

November—December, 1936

Land and Freedom

FORMERLY THE SINGLE TAX REVIEW

An International Record of Single Tax Progress Founded in 1901

The Henry George Congress

A Visit With the Kin of Cobden and Bright

Anna George de Mille

A Popular Novelist Speaks

Kathleen Norris

McNair Fights Back

Broadus Mitchell—A Study

B. W. Burger

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LAND AND FREEDOM

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WHAT LAND AND FREEDOM STANDS FOR

Taking the full rent of land for public purposes insures the fullest and best use of all land. In cities this would mean more homes and more places to do business and therefore lower rents. In rural communities it would mean the freedom of the farmer from land mortgages and would guarantee him full possession of his entire product at a small land rental to the government without the payment of any taxes. It would prevent the holding of mines idle for the purpose of monopoly and would immensely increase the production and therefore greatly lower the price of mine products.

Land can be used only by the employment of labor. Putting land to its fullest and best use would create an unlimited demand for labor. With an unlimited demand for labor, the job would seek the man, not the man seek the job, and labor would receive its full share of the product.

The freeing from taxation of all buildings, machinery, implements and improvements on land, all industry, thrift and enterprise, all wages, salaries, incomes and every product of labor and intellect, will encourage men to build and to produce, will reward them for their efforts to improve the land, to produce wealth and to render the services that the people need, instead of penalizing them for these efforts as taxation does now.

It will put an end to legalized robbery by the government which now pries into men's private affairs and exacts fines and penalties in the shape of tolls and taxes on every evidence of man's industry and thrift.

All labor and industry depend basically on land, and only in the measure that land is attainable can labor and industry be prosperous. The taking of the full Rent of Land for public purposes would put and keep all land forever in use to the fullest extent of the people's needs, and so would insure real and permanent prosperity for all.

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Comment and Reflection

THE election having passed we now have time for reflection. We might say it was "bought and paid for." The popular majority of votes cast for Mr. Roosevelt is about equal to the number on relief—ten million. Judiciously distributed throughout the states that number, in so far as the records go, would decide any presidential election.

BUT that is perhaps an over-simplification. Not all those on relief voted for Mr. Roosevelt, and numbers were lost to him of the more thoughtful citizens who were opposed to his programme. Let us recognize the other side of the picture. The masses of the disinherited, kicked from pillar to post, hailed the new evangel, preached in persuasive language, as their salvation. The remedies were futile but they could not be expected to know that. Their economic knowledge is no greater than that of their leader. A few Single Taxers voted for him with doubtful hesitancy, and may have quoted Flaubert to themselves, "What after all if the absurd should be true."

IT is, however, the future that should interest us. As the weakness of the Republican party consists in its adherence to old-time policies, so its strength in the future must be in its acceptance of a free competitive capitalism. It cannot continue to talk of "free enterprise" without abandoning its devotion to a high tariff, the effect of which is to strangle enterprise.

HAPPILY they are not without precedents of their own to guide them in future tariff policies. There are Blaine's reciprocity treaties, the extraordinary speech made by McKinley on the very eve of his assassination; the statement of Senator Sherman, a stalwart Republican, that, "Every obstruction to a free exchange of commodities is born of the same narrow and despotic spirit which planted castles upon the Rhine to plunder peaceful commerce. Every obstruction to commerce is a tax on consumption. Every facility to a free exchange cheapens commodities, increases trade and protection, and promotes civilization." And it was James G. Blaine who said: "Undoubtedly the inequalities in the wages of English and American operatives are more than equalized

by the greater efficiency of the latter and their longer hours of labor." Theodore Roosevelt was a free trader and James A. Garfield was a member of the Free Trade Cobden Club. So what remains of the Republican party is not without distinguished precedents.

OF course, should the Republican party follow the example of these eminent leaders, that in itself would not be enough. If the "free enterprise" talked about is to be a reality, taxes on all labor products must be transferred to economic rent and one hundred per cent of it collected for public purposes. Henry George has shown us that the benefits of free trade would ultimately be absorbed in increased land values. This statement amounts almost to a demonstration, since land values reflect every advance in social improvement.

