

# HENRY GEORGE NEWS

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## Capitalism Can Be Saved By JOHN S. CODMAN

A PROMINENT captain of industry in an address last spring made an appeal "for action now" on behalf of our capitalistic system. It is certainly high time that such an appeal were made in view of the steady drift throughout the world toward various forms of collectivism, all tending toward complete governmental ownership and loss of freedom. Let us consider then what effective action might be taken!

There are certain artificial restrictions on production and trade existing in our social order that may well be sufficient to account for the approaching failure of capitalism. Unless these restrictions are removed, it is hopeless to expect that anything can be done to save it.

Most conspicuous of these restrictions, though not the most serious one, is our system of raising revenue for public purposes by means of taxation. As of today it is based on no sound principles, is completely arbitrary, and utterly destructive to the industry of the country. Until however an even more serious restriction is recognized and removed, it is not possible to see to what extent taxation can be abated.

This even more serious restriction of production is to be found in a rather generally overlooked feature of our system of land tenure. The principal feature of that system, namely the feature of private ownership of our natural resources and the sites upon which we have our homes and do our business, is not necessarily restrictive. Private ownership of land has the merit of giving security from interference in its use to those who hold titles to land, and it acts, therefore, as an incentive to the proper use of their holdings. On the other hand, it should be recognized that the private ownership of land, carrying with it a guarantee of non-interference from others, backed by the full power of the state, is a privilege for which the owner should make adequate payment into the public treasury. For, if this is not done, then the privilege becomes a monopoly by means of which those without land can be exploited and actually deprived of their rights to life, liberty and the pursuit of happiness as set forth in the Declaration of Independence.

The remedy is, of course, simple, namely that he who holds title to land should be required to pay in full for the privilege he is granted. It is in this respect, however, that our system of land tenure is faulty. Adequate compensation for the privilege of holding title to land is very far from being required, with the two-fold result that valuable natural resources and valuable sites for home or business purposes can be and are withheld from use, and our governments are deprived of a vast revenue, the loss of which can only be made up by means of the destructive taxes which today are levied on industry and enterprise. And this withholding of valuable land from use, for speculative or other purposes, together with destructive taxes are restrictions on production of so seri-



ous a nature that it is hard to see how the capitalistic system can possibly endure while these restrictions remain.

To save capitalism, it is necessary to do away with these artificial restrictions. To accomplish this, we should require of every holder of a title to a location on the land, that he pay into the public treasury the full value of his privilege, namely, the full annual rental value of his location. On the other hand we should free every title holder from taxes on the development or utilization of his property. Thus we should curb speculation in the value of land titles and, at the same time, free enterprise and industry from the dead hand of taxation. At present every attempt to utilize a location on the land for business or residential purposes is penalized by taxation, while the withholding of valuable land from use is encouraged.

These simple facts are today largely obscured by our unfortunate habit of lumping together under the term "real estate" two things which are as different as chalk from cheese, namely, land and buildings; and then undertaking to tax them both as "real estate" at the same rate, without any regard to the widely divergent effect of the tax on the separate parts. While taxes on buildings, and in fact all taxes, are definitely a discouragement to productive effort, the so-called "tax on land value" is not really a tax at all but is instead a partial payment for the privilege of ownership, and as such has no injurious effect on enterprise and industry but on the contrary has the effect of checking the "hoarding" of land for speculative purposes, thus helping industry to secure the locations most suitable for its purposes.

It may be objected at this point that the collection of the full rental value of land for public purposes would not provide adequate revenue to supply the needs of our several governments, local, state and federal. But even if this were granted to be true, the proposed col-

lection would go a long way toward solving the financial problems of our cities and towns. This has been proved from statistical data in a number of cases but these cases cannot be considered here for lack of space. We can consider, however, and we should consider more fully, the meaning of the phrase, "the rental value of land," and what is the nature of the thing itself. To the economist this phrase is equivalent to the single word "rent." To the real estate men it is "ground rent" and for the purposes of the remainder of this article it will be designated as "location rent," as the more descriptive term. Let us then consider location rent, its definition, why it exists and for what it is paid, in order that we may appreciate more fully the reasons why it ought to be collected into the public treasury.

"Location rent" may be defined as the maximum annual rental value which can be obtained for the use of a location on the land, and the amount of the location rent depends upon the special advantages obtainable on the location in question.

It is next of importance to consider what these advantages may be and by whom they are provided. It may be said that some of the advantages are due to geographical position near a harbor, a river, or a mine; or that they exist because of agricultural fertility, or the presence of minerals or oil in the ground, and hence are provided by nature. However, no location rent could arise because of these advantages unless security of possession were guaranteed by the community through its government, and it is therefore only through government that such advantages can be of practical utility. Moreover, in addition to this community service through its government, as the result of which rent arises, there are a multitude of other advantages which are due to the activity of the community, either directly or through government. Such, for example, are the availability of fire and police protection; telephone, telegraph, light and power service; and the presence of churches, theaters, libraries, playgrounds, parks, etc., all of which are advantages for which rent is paid. From this it is apparent that location rent is a socially created value resulting from community service and varying in amount from location to location according to the amount of service that is required and available.

From the above it follows that location rent, being a socially created value, is only just and expedient and that it should be collected into the public treasury. To permit it, instead, to pass in greater part into private hands as we do today, is to permit a misappropriation of public funds to private parties, which practice if continued will leave untouched the double curse of land speculation and taxation.

To save capitalism, the first step is to put an end to the unwise restrictions which we now permit.

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# A Word With You

By ROBERT CLANCY

There is no end in sight to our present economic muddle—even with an election year rolling around. All that we can gather from authoritative sources is that there will be another price-soaring, new wage-demands, more belt-tightening, thinner distribution of our thin production. A starving world stretches out its helpless hands to America—a world where production seems to have almost utterly collapsed.

Blame for all this is the one thing that is freely distributed. Labor is too "selfish" in demanding higher wages. Farmers and producers are "holding back." Management is absorbing too much in "profits." And the answers are hurled back. Laborers and farmers are only seeking a decent living wage. Producers and management are only seeking a fair return for their investment. (And of course landowners and rent collectors coyly include themselves among those who are seeking only a fair investment return.)

Let us freely admit it. All sides—producers and non-producers alike—are obeying a primary law of human nature, and are seeking to satisfy their wants with the least effort. But must it always take the form of a tug-of-war? Is there no hope of achieving a freely competing, freely cooperating society, producing only to take care of its needs?

All are agreed that our current troubles hinge on the production and distribution of wealth. Let us remember that this is precisely the field of economic science. After two centuries of the cultivation of this science, have no lessons been learned. Or have we become like the schoolboy who boasted that he had forgotten how to do simple addition and subtraction because he had learned it in the first grade and now he was in an advanced grade?

