classes and three advanced classes, regular weekly Fellowship meetings were arranged. All this was introduced by a housewarming—a roaring success—at which Members of Parliament spoke. This was held on Friday, September 6. The next day London was on fire and the "blitz" had begun. It is very much to the credit of the Fellowship Committee that during this dangerous time they met every week without fail.

Besides the difficulty of operating during the "blitz," Fellowship and Committee members were being called to national service. In these very difficult conditions, we found it impossible to run the organization without permanent help and an office. Both were secured in the Summer of the present year, through the generosity of Mr. Stokes.

This Summer we also launched a correspondence course. Without an advertising campaign, we have already secured 156 students for this course, some as individuals and some in study groups. This Winter we are undertaking an intensive campaign to secure students for the correspondence course.

Meantime, the Fellowship organization has been completely overhauled. It is now organized into definite branches. We elect our own Committees in General Meetings. The branches then elect delegates to a Delegate Conference, which is the governing body of the Fellowship. There are branches now at London, Ipswich and Stoke-on-Trent, and more are expected, due to the correspondence course groups.

In order to keep in close touch with one another, and with members who are serving in the Forces, we issue a monthly *News Sheet*, which is widely read. There are many different Fellowship activities going on, such as series of lectures and propaganda activities. All this progress is due to the unstinting effort of volunteers. Our headquarters here, right in the heart of London, are in a way emblematic of the conditions under which we are working. They are midway between Piccadilly and Trafalgar Square. The neighboring building has been demolished, and there are very few panes of glass

Au Revoir, Gaston Haxo

GASTON HAXO, author of "The Philosophy of Freedom" and at one time the head of the correspondence course at the New York Henry George School, is no longer employed by that organization, his services having been dispensed with. He has since found work in a defense project which soon will take him overseas. We deplore the events which have brought about the loss of this faithful servant to our cause, but we know that he will be happier working for freedom in the way that has been opened to him. Our hearts go with you, dear friend. "Strong soul and high endeavor, the world needs them now."

left in the building opposite which, by the way, is the Haymarket Theater.

Our success I put down simply to untiring effort, to humility before difficulties and willingness to learn from mistakes, and from a belief that if people do not understand what we have to say it is because we do not know how to say it. Perhaps the happiest part of the whole thing is that throughout all this time we have never suffered from personal animosity of any kind.

We are now so organized that nothing short of invasion of England could prevent our going forward, and I have no doubt that even under extreme circumstances, when we had time to adapt ourselves to them, we should, as we have already done, find means of overcoming them.

Denmark

REPORT OF GRACE ISABEL COLBRON

News from Europe comes slowly these days, if at all. The latest issue of the Danish Georgeist quarterly, *Grundskyld*, to arrive is the September number, bringing news of the successful Convention of the *Okoteknisk Højskole* (the Danish Henry George School), held June 27, 28 and 29 at the *Husmandskole* (Farmers' School) near Odense—a school of which our good comrade, Jakob Lange, is still principal. Teachers of classes all over Denmark and many other comrades were present. Among the speakers were Bue Bjorner, founder of the Danish School; Christian Norlev, clergyman; the "grand old man" of the movement, Jakob Lange; and many others who told of the work being undertaken all over Denmark of organizing classes and teaching the truths as set forth by Henry George.

Another Convention—that of the Danish Henry George Association—was held on September 28 in Grundtvig's House in Copenhagen.

There are classes and Georgeist activities all over Denmark, in spite of all the troubles that brave little country is suffering under. We may be sure that in spite of everything, our Danish comrades are carrying on!

A Rejoinder to Mr. McNally

By A COMMITTEE OF RICARDIANS

[This discussion on rent began in our May-June issue with an article by Mr. Raymond V. McNally on "Three Theories of Rent." This was criticized in the July-August issue by a Committee of Ricardians. Mr. McNally replied to the Committee in the September-October issue, and to his reply was appended an editorial note that the discussion would be terminated in the present (November-December) issue with a rejoinder by the Ricardians.

Mr. McNally has requested us to correct two errors which appeared in his "Reply to the Ricardians." On page 166, second column, twenty-eighth line from the top, the sentence should read: "As the population consists of individuals, each one rendering a service of his own, etc." On the same page, second column, six lines from the bottom, the sentence should read: "The taxes on his land are involved in the cost of his own service just as other taxes are involved in the cost of private services."—Ed.]

IN his "Reply to the Ricardians" Mr. McNally complains that they "have evinced a curious tendency to introduce additional factors" into the island illustration. Such a complaint is itself curious. Since when has it been out of order to introduce new factors for the purpose of substantiating one's argument, especially when the "burden of going forward" is necessitated by the shortcomings of the adversary's case? Indeed, without them it is hard to see how any results at all might be reached from Mr. McNally's illustrations. Some of his own conclusions require him to covertly assume additional factors. He complains, for instance, that "these Ricardians have done some amazing things with my quiet little island. . . . They have populated it with 'thieves and murderers of all kinds,' but have succeeded only in making the policemen's job more difficult." Was it not Mr. McNally who first imported these minions of the law, for the *amazing* purpose of guarding the island's rent and then collecting all of it as their recompense?