AND if the Republican party wants to take a stand on these principles it may again harken back to another of its great leaders who saw the land question in a big way. It will surprise many of them to know that Lincoln said: "The land, the earth God gave to man for his home, sustenance and support should never be the possession of any man, corporation, society or unfriendly government, any more than the air or water, if as much." And when offered an opportunity to get possession of a piece of land which he was assured would grow in value, he said, "I do not believe in it." He sensed the evils of land speculation and was opposed to it. He did not see the remedy which was later given to the world by Henry George, but he said: "A reform like this will be worked out in the future." And with keen insight he predicted what has actually happened: "The idle talk of idle men that is so common now, will find its way against it, and with whatever force it may possess, and as strongly promoted and carried on as it can be by land monopolists, grasping landlords and the titled and senseless enemies of mankind everywhere." These are words as strong as ever Henry George used and they are singularly prophetic. May we not hope that the Republican party will take up the challenge that Lincoln laid down? Will it learn to sit at the feet of its older and better teachers?

IN view of the situation today, and what may happen in the next four years, there is great need of a national Single Tax Association. This was the feeling at the late

Henry George Congress. We believe that the time was never more promising. The School is filling splendidly its function and the Schalkenbach Foundation is doing a work that is imperatively needed. Both of these organizations are estopped from any kind of political activity. And both can function better without it.

IN this connection a communication addressed to the Henry George Congress, but not read, by C. H. Kendal, of Summit, N. J., is important. He wrote as follows: "I assume that Single Taxers see as I do, a definite trend to some form of collectivism and that this trend must run its course and in the end go down in failure. This being so it seems to me that it behooves us to take our stand for individualism and not be confused in the public mind with that which is doomed to failure. Another matter: We have noted in New York that visitors from abroad and from distant parts of our own country interested in the land question have difficulty in locating the Single Tax or Henry George movement. Without interfering with any of the present Henry George activities I hope we may, at an early date, have a Henry George Society of America, with at least its name in the telephone directory in each and every large city. I advocate this only as inexpensive nucleus, a clearing house for Single Tax information and activities. I am not the only one suggesting this form of organization, and if there is any favorable action to be taken beware the expensive or extensive. Let us start with simplicity and, assuming a real need for it, it will grow."

THERE are 48 experimental stations in the Union. In every one of these something can be done. But a national association for help and encouragement is needed. As soon as a vulnerable place in the armor is discovered in any one of these experimental stations the national association may direct its influence toward effective action.

WHAT is needed is publicity. A national organization will give it. It will stimulate and excite action. It will aid to correct misunderstanding and misrepresentation. It will be constantly at work through a paid secretary. His duty will be to gather statistics, of which there is so much need. And to bind together the forces now scattered, a branch office in every city with one individual who will consent to act, and one telephone call, without cost to Single Taxers. This skeleton organization will in many cities expand into something more, but always as a branch of the National organization with headquarters in New York, Chicago or Washington. The Henry George Fellowship will, we believe, collaborate in this proposal.

The Movement in Holland

AT the late International Conference in London, Mr. Kolthek appealed for financial support of Georgeists throughout the world for the campaign beginning in Holland in 1937. The disciples of Henry George in that country believe conditions are suited for carrying on a political campaign, which they have done since 1890 to the present day.

In 1931 the existing party known as "Justice and Liberty" was founded under the direction of Mr. Kolthek. He was a member of the Dutch Parliament from 1918 to 1922. He became an adherent of the Henry George philosophy in 1927 and in 1929 made a translation of "Protection or Free Trade," and is now engaged in a translation of "Progress and Poverty." He edits a weekly paper in Groningen which is now in its sixth year.

In 1931 the Georgeists of Groningen participated in a municipal campaign and obtained over 900 votes which entitled them to one seat in the municipal council, which was taken over by Mr. Kolthek. In 1933 the party also nominated candidates for Parliament. With no money to carry on a campaign the nominee received nearly 5,000 votes.

