

the arguments that economic rent represents an unearned income, and that public appropriation of this unearned income would reduce inequality and mitigate poverty, reduce or abolish speculation in land and its attendant waste, encourage ownership of farms by the actual cultivators of the soil rather than by wealthy absentee landlords, and make it easier for the urban dweller to own his own home. Against public appropriation of economic rent we have weighty objections based upon the difficulty of distinguishing land from capital and rent from interest, wages and profits; the manifest injustice of confiscating existing land values, and the probability of further injustice when through difficulties of administration the wages, interest or profits of many persons would be confiscated in the guise of economic rent. * * * As a practical programme the single-tax programme would offer us an opportunity to exchange one set of evils for another, and possibly a greater set." However, he finishes, there may be "a grain of truth in the Single Taxers' lot of chaff." At the end of his winnowing process he finds that the arguments "are not particularly strong against appropriating some part of the future increase."

I shall not fatigue you with other citations. I believe from my acquaintance with general texts in economics that the treatments I have referred to are fairly typical. Bearing in mind the willingness of most text writers to accept present economic institutions with what may be truly called the minimum of faultfinding, I cannot but say that they strain at a gnat and swallow a camel.

A Challenge to Befuddlement

THE gray hairs of Prof. Charles A. Beard are entitled to respect. Therefore, what I say about his article, "A Five Year Plan for America," in the July issue of the *Forum and Century* is not personally disrespectful; but, as so aptly stated in the editorial foreword, "it is time to call a challenge to befuddlement and confusion of weak counsels," and Prof. Beard's article is a good place to start calling.

Prof. Beard has deftly technologized a deeply technological problem in a duly technological manner to delight technological connoisseurs of the darker technology. This much can honestly be said in commendation of his "Five Year Plan" article.

It is "Alice in Wonderland" without the fantasy. Without establishing a premise from which to start, the elaborate argument does not reach a conclusion. "Well! I have often seen a cat without a grin," thought Alice, "but a grin without a cat—!"

If the "Five Year Plan for America" had not originated in befuddlement, it would have first stated the problem that confronts us; then, second, stated the remedy or pointed the way out; then, third, shown the desirably different results thereby obtained. This is the requirement of logic, if not technical technology; but if it had

been attempted by the author, even a technologist would have seen the absurdity and the article could not be written except as a horse-play upon words. Perhaps it was not to be taken seriously but as a ponderous burlesque on "Gulliver's Travels," with a "pervading atmosphere of serious verisimilitude" (as is said of the more entertaining story of "Captain Kidd and the Astor Fortune" farther over in the same issue).

The article does not outline any problem which is to be met by the "Five Year Plan," nor does it show wherein the "Five Year Plan" would produce results essentially better or desirably different. The nearest Prof. Beard comes to stating a problem is on page 3, where he says: "Herein lies the problem: how to go forward along lines already made clear by the lamp of experience and engineering rationality." Note that he does not straightforwardly say "This is the problem," but says "Herein lies the problem," which is merely making a mess of the English language. Furthermore, there is no hint of our actual problem in the statement he points to—the words where he says the problem lies: "how to go forward along lines already made clear by the lamp of experience and engineering rationality." That is not a problem, because it is precisely what we are doing, going forward along lines already made more or less clear by the lamp of experience, each one of us by his own little lamp (which is the only one any of us can use), and according to whatever engineering rationality each of us may possess. The experience of any average human is in essentials the experience of every average human, therefore we are all going forward (or it may be backward) along approximately similar lines, with little variation between one and another. Engineering rationality is the variable factor, varying between individuals in surprising degree. Nevertheless, the degree of engineering rationality which each of us possesses is the engineering rationality which each must use in going forward along lines already made more or less clear by the lamp of his own experience, and the consequences of which use he must abide by. The alternative is to extinguish our lamp of experience and leave burning only the one in the hands of the president of a syndicate in Washington. We must put out our individual lamps, because otherwise we would continually murmur at the dimness of light from the lamp in Washington which we would be required to follow. Also, our individual engineering rationality should be excised by some major operation during infancy, otherwise disuse would render it a vestigial organ, such as some evolutionists say our vermiform appendix has become, and like said appendix would often cause us a severe pain in the abdomen from viewing the alleged rationalizations of the supreme engineering rationalizationist who is head of the syndicate in Washington.