On the same island, populated by A on superior land producing corn, and by B on inferior land, he says: "B would produce something 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 receive for a bushel of corn. Ten bushels of corn would be equal in value to five bushels of potatoes, and as A would enjoy no excess, no rent would arise."

Mr. McNally has just specified that A and B sell their produce in the *open* market. Unless this is not an "additional factor" he is introducing, we assume he intends to broaden the scope of exchange to include a market outside the island exchange system of his two producers. If so, it is not true that in a general open market to which both A and B resorted with their produce, B would automatically receive twice as much for his bushel of potatoes as A for his bushel of corn, simply because B arrived on the scene with only half as much. If this were so, B need come to the market with only one bushel of potatoes, and rely on the magical effects of Mr. McNally's system of exchange to make his one bushel equal in value to A's ten!

Turning now to Mr. McNally's criticism of the Ricardian law of rent: If one is willing to understand that the laws of distribution formulate *tendencies* to account for effects that occur in the economic field, we will not be dismayed because Mr. McNally is able to discover or imagine cases involving production in which the *exact* import, agency and scope of the laws of distribution are not clear.

Let us take the case he gives: "Suppose B possesses more corn-raising ability than A," so that on inferior land his product will yet equal that of A working on superior land. What here, he asks, is the amount of rent, which is by definition the difference of productiveness between the inferior and superior land?

To discuss the foregoing, we must realize that the practical adjustment of the laws of distribution to any particular instance is a matter of many men successively and concurrently engaged in a process of trial and error. How the product is actually distributed in a single case depends on the results of bargaining among many persons who are laborers, capitalists and landowners. Bargaining always presupposes that the bargainers have a choice between alternatives. Bargaining power, insofar as it is strictly an economic phenomenon, depends on the value of the alternative as compared with the value of the specific offer. It is the power to refuse an exchange, backed by the opportunity for a different exchange of superior value. The laws of economics do not tell us that no exchange can possibly take place except at the value determined by the alternative opportunity; they assert merely that whatever exceptions there may be—whether exceptions of advantage to the buyer or to the seller—will tend to neutralize each other, so that the average of all cases will coincide with the law with reasonable exactness. The laws of distribution are formulae of the most general character. They tell us (as precisely as any consideration of the facts can tell us) what will be the alternatives to which the parties to a bargain will turn in deciding at what level of value to settle. The landlord need not take less than the best competing offer—the producer need not pay more than the cost of the best alternative opportunity. Somewhere between these points the decision will fall in all actual cases; in other words, the "bid and asked" amounts are but members of an aggregate whose average is true rent.

Bearing this in mind, let us return to our islanders. Because we cannot predict with certainty what rent B would offer in order to get A's superior land, this seems to Mr. McNally an objection to the existence of a differential product as such. As he says in one place in his article, "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." Not so. So little is determined about the objective conditions of isolated examples that, of course, we cannot know from them exactly how much rent would be paid. The final result would be determined by the bargaining power of the parties. Thus the product may be so divided between the bargaining parties as to lose the quality of mathematical determinability, without in any way invalidating the Ricardian principle.*

Mr. McNally further argues that the admission that differences of ability exist among producers makes a shambles of the Ricardian law, because this introduces a third variable into a situation which comes under a rule he formulates thus: "The relation between two variables may be computed, provided it is not obscured by a third variable." (The variables referred to are respectively the marginal land, the superior land, and the ability of the producers.) But, as we have said before, the variable abilities of producers in no way vitiate the Ricardian principle. Different quality lands will offer the same relative advantage to all producers, regardless of their abilities.

* Prof. Lionel Robbins, in his "Essay on the Nature and Significance of Economic Science," has the following to say: "Scientific generalizations, if they are to pretend to the status of laws, must be capable of being stated exactly. This does not mean . . . that they must be capable of quantitative exactitude. We do not need to give numerical values to the law of demand to be in a position to use it for deducing important consequences. But we do need to state it in such a way as to make it relate to formal relations which are capable of being conceived exactly."

Certainly, Ricardo (and we ask leave to include ourselves) did not assume that any two men in this entire teeming world possessed identical abilities. Even if it were possible to find two or any number of men with identical capacities for labor, the Ricardian law would not take such a phenomenon into consideration. To repeat: It is the subjective demand, as expressed in the market, that finally objectifies the various values in the field of political economy, including rent. The market place performs the function (maybe with that fourth dimensional consciousness which Mr. McNally derides) of clarifying whatever may have been originally obscure in the minds of the various and variable individuals who seek to know what things are worth.