In 1935 the municipality of Groningen had another election. This time the party received 6,608 votes and had five seats assigned it.

At the beginning of 1937 the Dutch Parliament will again be elected, but the Henry George party, the party of Justice and Liberty, is badly in need of funds. Each party participating in the election must deposit the sum of 750 pounds. This sum is refunded if the party obtains 75 per cent of the number of votes necessary to secure one seat. Holland has Proportional Representation.

The Dutch people are tenacious of the ideals of liberty to which they cling. This is proved by the history of this sturdy little country. It is gratifying to know that the movement is making such progress in Holland and is in the hands of competent leaders.

IT seems to me impossible to consider the necessarily universal character of the protective theory without feeling it to be repugnant to moral perceptions and inconsistent with the simplicity and harmony which we everywhere discover in natural law.

PROTECTION OR FREE TRADE?

THE protective theory implies the opposition of national interests; that the gain of one people is the loss of others; that each must seek its own good by constant efforts to get advantage over others and to prevent others from getting advantage over it.

PROTECTION OR FREE TRADE?

The Eleventh Henry George Congress

November 12, 13 and 14

THE Henry George Congress held at the Netherlands Plaza Hotel in Cincinnati, on November 12 to 14 is now history. It was fairly well attended and was really representative.

These gatherings are still vulnerable to certain criticism. Again the programme was too greatly crowded. Perhaps the most salient objections to these Congresses were voiced by A. Laurence Smith of Detroit. He pointed out that instead of formulating plans for action we talk Single Tax to one another. He voiced the feeling of many that we ought rather to discuss plans of action. Instead of putting these first and going over them carefully, it was not until the last day that a small group got together and retired to consider what might be done.

The suggestion that found most favor was the introduction of constitutional amendments in the various states, either by initiative petition or by direct appeal to the legislature. A committee from this group was appointed with Col. Rule as chairman. In this way the Single Taxers of every state would find a rallying point which would serve the purposes of education and publicity.

It may be said of this Conference that the speakers really did deal with fundamentals, and to that degree was an improvement over some that have preceded it. It was also signalized by two public meetings which were largely attended. It was also conspicuous by reason of the admirable addresses of Rev. Herbert Bigelow, Prof. Harry Gunnison Brown, Col. Victor A. Rule and David Gibson. The papers read were superior, if anything, to those submitted on previous occasions. And the meeting of old friends was worth while if nothing else was accomplished.

The elders in attendance must have been gratified by the presence of many of the younger group who are coming to the front. Among these may be mentioned Nathan Hillman of Chicago, Robert C. Bowers and Richard Howe of Pittsburgh. There are a few of the old timers who have a wider and more accurate knowledge of the history of the movement than Mr. Hillman, and the thoughtful and scholarly address of Mr. Bowers will not soon be forgotten. Our thanks, therefore, are again due to Messrs. Evans and Williams for their indefatigable labors in bringing us together and in making this eleventh annual Congress a success.

But new occasions bring new duties. It is felt that a new type of organization is needed—one that will function every day in the year. And these annual gatherings must be more and more for the discussion of practical work and not meetings for ironing out doctrinal differ-

ences, or for telling one another what the Single Tax is all about.

We have before this had occasion to make similar criticism of the Henry George Congresses. Henry George men have a message for the world, and our object must be to reach the unconverted. These gatherings have been pleasant, but they do not do that. Outside of the two meetings attended by the public of Cincinnati we do not believe that a single convert was made. In the caustic criticism made by A. Laurence Smith we are therefore forced to concur.

THURSDAY MORNING, NOVEMBER 12

Rabbi Aaronsohn, chairman of the Congress, opened the meeting. He commended Cincinnati as the best governed city in America. His address will be found on another page. He praised the city for its commission form of government, but said that whatever improvement had been made in the political government of the city we had still to deplore the conditions everywhere visible of the misery and degradation of a great city, which only the adoption of the Henry George system could remedy. George E. Evans, president of the Henry George Foundation, followed with an address on the evils of land speculation. He devoted a large portion of his speech to public housing.