There is nothing in Prof. Beard's statement that anyone but himself need consider as a problem. Correctly put, his statement should read: "This is my problem: how to make everybody see by the lamp of my experience, and

agree that I shall have the exclusive privilege of furnishing whatever engineering rationality is needed by the country." This is a purely personal problem which Prof. Beard will have to solve for himself; the rest of us may safely discard it from consideration, as it is not our problem and does not affect our welfare and happiness (except to see that he never gets in America the chance which Stalin got in Russia).

If it is assumed that Prof. Beard's "Five Year Plan for America" starts from the present depression as a premise and is intended to point a path toward more abundant and satisfactory life, then the court should sustain an objection from *amicus curae* that it is "incompetent, irrelevant and immaterial" and should be excluded from the record because having no bearing on the case at bar, which is the indictment of civilization for causing poverty. It is charged that the enormous increase in productive power which has marked the present century, and is still going on with accelerating ratio, has no tendency to extirpate poverty or to lighten the burdens of those compelled to toil, but simply widens the gulf between Dives and Lazarus and makes the struggle for existence more intense. And it is further charged that while the march of invention has clothed mankind with powers of which a century ago the boldest imagination could not have dreamed, yet in factories where labor-saving machinery has reached its most wonderful development little children are at work; wherever the new forces are anything like fully utilized, large classes are maintained by charity or live on the verge of recourse to it; amid the greatest accumulations of wealth, men die of starvation, and puny infants suckle dry breasts; while everywhere the greed of gain, the worship of wealth, shows the force of the fear of want, and the promised land of peace and plenty flies before us like the mirage, and the fruits of the tree of knowledge turn as we grasp them to apples of Sodom that crumble at the touch.

The actual problem which we must solve is widespread poverty in spite of plenty and in spite of every facility for plenty. It is within the province of political economy to solve it, for political economy is not a set of dogmas, but is the explanation of a certain set of facts—facts which we must handle in the process of getting a living. The immediate problem is the existing "depression," the outstanding and obvious feature of which is the almost complete lack of buying power on the part of large numbers of people who are potential consumers of goods or services. There is nothing technological about it.

When in the early days of the war our railroad transportation broke down (not having been technologized for such a crisis), it was a technological problem. The situation then was a great supply of goods furnished by producers to meet a still greater demand for goods from consumers who were loudly demanding goods and at the same time waving fistfuls of money as an inducement to hasten

the arrival of the goods. Transportation failed to bring producer and consumer together.

The problem today is essentially simple in spite of its terrifying aspects, and the remedies so obvious that Prof. Beard stumbles over them in his article, but wrathfully kicks them out of his way each time. There is no magic about it, and time's healing touch is needed for recovery of the patient; but by prompt application of remedial measures, together with palliatives for the pain of the moment, the solution will work out readily enough. We are in the situation of the farmer who, getting no eggs for breakfast, found a skunk in the henhouse eating them all. The simple and obvious remedy was to remove the skunk rather than technologize the hens. It required courage, but it solved the problem.

All of us who are not parasites are both producers and consumers, and under natural conditions would produce slightly more than we would consume, leaving a margin for exceptional situations. Our difficulty is that this natural balance has been upset by human interference with the operation of natural law, so that only part of our people are producing, and the larger part of what they produce is taken away from them, while the other part of our people are not producing at all and therefore have nothing to swap for the product of those who have produced, and in consequence of this situation commerce and industry are almost at a standstill.

The keenest analysis, carried out to the utmost of refinement, shows that all business is simply a swapping of goods or services for other goods or services, even though this elementary fact may be concealed from careless eyes by the tremendously complex maze of machinery used in distribution and exchange. Those who have not produced are obviously impotent as consumers. Those who have produced and have retained some part of their product, are largely impotent as consumers because they cannot swap for goods the other fellow did not produce.

Prof. Beard's "Five Year Plan for America" does not insist upon putting into the hands of potential consumers who have not produced goods any opportunity to produce the goods which they could then swap with such other consumers as have been able to produce. As the exchange of goods or services between producers and consumers for the purpose of consumption is the sum and substance of business, it is obvious why business is weak and largely non-existent under present conditions. Prof. Beard's plan seems to imply that improved organization of producer and transporter would enable the offer of still more goods to the non-consuming consumer, just as though superior planning by producers would enable consumers to buy what they cannot buy. Nothing like it has been heard since the French princess said the hungry people should eat cake if they had no bread.