Mr. McNally would have us suppose that since a question about the mathematical computation of rent is apparently meaningless, therefore rent itself, or the law of rent, is a logically inadmissible entity. But this is not true. The law of rent explains the distribution of production between landowners and producers. It is merely a basis for calculation.**

Mr. McNally so sincerely believes he has annihilated the Committee with a question he poses (in the third paragraph, page 166), that we feel constrained to give him the benefit of our views. He asks, "What ingenious device would the Committee employ then in this case to determine what part of A's ten bushels is due to the superior qualities of the land?" We do not pretend that the device we are about to offer is ingenious. Whether it is or not, we would merely try the experiment, as Mr. McNally has done with B, of also placing A on the marginal land and measuring his production thereon. Subtracting the latter from his production on the superior land would give the answer desired by Mr. McNally, namely, that part of A's ten bushels due to the superior land. Of course, we think no good purpose has been served by the explanation, but we have only tried to be obliging. We regret we had to fall back on common-sense rather than meet the challenge by recourse to a higher logic.

The truth, as we see it, is, that an "exchange" economy in a world populated by only two persons is a fantastic proposition. As suggested heretofore, our worthy opponent has undertaken with an eye more to logic, than to economics, the thankless task of pointing out the theoretical difficulty of deciphering the effects of three variables in his island of two men, where one had more productive ability than the other. Mr. McNally introduced the A and B economy as the favorite example of the Ricardians. Speaking for ourselves, we do not believe it constitutes a rational argument to limit a demonstration of Ricardo's law to such an A and B economy.

We conclude with a quotation from Henry George (Book III, Chapter II):

"I do not mean to say that the accepted law of rent has never been disputed. In all the nonsense that in the present disjointed condition of the science has been printed as political economy, it would be hard to find anything that has not been disputed. But I mean to say that

** That public improvements make particular land more desirable, which in turn attracts more people, augments their productive power and thus increases rent, is an observable fact, but the cost of such improvements is not the measure of the increase in the value or rent of the land. The rule or law by which the rent may be determined or calculated remains as before—not by the intrinsic value of the land itself, but by its relative capability as compared with the least productive land in use. Any attempt to discredit Ricardo's law of rent is as ridiculous as would be an attempt to upset Newton's law of gravity, because of the fact that water in some places, as in the so-called inverted siphons under the Hudson River, runs uphill. [This is an extract from a contribution to the Ricardian debate sent in by Mr. Walter Fairchild.—Ed.]

it has the sanction of all economic writers who are really to be regarded as authority. As John Stuart Mill says (Book II, Chapter XVI), 'there are few persons who have refused their assent to it, except from not having thoroughly understood it. The loose and inaccurate way in which it is often apprehended by those who affect to refute it is very remarkable.' An observation which has received many later exemplifications."

James F. Morton

TRULY, "the Old Guard passeth!" And one of its latest losses is a very great one. The death on October 7 of James F. Morton took from our ranks a devoted comrade, a fighter always for Truth and Justice. "Jim" Morton, as his old friends called him, was one of those who believed that being a Single Taxer meant doing something for the Single Tax. In and out of season he preached his belief. A man of high culture and of widely diversified interests, he still felt that all learning, all understanding of the higher things of life, were only a road to better understanding of economic philosophy, or still better, of practical economics. He felt that the pleasure of culture, of joy in the more beautiful things of life, was—or should be—open to all. And he understood that it was no particular merit on their part that enabled some to enjoy all this and shut out others from it.

James Morton never ceased to preach against that economic wrong which enables some few to say to the great mass of people, "Get off my land or pay me for using it." Whatever else his full and active life may have held, he was first and foremost a Single Taxer, an ardent disciple and follower of Henry George. His death—such a great loss to our movement—makes us older folk hope that those who come after us—the younger element to whom we must yield in the natural course of things—will have the same joy in the work that we had; and that they will understand, as Jim Morton did, that "A Single Taxer is one who works for the Single Tax."

—GRACE ISABEL COLBRON

The following account of James F. Morton is taken from the *New York Times* of October 8:

James F. Morton, curator of the Paterson (N. J.) Museum and nationally known bibliophile, author and collector of rare minerals, died this morning (October 7). . . .

Mr. Morton came to Paterson in 1925 to take charge of the museum, and since then had had an active part in the city's cultural life.

Born in Littleton, Mass., on October 18, 1870, he was the son of the late James Ferdinand Morton, one-time head of Phillips Academy in Exeter, N. H., and the late Caroline Edwards Smith Morton. He received Bachelor of Arts and Masters degrees at Harvard, from which university he was graduated cum laude in 1892. Two years later he graduated from the School of Expression, and later gained prominence as a lecturer on social and literary topics. For a time he was a reporter on *The Boston Globe* and Pacific Coast papers.