Mayor Wilson of Cincinnati made the address of welcome for the city. It was a scholarly talk. He said he had long been a student of economics and he paid a tribute to Adam Smith and Henry George and reviewed the career of the latter. He confessed to being very much of a free trader. He said that those who advocate other methods of revenue can not be Single Taxers. He closed with a hearty welcome to the Convention.

THURSDAY AFTERNOON

Joseph Dana Miller was chairman of this session which he called the "school hour." Mr. Miller said in part: "The spirit of Oscar Geiger is abroad. The School will grow and will yet triumph in the thought of the world. Oscar saw in the days of his supreme sacrifice what the School meant. He did not see the full realization of his dream even as it has developed today. But he could say, as Henry George said, 'I know,' and a great faith stirred within him."

Richard Howe, Frank Chodorov, J. B. Ellert and others also spoke, and John Lawrence Monroe gave a detailed account of the School and Extension classes, to the success of which he has so signally contributed.

THURSDAY EVENING

A large and attentive audience greeted this meeting over which Charles G. Merrell, of Cincinnati, presided.

David Gibson said he would not talk long because many years ago he had heard a preacher say that no souls were saved after the first ten minutes.

He told how one of the du Ponts when asked to help the construction of a road in Wilmington responded: "No, the landlords will get all the benefit." Mr. Gibson said that nearly all our troubles were the cause of the failure to discriminate between what is socially created ground rent and private property created by labor.

W. D. Alper spoke on the California situation. He told how his visits to tradesmen in that state revealed the possession of a wide-spread knowledge of our principles. We can only create interest in our cause by action. California has the largest per capita sales tax of any state. Mr. Alper announced that the campaign will be continued. For years we have talked of concentrating our strength in one state. The friends of the movement are confident that the field is a promising one. This address of Mr. Alper was a strong plea for the Ralston amendment.

Mr. Walter R. Demmler, member of the City Council of Pittsburgh, answered a few questions from the audience.

FRIDAY MORNING

This session was presided over by Chairman Strachan of Chicago. He made an admirable demonstration of the law of rent. A discussion followed in which Mr. Foster, Mr. A. Laurence Smith and others took part. Mr. Bowers, of Pittsburgh, discussed pedagogy and commented on what he called "the sacrifice of pedagogy to pedantry."

Mr. Chodorov described the methods pursued at the School by the Teachers' Training Class and announced that the revised manual of the School would be ready in January.

FRIDAY AFTERNOON

At this session J. Edward Jones, of Chicago, presided, and introduced Mr. Emil O. Jorgensen as speaker. Mr. Jorgensen outlined his reasons for rejecting the Ricardian Law of Rent. There were a number of questions put to Mr. Jorgensen which he answered good naturedly.

Mr. P. R. Williams, Secretary of the Henry George Foundation, was one of the speakers at this session and talked about the graded tax plan of Pittsburgh.

FRIDAY EVENING

Mr. Carl D. Groat, editor of the *Cincinnati Post*, presided at this session and the speakers were Anna George deMille, Prof. Harry Gunnison Brown and Victor A. Rule. Mrs. deMille spoke entertainingly of her visit to England. She told how one of the most enthusiastic of the Henry George School workers was the son of Andrew MacLaren, M. P.

SATURDAY MORNING

At this session A. Laurence Smith, of Detroit, presided and read a letter from Bolton Hall, after which Mr. Nathan Hillman, of Chicago, gave an interesting resume of the history of the Henry George movement from the campaign of '86. Mr. Hillman thought our mistake had been that in every campaign waged for our cause we had emphasized the fiscal rather than the economic and social aspect of this reform.

Mr. Gilbert M. Tucker offered a list of Single Tax books to be recommended to inquirers. Mrs. McAvoy thought that the women leaders in the movement had been overlooked.

