

Monetary terms lose their significance.

The disciples of higher learning are up in the stratosphere. Will they ever get down to earth? Will they ever get their economics on straight and understand that money is not wealth and of itself has no purchasing power whatsoever. Money is a measure of value and medium of exchange only. It is a token accepted for something produced and exchangeable for some other product. Incidentally what is this 59.06 cent dollar? It is not redeemable in gold or anything else.

The *Boston Globe* is down on Newspaper Row—deep in the desideratum of the crux criticorum of what makes the smoke go up the chimney.

Heaven help the "young persons majoring in economics" on a night like this.

## Are The Aged Deserving

THE TOWNSEND PLAN CONSIDERED FROM A  
NEW ANGLE

**W**ITHIN a few days I will be sixty years old. My wife is about that age. Being neither aliens nor criminals, if the Townsend Plan became operative we would receive an income of \$400 a month. Assuming the dollar to retain its present purchasing power, as it is claimed that it would, I could retire and devote myself to research, reading, fishing and puttering around with the lawn and flower beds. We have often wished that we could take a trip to Norway or Labrador in the summer and to Florida or Mexico in the winter. The necessity of earning a living has prevented such trips. With the Townsend Plan in operation such dreams could come true.

It all sounds very alluring and it is little to wonder at that the idea spread for a time like wildfire, with Townsend Clubs springing up all over the country as thick as mushrooms after a soaking rain in the late fall. The arguments advanced to support the plan are subtle, and, on the surface, persuasive, appealing not only to natural cupidity but to the fine instincts of the simple good. Those who joined these clubs are, in the main, plain, honest people who have worked hard all their lives and who look upon the plan much as a weary plow horse looks upon a restful, green pasture at the end of a hot day's work. It holds out the promise of a glorious and restful sunset to the lives of millions who have spent their strength in years of toil and penury.

It can be conceded that the plan does credit to Doctor Townsend's heart and I, for one, would never think of questioning his honesty or sincerity. It has been stated that the plan was born after Doctor Townsend had seen the gnarled hands of two old women, with weary work-worn bodies, groping for food in the garbage cans of wealthier fellow humans. The mental anguish caused by that sight and all that it implied tormented the good

Doctor so that he could not rest until he had found what he considered a solution of the problem of want in a land of plenty. Would that those who can think straight, if any there be, might suffer the same anguish and set to work on a solution of the same old problem! While I do not agree with the Doctor's remedy and may even consider that its application would only aggravate the disease that he seeks to cure, I am willing to take my hat off to him as one who saw the problem and at least attempted to solve it. That is more than can be said of most of those who criticize him and his plan.

So far as my observation goes, the objections advanced against the Townsend Plan are all based on monetary and economic grounds. It is pointed out, and, in fact, convincingly demonstrated to many minds, that it would bankrupt the nation and defeat its own ends by reducing practically everyone to a state of pauperism.

Let us approach the problem from a different angle by asking the question as to just why anyone should be solicitous about the aged. On what grounds and by what right should they receive special consideration? Rewards are supposedly based on merit. Theoretically, at least, they are earned. What have the aged really done to earn anything at the hands of the young? In attempting to answer these questions we should follow the advice of Marcus Aurelius Antoninus who many years ago penned these words—as valid today as the day they were written:

"Make for thyself a definition or description of the thing which is presented to thee, so as to see distinctly what kind of a thing it is, in its substance, in its nudity, in its complete entirety, and tell thyself its proper name, and the names of the things of which it has been compounded, and into which it will be resolved. For nothing is so productive of elevation of mind as to be able to examine methodically and truly every object which is presented to thee in life, and always to look at things so as to see at the same time what kind of universe this is, and what kind of use everything performs in it, and what value everything has with reference to the whole, and what with reference to man, who is a citizen of the highest city, of which all other cities are like families; what each thing is, and of what it is composed, and how long it is the nature of this thing to endure."

Having walked, so to speak, all around the plan and viewed it from all angles, it seems to me that there are two vitally important factors that must be weighed in determining whether the aged merit the special consideration proposed. First: What did they start out with? What talents were given them? Second: What did they accomplish? What are they about to turn over to succeeding generations? In other words, what use have they made of the talents entrusted to them?