He was a descendant of one of America's oldest families. One of his ancestors, the Rev. Samuel Francis Smith, was the author of "America."

Taking an active interest in the Henry George single-tax program, Mr. Morton wrote two books on the subject, "Single Tax Review" and "The Philosophy of the Single Tax." An ardent champion of Negro rights, he wrote a book entitled "The Curse of Race Prejudice." Recently he had completed a volume having to do with the Ketcham family. He had written many poems.

Mr. Morton was a member of the New York bar.

BOOK REVIEWS

THE DIALOGUES OF BECKWITH

"The Answer of Nature Herself to the Riddle of the Ages," by L. D. Beckwith. Published by the Author, Stockton, Calif. 1941. 219 pp. \$2.50.

This neat little volume, attractively bound in flexible leather, is Part I of a proposed two-part treatise on the science of economics by Mr. Beckwith. "Written from Nature's Notes by L. D. Beckwith" is the modest manner in which the authorship is set forth, indicating the approach to be an effort to uncover the natural laws underlying economic phenomena.

In his introduction, Mr. Beckwith relates the evolution of his ideas—the impetus given by Henry George, the direction indicated by G. McM. Ross, and the revisions offered by W. R. B. Willcox, Emil O. Jorgensen, and Robert J. Otto—the contingent recently named the "Western" school, because of their divergence from the orthodox Georgan-Ricardian school.

The presentation of the subject matter is in the form of short pithy dialogues—over a hundred of them—a technique familiar to readers of Mr. Beckwith's paper, *The Forum*. In conversations between the author and various people—a college sophomore, a unionist, a farmer, a technician, etc.—the arguments unfold. In this volume, says Mr. Beckwith, the outlines of his philosophy are set forth. The proposed second volume is to consist of illustrations of his principles.

Mr. Beckwith holds that economics is a science as exact as any, that Nature has provided for the needs of the body politic, and that selfishness is not an "anti-social" instinct, but a constructive factor in society. With this outlook we will not quarrel. Mr. Beckwith also accepts most of Henry George's economic doctrines, including his proposal to collect the rent of land for public services; and we commend the author for his work in propagating these ideas. However, there are some features of Mr. Beckwith's economics that depart from the orthodox Georgan viewpoint. He holds that rent is not at all due to natural fertility; that it has nothing to do with land as such, but is purely the result of social activities. He contends that rent enters into the price of products. His definitions of economic terms diverge from those we accept. (For instance, labor is "any human effort." Land is not thought necessary of definition.) These and other views of our Western friends have been discussed from time to time in the pages of *LAND AND FREEDOM*, and we will not in this review attempt an analysis. We will say, however, that we do not accept these departures from the Georgan system, believing that the economic philosophy of Henry George is completely sound.

Nevertheless, we are in sympathy with Mr. Beckwith's suggestion that George, like Columbus, has opened a new world, and that all progress in economic thought will develop from the discoveries he made. We do believe that there is a great deal to be done in this direction, and we give Mr. Beckwith full credit for his thought-stimulating ideas in this interesting volume.

THREE DECADES OF TAX COLLECTIONS

"Tax Yields: 1940." Tax Institute, University of Pennsylvania, Philadelphia. 1941. 149 pp. \$2.50.

This is the fifth in an annual series of books published by the Tax Institute presenting federal and state tax collection data. The present volume contains not only tax yields for 1940, but also an investigation of federal data from 1911 to 1940 and state data for the decade 1931-1940.

The work of bringing together the complete tax returns of the forty-eight states is a new contribution. As the foreword tells us,

"This is the first time actual collection figures for the entire period have been made available from any source. This period is, however, one of the most significant of any in our fiscal history from the standpoint of state tax developments." A glance at the charts giving the state collections reveals the significance of the developments, numerous new taxes hitherto not resorted to having been widely adopted by the states—notably taxes on sales, trucking, oleomargarine, chain stores, racing, etc. With the steady rise of these consumption and indirect taxes, there has been a corresponding *decrease* in real estate taxes in most of the states. In Michigan, for instance—where the Real Estate Board has been agitating for a tax limitation law—the state real estate tax has decreased from \$27,135,177 in 1931 to \$775,634 in 1940. Developments in this direction we can only regard with apprehension.

The Tax Institute has yielded to the conventional classification of taxes (following the system of the State Tax Guide Service). Thus under the heading of "property taxes" we do not find any distinction between land and improvements. As a matter of fact, the states often make no distinction between "real" and "personal" property taxes, since these are usually collected by local governments and passed on to the states. Of course, local tax data, which cover a tremendous field, are not presented in this volume. Ferreting out figures for the some 165,000 local taxing units in this country would be a Herculean task! But it would probably yield no more promising trends than are apparent in the federal and state data.