The planning which Mr. Beard speaks of is now being done in a slightly different and possibly more effective

way than he proposes. There is not a business executive in the country who has not been doing with might and main precisely what Prof. Beard says should be done—planning and scheming, in every conceivable way and from every possible angle, the effective and economical production and distribution of goods or services. What has brought these plans to naught is not the lack of someone in higher authority to tell the executive that he is wrong, but the lack of a market after his planning of production and distribution has been proved all too successful. The planning for the automobile industry is now done by Sloan of General Motors and Henry Ford, with the others planning to stick close by them. If, under Prof. Beard's plan, the planning of the automobile industry could be better done by either Sloan or Ford alone, as the head of a syndicate in Washington, it would have no effect on the number of people able and willing to buy automobiles. The automobile industry is producing half as much as it could produce because that is all it can sell, not because there is any lack of effective planning by the heads. The fact that production was curtailed when consumers could not consume, shows efficient planning.

Better planning and better organization of production and distribution is something we have been, and are, constantly working toward, and it is well that we continue progress along this line of technological development, but technology gives no hint of the answer to our problem. Planning and organization are now at a high point of efficiency, and the present machinery, now rusting for lack of adequate use, is sufficient to accomplish all that could be hoped from Prof. Beard's complex and wasteful scheme.

If we suppose that planning and organization are now raised to the eighth power, so that by walking one block from my house I can gather the ingredients of breakfast, it works splendidly so long as I have something to give in exchange therefor. But if we suppose that Prof. Beard would, by a brilliant stroke of technology, raise planning and organization to the tenth power, so that by standing on my doorstep and raising two fingers the ingredients of breakfast are immediately placed at my feet, what good does it do if I am broke? Someone must render an equivalent for that service and the goods served, and if I cannot do so, then planning and organization raised to the tenth power has not answered the problem. The present eighth-power planning and organization would function with astonishing effectiveness if the non-consuming consumer had a job so as to produce goods or services to exchange for the goods and services gladly placed at his command by the rest of the world.

In this discussion the problem has been stated, but no attempt made to answer it, the purpose being mainly to show the utter ineptitude of our embryo Stalins, to focus the public gaze upon the futile flounderings of a "master mind" in action, to prove that the "Five Year Plan for America" is an intestinal disturbance and not a trumpet call to action. The "master minds" have got us into the

"picklement" we are in, and they should be made to look ridiculous. We should take every opportunity to puncture their hot-air balloon and set them back on earth before the unthinking believe them to be a star of hope in the black sky of present distress. They are full of wordy darkness and the light is not in them.

What is the answer? That is another story for another time. Poverty is the problem—poverty which is made by human law and which has no place in Nature's plan. If we throw the skunk out of the henhouse we will have eggs to eat. By simply following Nature's plain commands, the problem tends to solve itself without any need to invent complex machinery, for right does not have to be invented, merely discovered.

"Would ye but understand!
Joy is on every hand!
Ye shut your eyes and call it night,
Ye grope and fall in seas of light—
Would ye but understand."
—Charlotte Perkins Gilman.

EDWARD WHITE.

The Unemployment Drive

AS I listened to the address of President Hoover on the evening of October 18, broadcast over a nationwide hookup, it seemed to me that a very tired man was speaking, a man worn out with anxieties over the condition of the nation, which he would do anything in the world to remedy if he only knew how. It was, nevertheless, one of the best efforts of his life, as he threw his heart into an appeal to those to whom the world has been good to relieve the distress of those to whom it has not been good.

To those who are still in darkness as to the source of the world-wide paralysis of industry and trade it was a wondrously moving and pathetic address; to those—and there are more than is generally supposed—to whom the world's condition is but the natural consequence of the world's economic sins, which they can specify, the address was intensely pathetic. As one of these, I was reminded of a hen which has escaped from her enclosure seeking, as night comes on, the hole by which she escaped, running frantically back and forth in front of it but never seeing it.

The charity for which the President so earnestly appealed, no matter how generously it may be given, can never be a satisfactory substitute for justice—it can never reimburse those who have been disinherited of their natural right to earn a living. That age-old idea of appeasing the gods by sacrifice is still true, but it has been transformed—we must appease outraged economic law by the sacrifice of all that is wrong in our economic arrangements.

The Pope of Rome has issued an encyclical letter appealing to the Church to engage in a "crusade of charity," and prelates, priests and clergymen of all denominations have been praying and urging prayer for the idle. It is all well meant, but we may doubt if any of them has ever