Let us consider briefly what they started out with:

(1) They had been furnished free by the Creator with a planet which we call the earth. They held that planet in trust for use, and not wasteful and sinful destruction, the remainder interest being in future genera-

tions subject to the same trust. That planet was stocked with an overwhelming abundance of everything needed by man for his material needs. On such planet there is no real excuse for any human being lacking food, clothing, shelter, or even the luxuries of life.

(2) They had been endowed by their Creator with the ability to reason. Correct reasoning involves straight thinking, which should be comparatively easy when the faculty is used. It becomes hard work only when the faculty is so seldom exercised as to become rusty.

(3) They were acquainted with the fruit of the tree of the knowledge of good and evil. They knew what was good and they knew what was evil.

(4) They were endowed with free will so that whatever path they chose was chosen voluntarily.

(5) They had the benefit of past history. Civilizations that had flourished and collapsed or disintegrated could be laid upon their dissecting table and studied for example or warning. The same is true of various so-called reform movements, many now current, most of which have been tried in times past and found wanting.

(6) They had available the knowledge of God's will for over nineteen hundred years ago the Word was made flesh and dwelt amongst us.

The above may not be all they had, but it was enough to make possible a heaven on earth. What have the aged done with it? In what way have they used the talents entrusted to them? What does the account of their stewardship show? Are they turning over to the young a heaven or a hell on earth? They received much and much can reasonably be expected of them.

"For unto whomsoever much is given, of him shall much be required." Luke 12:28.

Let us look at their record. Some of the results they accomplished, or made their own by neglecting to change, may be briefly summarized as follows:

(1) They have engaged in foolish and destructive wars. In the recent World War practically all of the nations involved were nominally Christian. In that war they killed directly about 10,000,000 of their finest physical specimens. L. Hersch, Professor of Statistics and Demography at the University of Geneva, in a recent article makes the assertion that the total of direct and indirect victims of the World War, men, women and children, would total 41,435,000. Millions more were badly wounded. They destroyed billions of dollars worth of property. They piled up staggering loads of debt for those who follow to pay or repudiate.

(2) Not satisfied with the stupendous folly of the World War they immediately start to prepare for a worse war. The earth trembles with the march of men under arms. Industry staggers with the burden of supporting them and of furnishing at mounting costs ever increasing numbers of machines of death, while at the same time paying for past follies.

(3) Instead of love they have bred hatred—hatred between nations, hatred between races, and even hatred between so-called Christian bodies of differing faiths.

(4) Where millions need things that could be produced in abundance, we find millions of unemployed—not counting those crippled by accident or disease or those too lazy to work. "Want is on every hand. Even little children suffer for lack of proper food, clothing or shelter. We have desperate men able to work and willing to work who have no jobs and little hope of finding any. Many of the young cannot marry because they have no work and many more who have work are afraid to marry because they have no assurance that their work will continue. Thousands of graduates from our colleges and universities pour forth each year and eat their hearts out in bitter disappointment as they find no place for them. The conditions here outlined are measurably true in what we call good times as well as in times of depression.

(5) They have raised artificial barriers to natural trade where God has placed none, thinking that puny man is wiser than his Creator. As a result, we find all nations raising such barriers, dislocating normal commerce and increasing unemployment and want.

(6) They have wasted or bartered away natural resources and have sought to create plenty by causing an artificial scarcity, even descending to the folly of destroying food.

What a picture! What a sad commentary on the job done by the aged! The waste of natural resources and of potential human possibilities is staggering and sickening. It breeds despair and worse. And it is on this record that the aged hopefully ask that the young shoulder an additional and back-breaking burden by liberally pensioning them as though they had done something deserving of such kind treatment! When a jackass gets too old to work we put an end to him with a bullet, and a jackass is an animal of considerable sense. Certainly no jackass ever went hungry when he was surrounded with an abundance of food. Men do in the social structure reared, or preserved, by the aged and for which they are responsible.

The Townsend Plan proposes to give all those over sixty years old a pension of two hundred dollars a month. Objections to the plan have been made on monetary and economic grounds. My point is that there is another objection embodied in this question: "On the record they have made, have the aged as a class *earned* a pension of two hundred dollars a month for each and every person over sixty years old or any pension at all?" The answer must be "No."