An interesting phase of the "Tax Yields" study is the comparison of figures over the thirty-year period covered: "Total tax collections have increased from \$2,696,995,570 in 1911 to \$12,872,689,886 in 1940, or almost five times as much as in 1911. Federal tax collections have increased from \$644,197,000 in 1911 to \$4,860,524,000 in 1940, or about seven-and-a-half times as much. State tax collections have increased from approximately \$300,000,000 in 1911 to \$3,267,165,886 in 1940, or almost eleven times as much as in 1911." But even these 1940 figures will seem puny when the data for 1941 and the coming years are presented! A little forecast of what we are to expect appears in one of the charts tracing the federal collections from 1911 to the estimated collections in 1942. At the end of 1940, income and profits taxes amounted to \$2,200 millions; at the end of 1942 they are expected to reach \$4,500 millions.

"Tax Yields: 1940," with its many tables and diagrams, and its analysis of the data, provides a succinct yet comprehensive picture of the present tax scene. Dr. Mabel L. Walker, Director of the Tax Institute, has done a conscientious piece of work. For those who would be fully informed about tax data, this is an indispensable volume.

CORRESPONDENCE

OBJECTIVE ETHICS VS. EXPEDIENCY

EDITORS *LAND AND FREEDOM*:

In the first issue of the new Georgan venture, *The American Journal of Economics & Sociology*, Dr. Geiger states the necessity for some kind of ethical evaluation in making decisions. "They involve valuation," he states, "i.e., choice between alternatives, preference among competing interests, saying yes here and no there. And this process of selection, a process that automatically establishes a system of values, is precisely the technique of ethical decision." This, I believe, is indicative of the conscious need for an objective system of evaluation evident among Georganists.

All this by way of preface to some comments I would like to make on the stand taken by the editors of *LAND AND FREEDOM* on the war

question as evidenced in their editorials and their comments on the article by Mr. Sanford Benjamin.

I have no way of knowing whether the editors accept the validity of an objective criterion or subscribe to the basic principle that the end does not justify the means, without which any attempt at moral evaluation is worthless. But from the standpoint of one who does accept this I would like to state that the question of whether or not participation or non-participation in the present war will or will not favor the Georgeist cause must take secondary place behind the more pertinent question as to whether one can in conscience use modern methods of war to further any cause.

Georgeist teaching is permeated with moral judgments, so much so that one may consider Georgeism primarily as an ethical system. With this in view, to reject the moral issues involved in modern warfare on the assumption that they are not specifically Georgeist and are unrelated to economic teaching appears to be a very illogical viewpoint indeed.

If a question to be faced by Georgeists is this—should violence be the means to a realization of the revolution?—then also it is feasible that the larger question—shall modern warfare be a means to freedom?—be examined. So far the editors seem to content themselves with the usual arguments for defense—how we are to react at what is happening to us. But there is the positive consideration—what are we being asked to do to others? If we must become intolerant to kill intolerance, if we must spread hate propaganda to destroy hate, if we must use poison gas, or bomb open cities or have recourse to all the horrors of modern warfare (and how can we wage a war otherwise today?) then it is time to ask—are these things fitting in with an objective system of valuation or is such a system a luxury of peace to be discarded under the fury of a war psychosis?

I am not suggesting that a Georgeist *must* be a pacifist, but I am inclined to believe that a reexamination of the causes of war and a realization that we are being asked to preserve a system whose false idea of freedom has and will again lead to economic slavery and fascism should cause us to pause and reconsider not only these things but what is after all the basic question—can we in conscience make use of an immoral means even if the outcome were the full realization of the Georgeist cause?

Clarks Summit, Pa.

ROBERT C. LUDLOW

TAKES ISSUE WITH PRAISE FOR PIUS XII

EDITORS LAND AND FREEDOM:

To those of us who have been hoping that the conclusions of Henry George might some day develop into something more tangible than a minor protest, Comment and Reflection in the July-August issue of LAND AND FREEDOM is a far from reassuring sign. Are the findings of Henry George so lacking in fundamentals that a publication devoted to land reform actually rejoices in the broadcast of generalities by the head of an institution whose major events are behind rather than ahead? While the writings of Henry George are not altogether free of generalities, he did offer a democratic plan of action—a plan that is in no need of inspiration from civilization's most conspicuous beneficiary of land monopoly. The celebrated vows of poverty and chastity have enhanced rather than impeded a world-wide accumulation of landed estates and other forms of material wealth. The wealth of this institution can only be estimated, for it is answerable to no authority but itself. Where men have not been conditioned to respect the organization headed by the Pope, they fear its political and economic power.