The lesson can never be repeated too often because it is forgotten so often. All wealth is produced by labor from land. If labor does not receive the return (whether as wages or price) to which it is accustomed, or to which it considers itself entitled, it will cease producing,—until it must perforce resume, in order to live. Difficulty of access to productive land—because of high rents or land prices—is a barrier to productiveness and lessens the return to labor.

(Continued in column three)

The Henry George News (Continuing The Freeman) is published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York 21, N. Y. Publication Committee: Lancaster M. Greene, Chairman; Otto K. Dorn, William S. O'Connor, Alice Elizabeth Davis, Editor. Entered as Second Class Matter, November 16, 1943, at the post office of New York, N. Y., under the Act of March 3, 1879. Subscriptions \$1 a year, single copies 10c.

## VIEWS OF THE NEWS

By SYDNEY MAYERS

Sadly lacking among the documents on exhibit in The Freedom Train, now journeying through America, is a copy of Henry George's "The Central Truth." In it, perhaps the most moving chapter of *Progress and Poverty*, he wrote: "We honor Liberty in name and form. We set up her statues and sound her praises. But we have not fully trusted her. And with our growth so grow her demands. She will have no half service."

The Secretary of State deplores and denounces the methods used to teach history in American schools, describing them as routine, dull and inadequate. We quite agree with Mr. Marshall, but respectfully urge him to include in his attack the unnecessarily dismal "science" our collegiate pundits unlaughingly call "economics."

Among the items troubling the UN Administrative and Budgetary Committee was whether a reduced allowance of \$32,000 for "hospitality" cocktails should be passed. We recommend approval, gentlemen—the "United" Nations could do with a bit more conviviality.

At the behest of Citizens Food Chairman Luckman, the United States Brewers Foundation announces that the use of corn in beer making will be cut by 25 per cent. Now if Hollywood movie-makers will cut the use of "corn" in films by about 100 per cent, we will all have something to cheer about.

Incidentally, with the curtailment of the use of grain in beer-making, brewers announce that they have a substitute ready:—tapioca! Does anybody know a formula for a tasty ersatz pretzel?

Scotland's beautiful highland hills have become so barren, that resulting poverty has led to an alarming rate of emigration. But the canny Scots, with clear purpose and doughty energy, are rushing a program of intensive reforestation and low-cost electrification. (That will raise the margin of production, see? And that's where wages are born!)

Much excitement was occasioned recently by a strike of paddock employees that halted the running at New York's Jamaica Track. That's nothing; the last horse we bet on went on strike for more oats or something—right in the middle of the race.

The demolition of the famous Schwab Mansion on Riverside Drive has thus far mysteriously failed to disclose its cornerstone, where historic souvenirs are hopefully sought. We hope they find it—maybe it will contain one of those ancient dollars that was worth 100 cents.

"The old system of international free trade in money has become unworkable," states the London Chamber of Commerce, urging a new system whereby an exporting nation would acquire credits, clearable only by its imports, so that "a selling country must be a willing buyer or, in the long run, be giving away its exports." It seems the seeds planted long ago by Henry George are at last bearing fruit.

To help conserve wheat, members of bakers' associations have agreed, among other concessions, to bake cakes hereafter in two layers instead of three. Riddle:—Which weighs less, a pound of two-layer cake or a pound of three-layer cake?

A "land reform" program in Communist China decrees the expropriation for "redistribution" of all private landholdings, including (!) "landlords' animals, agricultural implements, houses, grain, and other properties of rich peasants." The government blandly reserves to itself ammunition, money, valuables, forests, hydraulic engineering works, mines, wastelands, lakes, famous sites, historic spots, libraries, works of art, "and so forth"—not to mention whatever else is "left over."

Judiciously adding no comment, Newsweek magazine quotes a brief excerpt from The London Daily Express, as an example of bureaucracy in action. Here it is: "If only the motorists would state their claims on the RMSI form—and nothing more—we could save time and trouble in turning them down."

## Among Our Contributors

JOHN S. CODMAN of Boston is chairman of the board of governors of the Henry George School in that city, also director of the Free Market Institute, and treasurer and director of the Fabreeca Products Co. He is the author of "Unemployment and Our Revenue Problem," "The Three Basic Rights," "Why Not Try Liberty" and other works—also co-author with Francis G. Goodale of "A Tax Reduction Plan for Metropolitan Boston" which was awarded honorable mention and a prize in "The Boston Contest" of 1944 conducted by the Boston University.

J. RUPERT MASON of San Francisco who is one of our most alert and roving Georgists has recently made appearances at the Decentralist conference in Iowa and at the Chicago Henry George School. With respect to the court citations appended to his article, which we suggested omitting because we thought nobody would take the trouble to look them up anyway, he said, "please don't. I am trying to help Georgists understand what the Courts write." In closing, he added, "No one can tell me *Georgism* is dying."

HENRY L. T. TIDEMAN, dean of Chicago's Henry George School, has a wide reputation for hospitality. His door on Bradley Avenue is always open to Georgists cut adrift in the Lakes region, and to this door people of all nationalities find their way forever after remembering the cordial ease and friendliness of their reception. After Mr. Tideman's recent visit to New York, Dean Della Volpe remarked that no one else had given them so much help on the manual. One short session and the skilled Chicago Dean won a coterie of eager listeners. His explanation at the Chicago Conference regarding common property is still a classic and is being quoted even by people who were not present.

Whatever else is wrong with economic society today, this certainly is wrong. It is at the very basis of the production picture, and so long as it continues, so long must the mud-dle continue.

If only this truth could be thrust under the noses of our leaders! But, alas, it is under their noses. Is it possible that they don't see it? We can only assume so, and constantly hammer away at it.

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# We Keep On Rolling Along

By HENRY L. T. TIDEMAN

THERE IS a bit of embarrassment in the task of making myself a feature, but here goes!

I was born on September 11, 1883 in Rockford, Illinois. My parents were Sven and Hannah Elizabeth. Mother's natal name was Edholm. They were immigrants from Sweden. Father came in 1882 and mother about a year later.

Very early after father's arrival he became aware of a book which treated of the land question, a subject to which his attention was attracted by his life in Sweden. He got a copy of *Progress and Poverty*, and as I gathered the details, he and mother practically learned their English from that book. Though neither of them ever quite abandoned the, to me, delightful Swedish accent, both spoke the language rather well.

A few years later, when I was about four, we were living in Grand Rapids, and I used to go to the store with mother to buy a copy of *The Standard*, published by Henry George. Everything would stop until the paper had been read. It was during this period that I remember becoming acquainted with the phrase "single tax." Mother had Swedish and Finnish friends who had to be proselytized and consequently that phrase fastened itself into my consciousness.

In some way I got the notion that the lower case letter *b* meant *single tax*, and I tried to confirm it. One day mother was reading *The Standard* and I climbed into her lap. Looking over the page I found an *b* and putting my finger on it I asked, "Is that single tax?"

Mother patted me gently, put me on the floor saying "yes" and thus got rid of the little pest. That was the source of my first public humiliation.

