

TOTALITARIAN TRADE METHODS

"You Can't Do Business with Hitler," by Douglas Miller. Little, Brown and Company, Boston, 1941. 229 pp. \$1.50.

"For the desire of one party, however strong it may be, cannot of itself bring about trade. To every trade there must be two parties who mutually desire to trade, and whose actions are reciprocal."

"And as trade becomes free and extensive . . . as pirates and robbers are extirpated and treaties of peace put an end to chronic warfare—so does wealth augment and civilization grow."

These paragraphs, written by Henry George in 1886, recognize clearly that trade requires mutuality and a trading area, freed, by force if necessary, from the depredations of armed marauders. Douglas Miller, who spent six of his fifteen years as commercial attache at the U. S. Embassy, under the Nazi regime, has written a factual account of a contemporary robber-collectivism which has substituted force for the principle of mutuality.

Hitler once said that Germany "must export or die." Mr. Miller demonstrates, conclusively, that Nazism "must fight or die." The tremendous Nazi war machine requires vast quantities of raw materials for its existence. But it absorbs Germany's productive resources almost to the exclusion of the goods necessary to pay for these materials. Hence, the only alternative is to use the machine to acquire by violence the wealth for which it cannot pay. How this was accomplished is a matter of recent and current history; and the end is not yet.

The history of Nazi "trade" methods in the Balkans, Latin America and at home is the history of an insatiable appetite which trampled underfoot the sanctity of contracts and property rights in its frenzied drive for complete domination, which no concessions, commercial, material or political, have appeased.

A victory for Hitler, warns Mr. Miller, will enable him to organize Europe, Asia and Africa into a huge self-sufficient unit, supported in the Pacific by the Japanese Empire, and virtually "encircling" the Western Hemisphere. In the face of this powerful opponent controlling most of the earth's resources and population, and bent on world conquest, he believes that in sheer self-defense, the United States will become permanently totalitarian; that its living standards will fall to those of a blockaded country, drained to feed its swollen defense forces; and that a military dictatorship will impose its rule permanently on a population to whom peace will have become only the vaguest memory. Mr. Miller is convinced that the sole hope of salvation lies in not giving the Nazis the opportunity to organize their conquests. His book is compulsory reading for thoughtful Americans—especially those who believe that "you can do business with Hitler."

HELEN BERNSTEIN

TAXES AND TARIFFS MAKE NEW INROADS

Governmental marketing barriers and consumption taxes are comparatively recent phenomena—and the rapid growth of both has been as startling as it has been sudden. The Spring and Summer, 1941 issues of *Law and Contemporary Problems* (published by the Duke University School of Law) are devoted respectively to these two phases of governmental interference in distributive processes. In the Foreword to both issues, Prof. Frank R. Strong observes that marketing barriers and consumption taxes have received but scant attention by scholars, and he hopes that the two special numbers at least sketch the outlines.

In the Spring symposium on governmental marketing barriers—chief of which are the numerous interstate tariffs that have arisen in recent years—sober scholars do not hesitate to characterize as

"uneconomic" the effects of such barriers and as "dangerous" their tendencies. Not long ago, and even today, students could "objectively" analyze governmental restrictions on international commerce—and this phase of trade restraint did not lack scholastic support. The same principle carried to the present *reductio ad nauseam*—the logical conclusion of "protection," after all—is so patently bad that scholars are unanimous in condemning it. It seems extraordinary that fallacies should have to be applied to such an extent before students can see their ill effects.

Consumption taxes (dealt with in the Summer symposium)—which include use and sales taxes—are generally recognized by students to be the most objectionable form of taxation now practised. Here again is an example of the logical evolution of the taxation of labor products, generally condemned only now that it has reached stifling proportions. But consumption taxes are not so universally denounced as are interstate barriers—perhaps because the effects are not so obvious though more insidious. Of the recognition by economists of such taxes, Prof. J. H. Hollander is quoted as saying: "We now face a situation where the economist may either continue crying like a voice in the wilderness or turn and say, 'Well, after all, we have, and we are, drifting toward the sales tax and the indirect tax. Perhaps there is something more in it. Perhaps we have been worshipping false idols. Let us see whether after all this to which states have drifted isn't a safer procedure theoretically, a safer principle theoretically, than we had supposed.'" And though Prof. Hollander inveighs against the rationalizers, it is tempting, if the sales tax is here to stay, for professors to go along with the tide than to remain a voice in the wilderness.

Both these developments—governmental marketing barriers and consumption taxes—are steps in retrogression. We have hitherto been surrounded with plenty of private and governmental restraints of trade—now we have these new *culs-de-sac*. *Law and Contemporary Problems* has performed a service in presenting these two studies. With all the data offered, the extent of the problem has been made clear. It is time now for scholars to investigate the basic causes of these two phenomena and to apply themselves to fundamental remedies.

LUBIN'S PRACTICAL IDEALISM

"David Lubin—A Study in Practical Idealism," by Olivia Rossetti Agresti. University of California Press. 1941. 372 pp. \$2.50.

Practical idealist is an apt term for David Lubin. His intense desire for the betterment of mankind was matched by his desire to bring about immediate and practical application of his ideals. Throughout this biography of Lubin these two qualities are counterpointed, and the broadening of both his idealism and practicality is set forth.

Lubin is best known for his work in founding the International Institute of Agriculture. The particular channel in which his zeal for service to humanity was directed was in striving for the betterment of the agricultural worker—"the man on the land." Lubin saw the lack of consideration for man's close relation to the land as one great fault of our civilization—and in his own way he sought to call attention to this problem. Himself Jewish, he took a deep interest in Hebrew history, and came to the conclusion that the great contribution of Judaism to mankind—its profound ethical and moral teaching—had its basis in its system of land tenure, whereby every man had rights to the soil and no man could be disinherited. Though Lubin did not see the way this principle could be simply realized in modern society, yet the ideal was at the basis of his work.

We can well afford to have more of Lubin's practical idealism. Coming to grips with realities while at the same time striving for an ideal is a combination sorely needed in our time.