I have dealt with the aged as a class because the Townsend Plan deals with them as a class. There are those among this class who are deserving. There are those who have no share in the responsibility for the conditions outlined. There are those who have actively opposed

the policies that led to such conditions. The Townsend Plan makes no discrimination and I have made none. We are not dealing here with a plan to pension the worthy or the helpless but with the Townsend Plan.

*A justitia (quasi a quodam fonte) omnia jura emanent.*

From justice as from a fountain, all law springs forth.

—JOSEPH F. COWERN.

## Economics in the Schools

ADDRESS BEFORE THE CANDLELIGHT CLUB OF  
OSHKOSH, WISCONSIN

BY JOHN HARRINGTON

I HAVE always liked the study of economics, although I am not enough of a student to be called an expert. Economics is defined as the science that treats of the production and distribution of wealth;—that is, the *fundamental* production of human livelihood. That would seem an important subject for human beings to study. And because I think it is not sufficiently studied nor very well taught, it seemed that this would be a suitable occasion to offer some remarks on the subject. I do not want the teachers of economics to become disturbed if there are any here. They can answer that I am not qualified as a teacher of the subject, and no offence will be taken.

Since the science has to do with the fundamentals of making a living, it seems to me that the subject is at least as important as history or geography, and can be studied by pupils of about the same maturity, that is, not later than first or second year high school.

I suppose I lean toward the classical school, going back roughly to Adam Smith. This school is based on the theory of natural law, and growing out of that, natural rights. The modern school of economics tends to a denial of natural law and natural rights; and base social regulations on social experience and utility,—a planned economy, and a more or less Marxian attitude and socialistic leanings. The President's "brain trust" was largely of this school; and this teaching is now predominant in the universities. The President should not be blamed, for he got his economics in the same school. Prof. R. A. Seligman of Columbia University, perhaps the most prominent of present day economists, says there are no natural rights, but only "social utilities." I do not know what he thinks of the Declaration of Independence, and its "unalienable rights" of life, liberty and the pursuit of happiness.

The average man who has not studied economics knows something about the subject, but not in any organized way. For instance, he knows that he seeks to get the best wages he can for his work. That is an expression of natural law. The economic formula is that "men seek to satisfy their wants with the least exertion." This is a

natural law. For the wage earner the proposition can be turned around in this way: Men seek to satisfy as many of their wants as possible out of a given amount of work. That only means that men seek to secure the best available wages. I think no one will deny that to be a natural law. This law applies to all men, not alone to laborers. They seek to gratify their desires with the least effort. All of us do so. We invent a machine to save hand labor.

Now there is another natural law: The Creator made man a land animal. By land I mean natural resources. Man must obtain his entire sustenance (physical) from land. Following the urge of the law first mentioned, men will see that land which will furnish the most generous sustenance with the least labor. This may sound like A B C, but A B C is taught in schools, very properly.

In time the best land is occupied and in use; and those coming later must take the poorer land, and so on, as population increases, down to the poorest land on which a living can be made. Men will not work on land that will not keep them alive. The poorest land in use is called marginal land; it has no selling or rental value.

This brings us to another natural law, the law of rent. A man has a choice, to make a living off marginal land, or to lease better land from some one who does not care to use it himself. If he takes the better land he pays rent to the owner. The amount of rent depends on the difference in productive value between the leased and the marginal land, and introduces "Ricardo's Law of Rent" as follows: "Rent is the excess value of any land over the poorest land in common use."

This also introduces the landlord. He is the man who has the better land and collects rent. He makes no return to society for rent received. He receives an amount in rent equal to the excess over what the tenant would have earned had he chosen to work the marginal land. As a corollary we can now see another natural law: That the tenant user of land and the marginal user of land live on the same economic level. They receive substantially the same income.

Now following this analysis a little farther, we can see another law of nature, or perhaps another angle of the same law. I said the land user has two choices. He may use marginal land to make a living, or he may rent better land. As a matter of fact he has three options. His third choice is to cease being a land user and work for wages, or in giving of services in some form. As I said, all human sustenance comes from the land, but most of it passes through several hands and several processes before it is in the hands of the consumer. These middlemen may also be classed as wage earners. For in economic definition there are only three incomes, rent, interest, and wages. And wages is the return for human effort in any productive activity.

Now you can see that the production from marginal land determines the income of a tenant land-user after