Are the editors of LAND AND FREEDOM so innocent of what has been happening not only through the ages but at the present time that they should consider it ungracious to complain because "His

Holiness" did not offer specific remedies for our "civilized" ills? Apparently, the editors of LAND AND FREEDOM need to be reminded that somebody must come to grips with the society dominated and controlled by the Roman Church before the simple proposal advanced by Henry George can become a democratic reality. Be fully persuaded, that the world's wealthiest organization will resort to every artifice that 2,000 years of experience have generated before it will give up a single acre of ground or pay a dime of tax, single or otherwise.

Let us not deceive ourselves concerning the challenge to be faced. We should neither over-estimate nor cringe before any adversary irrespective of honeyed phrases or extravagant claims to supernatural authority. So long as a piece of soil can be priced, taxed and monopolized by every whim of attitude, place and circumstance, there can be nothing but economic instability, rampant corruption and war among the nations.

These days so oppressive to many and difficult for most of mankind, are not the offspring of some mysterious fiend at work in the earth, the sea or the heavens. These anxious moments are, on the contrary, but the inevitable result of many a yesterday of under-world techniques employed by men in politics, industry, religion. At a time when religion should be of genuine service as an elevating influence in a war-shattered and dictator-infested world, there are nothing but hollow gestures with which to speculate upon the more devastating consequences of "civilized" blundering and neglect. Out of these blunders of men, the dread spectres of dictatorship, militarism and universal squalor are now stalking the earth. When the observance of organized religion is largely confined to special days, ecclesiastical psychosis and political manipulation, the voice of a leader of organized religion is not an element to be conjured with in this hour of man-made uncertainty, dread and actual horror for untold millions.

Chicago, Ill.

N. B. KROHN

THE AFFAIR NOCK-BRYANT-BERNSTEIN

EDITORS LAND AND FREEDOM:

A recent review of "Unfinished Victory" in your paper, by Mr. M. J. Bernstein, might well have shown the Georgeist points made by Mr. Arthur Bryant, the author.

A statement by T. E. Lawrence (from "Lawrence in Arabia") precedes the first chapter pointing out the struggles of the young men who sought ideals in the World War. When they won, the old men then came out and reconstructed the world as they knew it. Lawrence says that he and the other young men stammered that they had fought to make a better world on earth. The old men thanked them and had no further use for their ideals.

The thesis of Mr. Bryant is that wars have economic causes, and that those who seek to improve the world by other than economic means or solutions will be as disappointed as Lawrence.

This is Henry George's thesis: You cannot solve the cause of war—poverty—except through what George called the one panacea, Freedom, and you can't get that without the public collection of ground rent.

Bryant does a creditable job of showing that the longer a war, the less likely are ideas of justice and freedom to flourish afterward. This is complementary to George's analysis of Malthus, whose solution for the problem of poverty was the four horsemen, war, disease, pestilence and famine.

Some questions given by Mr. Bernstein in his review were given to prove Mr. Bryant anti-Semitic, but on rereading "Unfinished Victory," it appeared to me that Mr. Bernstein had extracted quotations out of context which indicated they were not anti-Semitic.

Perhaps I am naive on this subject, but I fail to see Mr. Bernstein's case.

Mr. Albert Jay Nock is disparaged in the review by Mr. Benstein, because he indorses the general thesis which he said "cannot be questioned," that wars are economic and that wars fail to solve the cause, poverty.

Mr. Nock needs no defense, and may well be distressed that I should discuss the attack on him. It seems fitting that a few words may be said about his contribution, in the *Atlantic Monthly*, of an article on "Democracy vs. Socialism," a book reprinted by the Henry George School. This article, entitled "In Defense of the Individual," induced over 500 individuals to buy this book through the Robert Schalkenbach Foundation. This was a contribution to "widening the circle" of those who study George.

Everyone who would contribute to the Henry George Movement, may do so in his own way; it won't be mine and it won't be that of someone else. On the occasion of the Henry George Centenary Mr. Nock published a biography, "Henry George," which gave the movement considerable publicity.

Those who disagree with the methods of a fellow Georgeist may well try to educate him, but the assumption of George is that man is infinitely improvable, educable, not some men, but man. "They are even as we are," said he. Therefore, while we may well criticize a product objectively, we may assume the best of motives in everyone. Concentration on a man's logic keeps the issues clear and is educational. Let us strive for the constructive, the educational in all our efforts to overcome the only emergency, Ignorance.

New York, N. Y.

LANCASTER M. GREENE

MR. BERNSTEIN SUBMITS MORE TESTIMONY

EDITORS LAND AND FREEDOM:

Albert Jay Nock is a regular contributor to *Scribner's Commentator* whose pro-Nazi character has been conclusively established after thorough investigation by competent agencies. Most of the magazine's contributors are tarred with the same brush.