Years later when I was in school the teacher was drilling the newcomers with the alphabet by means of charts on the wall. I watched jubilantly. I knew I would be called upon, and when she put the pointer on the lower case *b* I became wildly excited. Here was something I knew. When she called on me to name it I said loudly "single tax."

Of course the teacher laughed with the whole class joining in, and I can still remember feeling hot and uncomfortable.

After we got settled in Chicago it was not long until my folks discovered that the Single Tax Club was holding meetings on Sunday afternoons. Thereafter we had "single tax" for breakfast, lunch and supper. I think I was twelve when my mother first took me to one of those meetings. I did not go often because carfare, then five cents, was real money, and we were poor.

But there was one meeting when I was about fourteen which stands out to this day as one about which I remember nearly everything. John Z. White was there. The speakers included a Roman Catholic Priest named Father Cox, also John S. Crosby and Louis F. Post. I remember Father Cox speaking very emphatically against restriction of immigration, and two stories told by John S. Crosby have influenced my thinking ever since.

Those were interesting years, but there would

be no point in bringing forth the details of my adventures as a newsboy, factory operative, office boy and my gradual induction into engineering.

When I was twenty-five I married Ella Persson who was then just twenty. There followed thirty years of happiness during which we raised two sons and three daughters. Now all are married and I am twelve times a grandfather. Ella died in 1938 but I still live in the old house where most of the joy of my life was lived. [Daughter Marion is married to John Lawrence Monroe, director of the Henry George School in Chicago, and young son Robert is its Publicity Director. There are *no non-Georgists* in the Tideman family.]

During the first decade of the twentieth century a rift developed in the Chicago Single Tax Club over political action. That quarrel would make interesting history, but I shall pass over it. The club dwindled and for several years was without force.

One Friday evening, I think in January 1911, I happened to be downtown and had the thought to go up and see what the Single Tax Club was doing since I had heard that they met on Fridays. There was a small room with about a dozen or fifteen men sitting in a smoke-filled atmosphere, converting each other. In my eyes some of these were really great men, and I still hold the memory of many in high esteem. I was asked to join and having filled out an application blank and paid a quarter, I was accepted.

There was ferment in the air about that time and some other young men joined the club. We ganged up on the older members and in two years we "took over." From then until 1917, when the war interfered, we raised funds and held public meetings. During that period the club acquired some fame and had some influence. The disillusionment following the peace of 1918 made it impractical to continue, however, and the club was disbanded in 1923. The records were "turned over to Henry Tideman for custody until it should again be practical to resume activity."

Some years later, I think in 1929, I called a meeting and the club was reorganized and it had some usefulness until about 1938, when again it dissolved.

It was about September 1934 when Leonard Recker\* came to Chicago to attend a Henry George Foundation meeting, that the next interesting episode occurred—that is, interesting to others than myself. He looked me up, asked me to lunch, and that over, almost without preliminaries, he said, "What I want to see you about is this: We want to start a Henry George School of Social Science in Chicago."

I felt a bit alarmed, and asked, "Do you expect me to get up on a pedestal and tell the neighbors to observe what a handsome and wise guy I am and come to me for lessons? I just can't do it."

"Well," said he, "if we got you a class, would you teach it?"

I said I'd be glad to do that.



"That's settled then," he said. "Next Monday at six o'clock you appear in our office. I'll see that you have a manual and a stack of books and there will be a class waiting for you."

He handed me a card with the address, and at the appointed time I was there. When the group assembled there were 25 of them including three who came on my invitation. There was an air of curiosity about it, but some were a little sullen. You must remember it was 1934—that was a depression year and anybody who had a job nursed it carefully and was alert to possible disaster.

But I did what I had been asked to do—I made a speech, and *what a speech!* I sold everyone a copy of *Progress and Poverty* and I tried to get some commitment out of the group on various questions. It was a sweaty evening for me. The two hours finally passed however, and when I returned the next week I found that practically everybody had done some readings, and had developed an interest. Anyway I went home inspired.

The Fundamental Course then consisted of only seven lessons. During the fifth session, one of the men interrupted the proceedings and said something to this effect: several of us have agreed that there is something in this proposition—what can we do about it?

I asked if he was thinking of political action.

"Yes," he answered, "or anything."

Then I saw my chance. I told them that politics was of no use—there were not enough people with a thorough understanding of the proposal. But, said I, "if you will get some friends to join another class and if we can make the movement grow, there might come a day when constructive action toward the adoption of this proposal might develop."

They formed an organization which crowded to capacity the office of one of my friends, and a few weeks later we were operating three classes; then there were seven classes followed by a term with thirteen classes. So we were off—and we have been operating a growing school ever since.

Whole chapters might be written of trial and error, of working at cross-purposes, and of momentary disenchantment—but we keep the faith. Like Old Man River we just keep rolling along!

\* Now treasurer of the Henry George School of Social Science, New York.



## R. E. Howe of Wilkinsburg— If He Lives He'll Be a Hero

PROBABLY no course in Fundamental Economics has ever been attended by so many implications of violence as that begun on October 8th in the Knights of Pythias Hall, Wilkinsburg, Pennsylvania—with Instructor Richard E. Howe doggedly holding forth despite threats from left-wing electrical union members. A handbill widely circulated among electrical workers announced:

"Almost everything you hold close to you—your home, your job, your family—are inseparably bound up in economic laws. . . ."

Richard Howe was persuaded to take up this post in Pennsylvania by William N. McNair, who little realized what a stormy future his protégé would have. From time to time we are advised of certain milestones in his career, just "in case an accident happens."

Keep on reading this page for news from Howe at Wilkinsburg! If you like adventure, not unmixd with danger, this is your dish. . .

### Minneapolis

Fall classes got under way in the Twin Cities on "a-class-starts-with-every-15-new-enrollments" basis. Results of a campaign using an introductory letter, are promised for the next issue of the News. School offices and headquarters have been moved from 1340 Rand Tower to more spacious quarters at 3940 Colorado Avenue, Minneapolis 16.

The first semi-monthly meeting of the graduates took place at the Minneapolis YMCA late in September. This group meets in the evening on the second and fourth Thursdays of every month.

Active promulgation of George's philosophy is going forward in economics classes taught by Branch Director John Burger at one of Minneapolis's large private business schools. Students receive it well and with enthusiasm. Plans are being discussed to have lectures on Georgism included in philosophy, economics and social science courses at the University of Minnesota.

Problems of a personal nature encountered by those most active in the Twin City Branch in getting new houses settled and organized delayed the start of Georgist activities last fall and winter to a practical stand-still. Future reports from the Upper Midwest, however, give promise of being increasingly encouraging.

### Ohio, Inc.

Verlin Gordon of Lima cannot be pinned down to any one city. Here is a brief and incomplete report of his activities:

Cincinnati—One class opened in the Wehrman Avenue Christian Church, another in the Avondale Public Library and a third in the Hughes High School.

