

Brick-Bats in a Friendly Mood

By GLENN E. HOOVER

Because the social appropriation of economic rent is the greatest step that can be taken in the direction of social justice and economic abundance, I should like to see *The Freeman* the most effective periodical in the United States. It cannot achieve this position unless it merits the respect of those, who, for lack of a better word, may be called "intellectuals." Circulation in itself is not enough. The Hearst papers, Ham & Eggs, Huey Long and countless other persons and organizations have achieved an imposing circulation, but their influence was limited because they were a joke or worse to the more rational of our citizens. While their antics made the unthinking laugh, they also made the judicious grieve.

To attain such respect, *The Freeman* should guard against two tendencies. It should not make excessive claims for the results that would follow the socialization of rent, and it should avoid errors of fact. I should like to make my suggestions concrete by using examples from the November issue.

In the editorial entitled "Gambling With Freedom," the writer contends that "war must ultimately benefit privilege." As proof of that statement he reminds us that "Every war results in an increased burden of taxation as well as an increased revenue for bondholders." The plain inference is that prospective bondholders favor war as likely to increase their opportunity to purchase government bonds. This I think is contrary to fact. Opportunity to purchase government bonds arises from an unbalanced budget, whether in time of peace or war. It is a matter of common observation that it is the investors who in season and out of season are most vigorous in condemning governmental borrowing.

As further proof that it is the "privileged" who benefit from and presumably favor war, the same paragraph continues: "Our tariff

walls started to rise to their present 'protection' proportions after the Civil War." The statement is true but the inference that the Civil War caused the increase in tariff rates is, I think, unwarranted. This is the old "post hoc, ergo propter hoc" fallacy. After the Civil War we raised our tariffs. After the Napoleonic Wars, England lowered her tariffs. So what?

The Northern manufacturers who benefited from the tariff (which I admit is a privilege) were always opposed by the "privileged" land holders of the South. The under-privileged and non-privileged farmers and industrial workers of the North rejected the views of Henry George on both the tariff and the land question, for no better reason, as I see it, than that they couldn't see what was good for them, and don't yet see it. Right now a low tariff program will derive more support from the New York bankers than it will from the Central Labor Council in the same city. When we attribute to the selfish motives of the few what is due to the economic illiteracy of the many we at once commit an injustice and, what is more important, demonstrate our incapacity for formulating programs.

The next statement in the same paragraph is as follows:

"After the World War our railroad bondholders saddled the government with the guarantee of five per cent return on their 'investment.'" This statement, I submit, is untrue. The only possible basis for it is that the Railway Act of 1920 directed the Interstate Commerce Commission to establish rates for a period of two years which would permit the carriers to earn 5½ per cent upon "the aggregate value of the railroad property." The rates established did not permit such earnings, nor have they, for any year since the law was passed. To speak of that provision as a governmental "guarantee of five per cent" to bondholders is an unwarranted distortion.

Earlier in this article I objected to the excessive claims that are made for the benefits to be derived from land value taxation. I have already suggested that to claim it would end all wars, is to resort to pretty wobbly logic. When we contend that free trade would make for international peace we are on much stronger ground. Personally I cannot accept the Marxian view that wars always result from economic causes. In any event free trade and the appropriation of rent are such desirable programs that they should be urged on their merits. They are sound programs, whether or not they completely banish war from the earth, and they should be defended as such.

The foregoing applies equally to the article entitled "Gestapo Methods" which criticizes the Federal Trade Commission. It is there claimed that this is one of those agencies of government "instituted to solve social problems which arise from poverty." When the Commission ordered one of the richest mail order houses to cease its false and misleading advertising are we confronted with the problem of poverty or rather of unscrupulousness and greed which is as prevalent among the rich as the poor? Mr. Geiger, in his article "Sex Is Not a Problem" went so far as to say in conclusion that if we eliminate poverty, want and the fear of want, we will "eliminate bachelorhood, spinsterhood and unhappy marriages." I suggest that Barbara Hutton be paged to learn if she considers poverty to be the cause of her marital difficulties. If she cannot be found, page the richest young ladies of your own town or Hollywood whose marriages have gone on the rocks. Ask them if their romances were wrecked by poverty.

In conclusion, I think we will affront the intelligent citizens if we present our program as a nostrum that will cure all ills. Let us leave to the itinerant quack all remedies

for dandruff, unhappiness in love, bellicosity and general cussedness. I believe that for every convert we make with such claims we will lose another, and much more intelligent and influential prospect. In presenting these criticisms I hope you will do me the honor to believe that they are those of a friend of **The Freeman** who wishes it well. "It's not that I hate ye that I bait ye." It is that I want **The Freeman** to be of greatest help in securing freedom of trade and the socialization of rent, and that too, in our time.