In the July-August issue of LAND AND FREEDOM, I pointed out that "Unfinished Victory" was unashamedly anti-Semitic and pro-Hitler. Nock has neither denied that assertion nor my charge that he approves the book's viewpoint. In fact, he has, in the September *Commentator*, in an article praising a book by the anti-Semite Douglas Reed, reaffirmed his approval of "Unfinished Victory." He says, "My readers will remember that some months ago I reviewed Mr. Arthur Bryant's excellent, temperate and patriotic book, 'Unfinished Victory,'" and then he reiterates his belief that a conspiracy exists to keep the volume off the American market.

Despite this, Ellen Winsor "rebukes" me in her letter in the September-October issue of LAND AND FREEDOM for mistreating Nock, for ignoring his genuine Georgeism, and for being unacquainted with his "masterpiece"—"Our Enemy, the State." Well, let's look at the record.

In 1928, Nock published a book called "On Doing the Right Thing." I quote from it: "In actual life, they [the Jews] are dreadful people. I sometimes think there will be a record-breaking pogrom in New York some day, and there are occasions even now when the most peace-loving person among us wishes he could send over a couple of *cotnias* of Cossacks to floor-manage the subway rush."

In 1934, Mr. Nock, in a "Journal of These Days," wrote: "It is ironic that the offspring of those who crucified Christ are the ones who profit most by the seasonal sentiment of Christmas. But in the Jewish view *Geschaeft ist immer Geschaeft* and most Christians are too dull-witted to perceive the anomaly. This morning I was thinking of our newspapers here in New York as a typical *echt* Jewish enterprise for its peculiar quality of unscrupulousness and shabbiness."

I would like Miss Winsor to know that I am thoroughly familiar with "Our Enemy, the State" and consider it a third-rate work by a third-rate writer who is eminent neither in sociology, economics nor in political theory. Most of the book's ideas are borrowed from others, and what are peculiarly Mr. Nock's own are without either merit or significance.

George Raymond Geiger (Professor of Philosophy at Antioch College, author of "The Philosophy of Henry George," "Theory of the Land Question," and son of the late Oscar Geiger, founder of the Henry George School), writing on Henry George in the September issue of the *Antioch Review* (of which he is an editor) has this to say:—

"We are examining in this paper some of the reasons for George's neglect today . . . To the more legitimate reasons may be added an unfortunate tendency on the part of the most influential of George's present-day American supporters to use his work as a club with which to belabor 'collectivists' of all sorts—from Stalin to Roosevelt! [Indeed, they seem to hate Roosevelt more than Stalin, and Hitler far less than either—M. J. B.] What may be called the right-wing group of Georgeists seems to have been unduly influenced by the ideas of Albert Jay Nock, whose rather recent book, 'Henry George: An Essay,' expresses clearly the sophisticated anarchism which he has always preferred to 'our enemy, the state' . . . The extraordinarily bitter attacks upon 'statism' which evoke the blessings of many prominent Georgeists today do not have even the ring of genuine anarchism. They sound more like the 'viewings-with-alarm' of a Chamber of Commerce or the National Association of Manufacturers.

"There is no point in discussing the merits of rigorous anarchism. (Mr. Nock's brand seems somewhat unorthodox, since he has a distinct contempt for the uneducable masses, and feels that George made his fatal mistake in trying to appeal to them.)

". . . But it seems certain, at least to the present writer, that George would scarcely approve of the unabashed Republicanism and pink-baiting that are professed by some of his followers today. Even more certain is it . . . that his permanent influence in American social thought will be in those very circles that are now being alienated by such right wing tactics."

In a footnote, Professor Geiger adds: "Since this was written several articles of Mr. Nock have appeared, and in them he has taken the first steps down a path which must unquestionably be called a fascist one."

In the August-September 1941 issue of *Protestant Digest* there is an article exposing Albert Jay Nock as an anti-Semite. It is entitled "Nock—*Atlantic* Anti-Semite," and is an analysis of his recent articles in the *Atlantic Monthly*.

I can't think of a more fitting sentence with which to terminate this letter, except to state the conclusion which necessarily follows from it, to wit:—that the prejudices shared by Nock and others must be exposed for what they really are. This is essential to safeguard the name and reputation of Henry George and to prevent an association in the public mind of his teachings with ideas which, were he alive, he would have utterly repudiated and tirelessly combated.

New York, N. Y.

MICHAEL J. BERNSTEIN

ADDENDUM BY THE EDITORS

[In a review of Albert Jay Nock's "A Journal of These Days" (LAND AND FREEDOM, May-June 1934), Joseph Dana Miller wrote the following: "Mr. Nock is a Henry George man but he is not eager to apply the remedy. Familiar as we are with the eccentricities of many who profess a belief in our principles and yet who are in deadly fear of them, this does not surprise us greatly. He says of the Single Tax that 'the people would not know what to do with it if they got it,' and with this shallow sophistry dismisses it. . . .