Zanesville—three classes including one in outlying Philo, in the Municipal Building, in a room furnished by the C. I. O.

Lima—one class in the Lima Public Library under the direction of Edwin Esten, Cost Estimator at the Westinghouse plant.

Toledo—class meeting in the staff room of the main library with 35 students enrolled under direction of Jasper Shuman assisted by F. Gordon Pickelf of Detroit.

Hamilton has possibly completed its class by now and other extensions in Cleveland, Columbus, Akron and Dayton which were des-

tinued to feel the touch of the highly successful Verlin Gordon, probably have!

### San Diego

The new term opened with six classes, five of them basic and the sixth in Current Events, for graduates. In the first hour a study is made of some current economic ideology, comparing it with the George philosophy, and the second hour is devoted to a discussion of news events in the light of the economic knowledge gained in Fundamental Economics.

In the basic classes students are told that what they are to learn will give them a yardstick by which to measure what is happening around them. In this advanced class, they are shown how to use this yardstick. The class has excellent enrollment.

Four new instructors have been added to the San Diego staff (which formerly consisted of one, the director!): Captain Jesse B. Gay, U.S.N. Retired; Harry E. Bing; James L. Palmer, and E. B. Bush. Mr. Bush is an artist, and has contributed a number of visualized teaching aids.

"When Does a Special Privilege Become a Vested Right?" was the topic of a splendid lecture last month by Albert L. Johnson of San Francisco. Mr. Johnson is a nephew of the late Hiram H. Johnson, Republican Senator from California. Albert L. Johnson, however, has served through the long Democratic Administration, as federal attorney, in various Governmental Departments, including the Interior. He is a Georgist of long standing.

"I have just completed a small private, intermediate-terms class of high school ages," writes Bessie Truehart, "a most stimulating class. I wish someone would figure out a way to reach more of these youthful, open minded groups. They were 100 per cent alert, intelligent and interested."

### Los Angeles

Los Angeles opened its fall term the week of September 22nd with 20 classes in Fundamental Economics, and one advanced class in "The Science of Political Economy." Incomplete reports from the instructors show a total enrollment so far of 243 students in the fundamental classes, and nine in the advanced class.

The instructors this term are: Wm. H. Aho, S. D. Alrich, Mrs. Margaret F. Austin, Frank H. Bode, Donald R. Crawford, Mrs. Annie B. Davis, Philip Gordon, A. E. Hartmann, Robert Jorgenson, George E. Lee, Warren P. Leonard, Lester Lewis, Walter W. Lindsey, Virgil E. Loutzenheiser, Erik Miller, Edw. L. Stockbridge, Herbert Sulkin, Edgar C. Weisheimer, Mark Wooley, and Martin Zwick.

In addition to the above-mentioned classes, a Teachers Training Class is being conducted at headquarters by the director, Wm. B. Truehart, with an enrollment of fourteen.

A new experiment in class promotion was tried in Los Angeles this fall, which consisted of mailing 4,000 triple post cards to some of the high school graduates of the spring semester, who live near the class locations. It is too early to report on these results.

### Chicago

The Chicago Extension opened its 1947-1948 school year with a renewed offensive on the commerce and industry front. Luncheons for executives and business leaders who are friends of the School are being held on the second

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Wednesday of each month. At the first of these, in September, Walter Kester spoke on "A Practical Economic Program for Commerce and Industry." At the second luncheon, Louis E. Nelson, newly elected treasurer of Cook County and president of the First National Bank of Maywood, spoke on "A Banker Looks at the Treasurer's Office." The general School luncheons are being held on the fourth Wednesday of each month. Speaker at the first of these, on October 22nd, was J. Rupert Mason of San Francisco.

The School is on the air every Friday at 9:45 P.M. on Station WCFL, "Voice of Labor," operated by the Chicago Federation of Labor. The program, "An Economist's Holiday," takes listeners on "An Economist's Bus Tour of Chicago," led by Walter Kester, who is a consulting economist and a volunteer instructor in the School. Interviewed by Mr. Kester in the first two programs were J. Christian Bay, head of the world-renowned Grerar Library, and Chief Corrigan of the Chicago Fire Department.

Advance enrollment for the fall term was 497.

### St. Louis

"A series of free classes in basic economics will be given by the Henry George School of Social Science, 915 Olive street," we read in the St. Louis Post-Dispatch. "Noah D. Alper, director, explained the school is a non-profit non-political institution chartered by the board of regents of New York State University."

These classes began with a fall program the week of October 29th. A total of 11 classes showed an enrollment of 161 students. The smallest class enrollment was eight and the largest 25. This term enrollment compares very favorably with an enrollment of 81 in eight classes in the fall of 1945, and 95 in 11 classes in 1946. It is possible that the highest term enrollment, that of the winter term, 1946, of 176 students in 12 classes, may have been topped since this report was sent in.

"Now that we have these students in class, the battle is to keep 'em coming until they receive that little piece of paper," writes Noah Alper who is rapidly regaining health and strength following a serious operation in the summer, "—the token of accomplishment. To supplement the excellent work of our teachers toward that end, a series of five reminder cards of an inspirational nature will be mailed to all students reaching them the day before or on their class day."

### Philadelphia

The Philadelphia Extension opened its fall season with seven classes in Fundamental Economics all of which are well attended. Among the new students is one of the directors of the Dale Carnegie Course.

The chairmanship of the Committee on Finance is now in the capable hands of Captain Lester A. Jenks.

Friday evening, October 24th, saw the opening of a teacher-training course at the school headquarters in the Harrison Building. The class is being instructed by Joseph A. Stock-

# Is Good News

man and judging from the turnout, the Philadelphia teacher shortage will soon be solved.

This combines a bit of old news with a bit of new: Last spring a class in Fundamental Economics was conducted by Anne Staub in Lanokin Village, Chester, Pennsylvania. One of her students was the Reverend John R. Reed who is also probation officer of Delaware County. When the graduates' certificates arrived, the executive secretary of Lanokin Village withheld Mr. Reed's certificate in order to present it to him publicly. The presentation was made on September 21st at a meeting of the Eastern Division of the Elks. Miss Staub who had been invited to attend this gathering, was called upon to deliver a talk on civil liberties. As a result of the widespread interest promoted by this event, another class was requested for Chester in January.

## Boston

Six classes in Fundamental Economics are being conducted in Boston and vicinity with a registration of 125. One of these is being held in the Students' House at Harvard University. The quality of the students seems to be above that of previous classes, and Sanford Farkas, recently appointed director of the Boston Extension, reports they are well pleased with the results of this campaign.

Classes have also been organized in Worcester, Massachusetts, 40 miles from Boston. Mr. Gerald F. Dingman of Palmer, Massachusetts, who teaches the Monday night class, drives a distance of 45 miles each way and has 19 students who gather round the director's table in the Chamber of Commerce Building.

Mr. Cecil Pasco of the School of Economic Science, London, addressed the faculty recently and told of methods used by the school of which he is Publicity Advisor; valuable ideas were obtained from his talk.

The Boston Extension is now in its new quarters in downtown Boston (294 Washington Street) and a house warming to celebrate the opening of the term and new headquarters was attended by friends and graduates.

## Ottawa

The annual meeting of the Ottawa Branch of the Henry George Society was held on Monday evening, September 15th, with a fine attendance. This meeting is held prior to the official opening of the study classes each fall and winter, and as the past year proved such a success, we look forward to later reports from study classes, which will cover both the advanced and elementary students.

The secretary's report disclosed a good season recently closed, with two outstanding Georgeists as visitors—Mr. H. Bronson Cowan, who spent five years in Australia and New Zealand making a study of municipal taxation, and Mr. Ashley Mitchell, from England, who is the Honorary Treasurer of the United Committee for the Taxation of Land Value and Free Trade.

The officers elected were Mr. Herbert T. Owens, President, Miss Marion Minaker, Vice-President and Corresponding Secretary, and Mr. H. G. Barber, Secretary-Treasurer.

A Publicity Committee was also formed comprising Mr. Harry Given as Chairman, Mr. Alex Mack and Mrs. L. P. Boulder. This committee will arrange for suitable advertising, study classes, and all plans for immediate activity.

## Montreal

The Montreal Henry George School opened with four classes in Fundamental Economics the week of September 29th. The outstanding feature of these classes is that one of them is a French class being taught in that language, using the French translation of *Progress and Poverty*. Mr. Marcel Sylvain, the teacher, is a radio announcer at the largest French station in Montreal, CKAC.

The other classes, which were enrolled by means of notices sent in the mails, newspaper advertising, and friends who had taken the course, are being taught by the following: Mr. John Ferguson, Mr. Phil Blackwell, and Mr. James Turner.

The Henry George Public Speaking Club commenced its season by an opening meeting on October 7th. It includes many new students who intend to join a class in Public Speaking taught by Mr. Pat Hadden.

## New York

The fall lecture series was appropriately inaugurated with a visit from Dr. Henry George III of Wilmington, who addressed a capacity audience in the school auditorium on "The Menace of Malthus."

"Malthus is not dead," said Dr. George, "we suddenly find he is the Phoenix bird who is animating the world around us." If you can face hard facts, here are some to consider: We now have about two billion 500 million people and in less than 100 years we may have four billion. Careful investigation has shown that top soil in the State of Iowa has lessened in thickness in 80 years from four feet to four inches and in some places is entirely gone. Experts have determined that two and a half acres are required to support one human being. This is dark arithmetic, but the figures on timber conservation are equally disturbing. "What," asks Dr. George, "do we propose to do about it?"

Malthus made a statement that we don't seem to find the normal balance for man—he believed there were certain types of men who were "meant to be better." When we get into indirect taxation we're getting into Malthus, because we're afraid the world isn't big enough to support us all.

If we want to kill Malthus we'll have to recognize "that the world *is* big enough to support us, and we'll have to conserve the soil, otherwise man may by his very nature destroy himself" and, in the words of Henry George, "will revert to a less brutal animal."

"Views of the News" was the topic of Sydney Mayers' talk, second in the series, and this popular contributor to the Henry George News revealed with skill and deft humor his uncanny technique for analysis of the news. "How to Read a Newspaper" is something all of us should know more about. "Even the most responsible newspaper," he said, "can be no more than a hodge-podge of miscellaneous information, but if the reader possesses a solid background of economic knowledge, the application of fundamental principles to news reports, no matter how confusing, can cut through the mass of wordage and disclose clearly the essential

cause, meaning and effect of any news item. "The reader," he said, "is the important member of the reader-writer relationship."

October 29th of this year marked the fiftieth anniversary of the death of Henry George. This was signalized in the New York school auditorium by a Memorial Celebration at which Morris Van Veen, one of the few survivors of those exciting days of the campaign of '97 was the principal speaker. James Donnelly, easily the greatest public speaking instructor of the country, scaled unprecedented heights by reading passages from Henry George's books.

John Cromwell Lincoln, the school's president, graciously waived his usual reluctance to accept speaking engagements and, on October 31st, addressed a New York group on "Freedom," the limiting of which he pointed out, is contrary to moral law.

"It is true," said the president, "that very few of the authorities understand George's premise that wages come from production and not from capital—if they did we could make them see that collecting community rent and abolishing taxation would bring prosperity and a just redistribution of wealth. . . There was a time," he added, "when slavery was accepted—now hardly anyone believes in property as man. Our job is to make people see that property as land is just as wrong."

## Enrollment Increases

Twenty-one classes in Fundamental Economics began at New York's headquarters early in October with an enrollment of about 650. Including the six neighborhood classes there is an increase of nearly 100 over last fall. The enrollment of 250 for advanced classes also exceeds last year's figure.

Edward Billet, who is teaching the basic course, asked his students at the opening session to write their reasons for coming to the school, offering as a prize for the best answer a copy of *Progress and Poverty*. This was won by Ernestine Haig who stated that "the 'shrinking' world presents many increasingly acute and complex problems of an economic and social nature, and any adequate solution to the economic and social demands must carry with it moral responsibility to a degree not evidenced up to this time. Henry George was the originator of moral economy and might well become the 'Man of the Hour'." Another student, Elsie Nuttall, wrote, "I believe something can be done by me—perhaps in my writing—towards better world conditions; and I want basic economics as one foundation stone in my thinking, since I believe the world's ills are bound up in its economics."

Two classes in Fundamental Economics with an enrollment of more than 50 are being taught by David Targ and Bernard Goldstein. Other members of the current teaching staff are: Leo Arpin, H. D. Butler, Jay Carton, Bennett Chellis, Andrew P. Christianson, Robert Clancy, Richard Connor, Domenic Della Volpe, James Donnelly, Xavier Drexler, R. M. Dreyfuss, John Fasano, Dr. Eugene Friedberg, Edwin Friedman, Mr. and Mrs. Phillip Grant, Lancaster Greene, William Leon, Donald Le Vor, S. R. Mandel, Eva Maxwell, Sydney Mayers, Jonathan Slater, Philip Stern, Sonia Swirsky, and Richard Van Horn. Most of the teachers report that their students are of unusual caliber and this is borne out by the better-than-average attendance.

# Allegro—Another de Mille Triumph



Agnes de Mille

**A**S EVERYONE knows by now, *Allegro* by Rodgers and Hammerstein, current Theater Guild Production directed by Agnes de

Statement of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, as amended by the Acts of March 3, 1933, and July 2, 1946.

Of Henry George News (Continuing The Free-October 1, 1947.