"'George's biography,' he says, 'makes it clear that he knew singularly little about human beings and the workings of their minds.' Nevertheless, Mr. Nock hastens to reassure us that something might be done with the fundamentals of his doctrine 'if the right people took it in hand.' We find that phrase, 'the right people,' subtly intriguing.

"We hasten to record our conviction that Albert Jay Nock is of no use to us. . . . The philosophy he preaches is the very negation of any real conviction on the question or of any influence he may be capable of wielding. He can be of no help to us in advancing the cause. He would do us a great service if he refrained from mentioning it. We say this because it is rumored that he has in contemplation the writing of a life of Henry George."]

LIKES OUR DEMOCRATIC POLICY

EDITORS LAND AND FREEDOM:

Enclosed find my subscription to LAND AND FREEDOM. Mr. Alexander Greene of Chicago sent me a single copy, and I think it is excellent. One of my roommates, who is a Republican, was impressed when I showed him the William Allen White endorsement; the other, who is an active liberal, and who has no use for those Georgeist groups who wish to remain in an ivory-tower, was enthusiastic when he read the anecdotes by Mr. J. W. Graham Peace.

I myself do not favor war, but I am in full sympathy with your editorial policy of allowing free expression to both sides.

Harvard College, Mass.

F. MASON GAFFNEY

NEWS NOTES AND PERSONALS

SOME publications recently added to our exchange list are: *The Antioch Review*, a quarterly journal published by professors of Antioch College; *Freedom and Unity*, a California quarterly of cultural and social content, edited by Prynns Hopkins; *The Country Book*, a new magazine devoted to rural living, published in New York; *Dynamic America*, an outstanding liberal magazine, also of New York; and *The Biosophical Review*, published by the Biosophical Institute, New York.

CAUSE AND EFFECT, Georgeist paper published in Chicago, which had been temporarily suspended, has recently resumed publication. In short, interesting articles, Georgeist principles are related to the news of the day. Mr. C. R. Walker is the editor. The subscription rate is \$1.00 per year, and the address is 127 North Dearborn Street, Chicago, Ill.

A POSTCARD has come from our Spanish colleague, Prof. Antonio F. Matheu Alonso, at Tarragona. Unfortunately, his situation has not improved since our report of him in the November-December, 1940, LAND AND FREEDOM. "I have lost my University chair," says Prof. Alonso, "and am not allowed to practice law. They have seized all my possessions, even my books." However, he maintains his faith: "In the midst of international distasters, the march of our movement constitutes a hope and it is a consolation to receive news of our co-workers and of the progress of the School."

THE 1941 issue of "We, the People," a yearbook of American public opinion, contains a contribution from our good friend W. L. Crosman of Revere, Mass.—"a well-known single tax advocate," as the *Revere Budget* says. Mr. Crosman's contribution is a succinct statement on the single tax.

THE August 8 issue of the *Journal of the Royal Society of Arts* (London) contains a paper by our Georgeist friend, F. C. R. Douglas, on "Economic Aspects of Soil Fertility and Nutrition." Mr. Douglas

is a Member of Parliament and a Member of the London County Council, and he occupies the important position of Chairman of the Finance Committee of the latter. In his paper Mr. Douglas points out how the enclosure of the common lands by the great landowners and the migration of the landless proletariat to the cities was an important factor in depleting the richness of the soil.

JACOB SCHWARTZMAN's series of articles, "The Critics Criticized," which have attracted favorable attention, will be resumed in our next issue. The previous articles have dealt with individual economists' objections to Georgeist doctrines. In the forthcoming articles, Mr. Schwartzman proposes to deal with the objections of various schools of thought.

STATEMENT of Ownership, Management, Circulation, etc., required by the Acts of Congress of August 24, 1912, and March 3, 1933, of LAND AND FREEDOM, published bi-monthly at New York, N. Y., for October 1, 1941.

State of New York, County of New York, ss.

Before me, a notary public in and for the State and County aforesaid, personally appeared Charles Jos. Smith, who, having been duly sworn, according to law, deposes and says that he is the owner of LAND AND FREEDOM and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in Section 537, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor and business managers are:

Publisher: LAND AND FREEDOM, 150 Nassau St., New York City.

Editors: Charles Jos. Smith, Jos. Hiram Newman and Robert Clancy, all of 150 Nassau St., New York City.

Managing Editor: None.

Business Manager: Charles Jos. Smith, 150 Nassau St., New York City.

2. That the owner is Charles Jos. Smith, 150 Nassau St., New York City.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholders or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association or corporation has any interest direct or indirect in the said stocks, bonds, or other securities than as so stated by him.

CHARLES JOS. SMITH

Sworn to and subscribed before me this 15th day of October, 1941.

(Seal)

AUDREY I. SHAY, Commissioner of Deeds,
City of New York.

(My commission expires Sept. 16, 1943)