Before me, a Notary Public in and for the State of New York.

and county aforesaid, personally appeared Alice Elizabeth Davis, who, having been duly sworn according to law, deposes and says that she is the Editor of the Henry George News and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management (and if a daily, weekly, semi-weekly or tri-weekly newspaper, the circulation), 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 acts of March 3, 1933 and July 2, 1946 (section 537, Postal Laws and Regulations), printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Henry George School of Social Science, 50 E. 69 St., N. Y. 21; Editor, Alice Elizabeth Davis, 50 East 69 St., N. Y. 21; Publication committee: Lancaster M. Greene, Chairman; Otto K. Dorn and William S. O'Connor.
2. That the owner is: (If owned by a corporation, the name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one percent or more of total amount of stock, if not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.) Henry George School of Social Science; John Cromwell Lincoln, President; Otto K. Dorn, Vice-President and Secretary; Leonard T. Recker, Treasurer.
3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent 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 stockholder 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 stock, bonds, or other securities than as so stated by her.

Sworn to and subscribed before me this 19th day of September, 1947.

(My commission expires March 30, 1947.)

THOMAS J. TYLER.

ALICE ELIZABETH DAVIS, Editor

Sworn to and subscribed before me this 19th day of September, 1947.

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Mille is a HIT! Agnes de Mille, choreographer; daughter of Anna George de Mille, first president of the Henry George School, and granddaughter of Henry George; is described in Look Magazine as a "small, determined woman who seldom raises her voice. But when she makes up her mind to do a thing—she does it."

Behind her are the well known successes, *Oklahoma!*, *One Touch of Venus*, *Bloomer Girl*, *Carousel* and *Brigadoon*—but in the \$500,000 production of *Allegro* Miss de Mille took over her first complete directorial assignment. "The cast of 80 includes a choral group, some of whose members have parts equal in length to those of the featured performers. There are 60 sets and 500 light cues. . . . Rehearsals ran from 10 a.m. until 11 p.m. The cast worked in shifts. Only Agnes was there full time."

Agnes de Mille made her debut as a concert dancer in 1928 and four years later danced in London where she attracted the attention of the Duke of Windsor. Kosloff, a ballet master, called her the "greatest natural pantomimic talent he had ever seen." Her mother gave her constant and loyal encouragement during her entire career. Accolades are mounting and keep coming in. Last spring when an award of \$1,000 was given her by Lord & Taylor as a token of her eminence in her field, she promptly gave it to the Henry George School to start a Memorial Fund for her mother. In private life the dancer, director and choreographer is Mrs. Walter Prude.

## A. P. Christianson Replies:

**S**TERLING PARKS' article "Cooperatives Reappraised" in the September Henry George News was very enlightening and he is right in saying that George would have favored them. But George would have pointed out that they are not a cure for general involuntary poverty. They are good only for those within, if the cooperative is not bankrupted by the inflated purchase price of its business sites.

Mr. Parks sought to make a distinction between Consumer Cooperatives and the Producer Cooperatives. There are differences, of course, but they are not great. In competitive enterprise the Producer Cooperative must seek to serve efficiently, or fail. It is only the monopolist who can, to a certain extent, disregard the rendering of efficient service.

Men do not seek money but the things money will buy, food, clothing, shelter, and so forth. This resolves itself into a desire for service. Keeping this in mind, we see that farmers and manufacturers seek the most service for the least expenditure of energy just as the cooperatives do. Of course, as Mr. Parks pointed out, they subscribe to a policy of scarcity, a scarcity of their kind of service but they desire an abundance of other people's service. The cooperatives are formed to accomplish this same thing from their point of view.

The rendering of service is itksome and always will be. No harm can come of this as long as no one can demand service without rendering equal service, either in time or intensity, in exchange. The harm is done when we have monopolistic conditions, and the first and greatest basis for monopoly is our present land system. Will cooperatives tend to change this?

## California Tax Ruling

By J. RUPERT MASON

**T**HE CALIFORNIA courts have again ruled that the relationship of a land holder and the State is not founded upon a contract, and that a title deed to land creates no contractual right in the holder.

Also, that land holders have no vested right in the method of collecting ad-valorem land taxes, or in the administration of land upon which the private holder failed, refused or neglected to pay the taxes, when lawfully due.

The Court also refused to disallow a 1945 Statute applicable to the collection of real property taxes by all taxing agencies of the State, and which statute validated anything the Legislature could have dispensed with in previous laws. (Stats. 1945, ch. 1134, p. 2176)

Thus, the next time you hear somebody use the word "landowner," you can safely suggest that a better word would be "land-holder," and that any rumors to the contrary notwithstanding, a title deed to land, in the hands of any private interest, person or corporation, is only a privilege in the eyes of the law, never a vested property right. There is no contract with the State that the land will not be taxed, or that its rent enjoys immunity from the tax power of the State, irrespective of whether the land is used, or held idle and waste. The power of each State to tax the value of land is inexhaustive, except as that power may have been curbed by the State Constitution. But it always is possible to repeal any such curbs, by vote of the people, in the manner provided for amending the Constitution.

The recent case, above referred to is *Hall v. Chamberlain*, decided August 6, 1947. It is reported in 81 Adv. Calif. App. 231.

Other high court rulings well worth reading over, are

*Providence Bank v. Billings*, 4 Pet. 514, 560  
*Fallbrook D v. Bradley*, 164 U.S. 112  
*Wood v. Lovett*, 313 U.S. 362  
*Fallbrook v. Cowan*, 131 Fed. 2d 513  
*State v. Aiken*, 284 N.W. 63  
*Richhoe Single Tax Colony v. Melville*, 69 So. 466  
*George v. Braddock*, 18 Atl. 881  
*Wilentz v. Hendrickson*, 38 Atl. 2d 199  
*Provident v. Zumwalt* 12 Cal. 2d 365

## We Extend Sympathy

**D**R. PAUL F. MACY, a chemist, died suddenly on October 2nd following an explosion in the chemical research laboratory at Picatinny Arsenal in Dover, New Jersey, when a triangular shaped piece of glass a half inch wide penetrated his chest.

Dr. Macy was 37 years old, an active Geologist and chairman of the Morris County Fellowship Meetings which he conducted for some time. He was also active at Newark headquarters and gave interesting addresses which were of special interest to students and graduates of the Newark school. Miss Marjorie Sweet, Newark Director, expresses sorrow over his passing and says he will be greatly missed.

When jobs are scarce and labor is bidding for a chance to work, the member of an efficient cooperative can bid lower for a job. It may be maintained that he is in a better position to resist this tendency. However, even the member of a cooperative must pay cash, and his



## A Differential Element

By WILLIAM N. McNAIR

STUDENTS OF Henry George should be pleased with the number of writers on economics who are accepting fundamental ideas on the tariff. However, most people still think that the best interests of the country are advanced by a high tariff. Free trade to many, means low wages, depressions and general hardships, therefore, *International Trade and Commercial Policy* by L. W. Towle (Harpers, 1947) is a good refresher course for those who are weakening in their opposition to high tariffs. While this book fails to discuss an important factor, the private collection of community values, so disrupting to world conditions, we find that the author regards rent as a differential element, "the result of diminishing returns and inequalities in the natural agents of production," adding that, "Rent is not a cost of production and is consequently not an item that enters into price. It is, on the contrary, determined by price."

Here Dr. Towle takes a narrow view of rent, that is, the price paid for the use of natural resources. Rent may not be a part of price, but taxes are and where a country permits practically all of the rent to go into private hands, the taxes will be high. Such a country would be at a disadvantage in trading with countries where a good part of the rent was collected by the community and used to lower taxes.

This is true of industrial sections in various parts of the same country. We see very clearly the advantage in one manufacturing center where land is taxed heavily and machinery and raw materials are exempted. Even though the wage level is higher than in another section where land taxes are light and machinery and inventory taxes heavy, the former still has a competitive advantage.

Rent however has a broader meaning in industrial communities. It is more than a differential element, it is payment for community advantages, such as police protection, fire service, available equipment, nearby labor supply, and all those factors that help production; but it is paid to the wrong parties.

Rent in trading centers like New York and London is different from that paid for various degrees of soil fertility. If New York uses more of this community income (which is the case) to pay its expenses, it will have a price advantage over London.

Dr. Towle agrees with Ohlin that "there is no reason why demand in a scantily populated region should turn especially to goods requiring much land and little labor, say wheat, and thus prevent rent from being lower, relatively to wages, than in a densely populated region, where, as people cannot after all do without, land is necessarily scarce."

What keeps rent in all countries from being lowered in relation to wages, is the failure to tax it instead of industry. It is not the scarcity of land that affects trade among countries but the scarcity of locations where community conveniences are available for production.

superior position is not so great that he can long be out of work.

Cooperatives are good, but not an answer to poverty. George saw this when he wrote *Progress and Poverty*, and it is just as apparent today.

## "View the Future with Hope"

By DOMENIC DELLA VOLPE

I HAVE BEEN asked to write a word for those loyal and faithful members in our movement—the directors and teachers of our extensions—all of whom are a matter of vital concern to us at headquarters. The more powerful and wonderful because in so many cases scattered individuals, with concentration and devotion and a great vision, are working alone to start schools or classes or to keep them going—against great odds and in the face of widespread indifference.

If there are any characteristics which seem to be common to all of our teachers, I would say they are vision and faith, and these are important because a "vision of greatness" is necessary to all education. And it is education that we must strive to give—not mere teaching. In this respect we are fortunate in having such a concrete course of study and such high idealism to offer.

Aristotle says, "man acquires virtues, not by knowing what they are nor by talking about them, nor by admiring and praising them, but by practising them." All who give their time in an attempt to inspire other human beings to seek a higher level, are educating *themselves* for nobler citizenship, and we have the testimony of many of our instructors that this satisfaction is ample reward for their tireless efforts.

The term "adult education" is too often used as if it implied a means of repairing gaps in earlier training. Actually all of us have such gaps and defects and these grow greater as the world's knowledge advances. We have been told, however, that the same amount of information, which it takes a half-grown youth three to five years to learn, can be acquired by adults, who are intent on learning and who have done practical work, in the space of three to five months. "Almost any subject is studied with more interest and intelligence by those who know something of its subject matter than by those who do not," writes a noted educator, "and conversely, it is not profitable to study theory without some practical experience of the facts to which it relates."

The social sciences, too, must be re-examined in adult life for these are the most difficult of all sciences. Any thorough student can produce acceptable work in such subjects as chemistry or physiology, but something more is required for the sciences which aim at directing governments and the conduct of human beings. It is true that our universities are crowded with students in pursuit of professional studies which involve training for making a living. But there are other equally important interests which are common to all, and in all of them a man is infinitely better equipped for study after the age of thirty.

It has been pointed out that under our present system we settle down in life with whatever opinions on religion, conduct and politics we may have acquired at school or in a university, and though circumstances change and knowledge grows, we make at best only perfunctory revisions which may be forced upon us. A thorough rearranging of the contents of our minds is required after a practical encoun-

ter with life, and such a process calls for a profounder educational view than merely stuffing one's self with knowledge.

In the book *On Education* by Sir Richard Livingstone. (The Macmillan Company, New York, 1945) is a chapter entitled "The Way Out" where we are told that in the Danish People's High School no student is admitted under the age of eighteen. These high schools are residential and the Danes lay aside the task of bread-winning while they live for three or five months in an atmosphere of education. Thus the dye sinks in and takes a lasting hold.

The Danish adult education, in contrast to ours, is essentially social. Stress is laid upon the real value which lies in an awakened feeling of comradeship. Also, to the Danes, it is primarily a moral and spiritual force, elevating the mind and strengthening the will by the vision of great ideals, as contrasted with our idea of providing a discipline of the intellect. "Arouse the spirit," they remind us, "the rest will follow."

Let us glance at the results. In the course of a century the less privileged class has been changed into a well-to-do middle class which, politically and socially, now takes a lead among the Danish people. We see the influence of these high schools binding people together through a corporate life, developing a sense of social equality, giving them an inspiration and the sense of a great human ideal, so that social change comes not as an economic class war of a materialist type, with its attendant evils, but as a delicate movement toward a higher life. "The P. H. S.," says Sir Richard Livingstone, "not only inspired a new order, but gave it a soul."

While we in America have not yet achieved anything so Utopian as an adult resident school, and must be content to draw our students in many cases from offices, weary from the day's work, still we can always benefit from Denmark's example. There from a simple beginning an idea has grown and a system of adult education has evolved which is unique throughout the world.

As we advance in this present term may we keep before us the thought of a responsibility toward the adult citizen in America, who, "while he needs information and knowledge, needs also a vital humanistic appeal—needs to be encouraged to look within and also to look at the world with its history, and to view the future with hope."

We cannot offer education in literature, history and other humanistic studies, instead we can offer only economics—its science and philosophy.

Let us beat in mind, however, that the test of any successful education, as Sir Richard states, is not the amount of knowledge that a pupil takes away from the school or classroom, but his appetite to know and his capacity to probe further. If students leave our classes with a greater desire for knowledge of the social sciences and some idea of how to acquire and use it, our courses will have done their work.



## BOOK REVIEWS

**FREE TRADE—FREE WORLD.** By Oswald Garrison Villard. New York. The Robert Schalkenbach Foundation, 1947. 278 pp. \$3.00. (Publication date November 19th)

There have been many sterile negations of collectivism rolling from our presses; some doggedly earnest and backed with tired courage; some opportunistic and timed to float on the flood tide of momentary popularity. At best they have pointed out the shortcomings of wishful Utopias. They have reiterated the illogic of futility—that when the combined talents, virtues and faults of all men have been found wanting, it is folly to pick one or a small group among those who have failed and impose their aggressive and shortsighted wills upon their fellows. Implicitly they have urged the *status quo* must endure unchallenged.

Like a breath of fresh air comes the frontal attack of Mr. Villard. He is invulnerable because he speaks not in apologies but in terms of eternal truth. Eternal not only because he warns of the implacable penalties of the future but because he also records the undeviating retribution of the past, when natural and moral laws have been violated. He has depicted in action that force which Emerson observed as an immutable law, "The soul which within us is a sentiment, outside of us is a law. We feel its inspirations; out there in history we see its fatal strength." The unquenchable zeal of William Lloyd Garrison and the indomitable force of Henry Villard endure in the spirit of the grandson and son. But Oswald Garrison Villard speaks for himself and with all the eloquence that is his own personal tradition, voices the muted ideals of sincere but momentarily discouraged men.

Uncompromisingly he takes his stand. There can be no lasting peace without freedom of trade. Roosevelt and Churchill, unschooled in political economy, omitted from their glittering abstractions the basic fifth freedom—freedom of trade. Beguiled by the preachment of security from cradle to grave, the acolyte of the new faith was pinioned to the extortion of taxes and subsidies to privileged groups. Nationalism has dulled the moral urgings of Gladstone and Sumner (echoed in a practical vein by a youthful Churchill) and the firm tenets of Bastiat were unknown or forgotten.

Free trade, he reassures, need not be universal to be effective. Free England long prospered across the barriers of a protectionist world. Today, he warns, America is endangered not by competition but by lack of it. In the light of the simple axiom that trade is a mutually beneficial exchange we grimly adhere to the paradox of seeking to continue our exports and to stifle the imports that would pay for them. Stubbornly we ignore the record of protection—corruption, monopoly, maintenance of waste, special privilege, extortionate fortunes—and obdurately oppose the exigencies of the future. We hear the sullen echo that the death of competition demands the emergence of a strong man to combat the menace of communism.

Must our nation, he demands, whose outstanding achievements were built on freedom, close our ports to the imports of a nation of slaves? Can we launch needed internationalism behind an impregnable tariff wall of intense nationalism? The antidote for the increasing

pressure of government control, he avers, is the assertion of every phase of economic freedom. No liberty transcends that of the free market. He does not blink the fact the change will be trying. That is the price to be exacted for righting a distorted economic growth.

The current revolt against protection does not spring from the realization of truths sponsored by earnest teachers. It is, he asserts, born of necessity. The vast industrial capacity of our country, bursting to produce, evokes the spectre of the panic of 1929 that spared no nation and the recognition of the interdependence of all nations. The retaliatory effect of tariffs has left its imprint. The most stubborn advocates of protection, both management and labor, have seen the light.

With stinging words he indicts the immorality of tariffs for their dishonest support of inefficient industries, their subsidizing of privileged groups, their corrupting of public servants, and flays the hypocrisy of those who do lip service to competition and thrive on its suppression. Implacably he exposes the sham claims of tariff advocates. The vast majority of workers are outside its mythical protection. Its revenue feature is indefensibly small. The consumer, not the foreigner, pays not only the taxes but also the numerous markups based upon them. On the other hand our reciprocal trade agreements, although negligible in their intrinsic tariff cuts, through the good will engendered have boosted the value of our exports in large degree. The detailed recital of our invisible tariffs is a frustrating picture of a mighty Prometheus bound with the tangled web of his own contriving.

The United States, he warns, faces a new and critical situation. As the greatest creditor and exporting nation it is confronted with the State controlled trade of the totalitarian nations. The futility of our policy after World War I of defeating repayment of loans by barring the importation of goods has been proven. Stabilization of currency, although desirable, is not essential to free trade. In the last analysis all trade is barter and money but a medium of exchange.

The Geneva Conference is hailed as a triumph of American diplomacy. The story of its achievements, almost ignored in the daily press, is brilliantly reported. Out of the maize of national rivalries, the shifting maneuverings of international diplomacy, amid recurring emergencies, has emerged an incipient basis of agreement, quantitatively small but vast in its promise for the future. One is convinced with the author that, "Only a professional pessimist could possibly believe that Geneva will not remain an outstanding milestone in the progress of the race toward world unity."

Solemnly he warns that to restrict the entry of exhausted England's goods into the markets of the world is to invite disaster. Although totalitarianism and free trade are inimical,

NEXT MONTH:

GEORGISM AND DECENTRALISM

by  
MILDRED JENSEN LOOMS

(Send in your renewals early—  
Don't risk missing a number)

WILLIAM S. CONNOR, Editor

sound relations with Russia, established by building up normal outgrowth of trusts fostered and be combated not by international freedom of the seas and commerce's resources. With sharp thrust assaults the fancied menace of infant industries, national self-sufficiency protectionist bogies. Every protection is analyzed and refuted.

The tragic story of the sabotage and destruction of our once mighty merchant fleet is told with a poignancy and dramatic force that should make it required reading by all our lawmakers. We now defraud our citizens by subsidizing shippers to bring to our ports goods that we strive to exclude by tariffs that rob the consumers. We pose before the world as noble benefactors and liberators of our territorial possessions—and hypocritically we bind them with the more onerous chains of trade agreements and economic servitude. Earnestly he sounds the warning that all must learn before men can live in peace and plenty. "Political freedom without economic freedom cannot exist."

*Free Trade—Free World* offers one more chance to a troubled world. Its foundation is laid in the factual substance of history, past and current. Mr. Villard's scholarship is sound and self-revealing. The text is fashioned with the practiced skill of the experienced journalist. The conclusions are supported by the logic and learning of the trained economist—all in a spirit of firm yet tolerant conviction.—W. S. O.

**THE KEYNESIAN REVOLUTION.** By Lawrence R. Klein. New York. The Macmillan Company, 1947. 218 pp. \$3.50.

George Terborgh, in his "Bogey of Economic Maturity," complains that the ideas of the stag-nationists (or Keynesians) are so obscure and nebulous as to defy analysis and that one is compelled to guess as to what the theories might mean if they were spelled out. Lord Keynes, himself, in the preface to his "General Theory of Employment Interest and Money," refers to "the ideas which are here expressed so laboriously," and in "Full Recovery or Stagnation" quotes Keynes in agreement.

The jacket blurb of "The Keynesian Revolution," by Lawrence H. Klein, says that the book was written primarily for the general reader, but in spite of the blurb, I would refer the general reader to either Keynes or Hansen if he would understand the Keynesian theory. In my opinion, Dr. Klein has made nebulous ideas a little more nebulous and obscure theories a little more obscure.

However, Dr. Klein does give an excellent description of the development of the stagnationist theory. By "excellent" I mean that he leaves little doubt in the mind of the careful reader that the theory simply had to be evolved to justify the plans for society which Keynes and his followers were recommending to politicians in depression days. In other words, as in the case of *Das Capital*, the theory was made to fit the plans. As Dr. Klein says, "It was not his theory which led him to practical policies, but practical policies devised to cure honest-to-goodness economic ills which finally led him to his theory."—H. C. NORTH