SATURDAY AFTERNOON

Edward E. Hardcastle was chairman of this session. Tributes to the departed were made by many of those present. Dr. Milliken spoke and Mr. Alper read a letter from Jackson H. Ralston. Mr. C. J. Ewing, of Chicago, spoke, and discussed the different methods of action suggested. In this discussion Mr. Farabough, of Carrolltown, Pa., participated, and Mr. A. Laurence Smith read an unpublished letter of Henry George.

Mr. David Gibson paid a high compliment to LAND AND FREEDOM and spoke in praise of the work of the Schalkenbach Foundation. Mr. Miller added to this by a brief resume of what the Foundation had accomplished and made complimentary reference to the many years in which Miss Kaufmann, now Mrs. Wambough, had directed the office work and had made many interesting and valuable contacts with professors, editors, columnists like Louis Eichel, and file leaders of public opinion everywhere.

THE BANQUET ON NOVEMBER 14

On Saturday evening a largely attended banquet was held in the Hotel Netherland. Edward F. Alexander, of Cincinnati, was the efficient toastmaster and the diners listened to a very interesting programme. Rabbi Aaronsohn was the first speaker and was followed by Anna George deMille, Marvin C. Harrison, state senator, and Herbert Bigelow.

Senator Harrison voiced what many of those present considered an economic heresy. He hinted at what he called "the unearned income of owned capital." Toastmaster Alexander after a vote from the diners, called upon Professor Harry Gunnison Brown and J. B. Ellert, of Milk River, Canada, for five-minute speeches in reply to Senator Harrison.

Mr. Ellert has the faculty of driving home the illustrations with which in his homely fashion he is so familiar. Senator Harrison was manifestly shaken by the speech in reply from the keen thinking, sturdy farmer of Alberta, and as he is an honest inquirer who is convinced of the

truth of our philosophy may himself be depended upon to find the answer.

It was Rev. Herbert Bigelow, recently elected to Congress from Cincinnati, who aroused the greatest interest and enthusiasm. He sees forty years of his agitation for the cause nearing its realization. He believes the next session of the Ohio legislature will sponsor a home-rule amendment in taxation and that Cincinnati will be the first Single Tax city in America. We were glad to hear him condemn regimentation even though he qualified his statement.

Mrs. Anna George deMille was entertaining and charming as usual. Any Single Tax gathering would be incomplete without the inspirational touch which the daughter of the Prophet contributes to these occasions.

Resolution on Services Rendered by the Hon. Wm. N. McNair, ex-Mayor of Pittsburgh, Pa.

INTRODUCED BY JOSEPH DANA MILLER

THE Eleventh Congress of the Henry George Foundation assembled in Cincinnati, Ohio, this thirteenth day of November, 1936, takes the opportunity of expressing the gratitude of all followers of Henry George for the valiant work done by the Hon. William N. McNair, of Pittsburgh, Pennsylvania, in spreading the knowledge of the philosophy we are all interested in, and in assuring him that we recognize that his resignation from public office was brought about by the very forces which benefit by the iniquitous system we hope to abolish. We are sure that he will continue to work for the abolition of the private collection of economic rent and will not allow any consideration, private or public, to dissuade him from the truth.

Resolution on the Death of Charles O'Connor Hennessy

INTRODUCED BY JOSEPH DANA MILLER

WE note with profound sorrow the passing of Charles O'Connor Hennessy.

For over fifty years in the intervals of an active life as editor, banker, and member of the New Jersey legislature he found time to devote to the cause he had espoused in the early eighties.

In the departure of this devoted spirit we recognize how great is our loss. To the very last his inspiring voice rang with a message to the world from the London International Conference for Land Value Taxation and Free Trade.

To his surviving son, Frank Hancock Hennessy, and the more distant relatives of the family, the Henry George Congress offers its most sincere condolence.

Manifesto of The Henry George Foundation

INTRODUCED BY DR. MARK MILLIKEN OF HAMILTON, OHIO

THE members of The Henry George Foundation wish to announce to the public their views on some basic questions now confronting the whole world.

1. We believe in democracy in contradistinction to communism, fascism and dictatorship under any form of government.

2. We believe in capitalism under conditions of freedom. We are opposed to all forms of private monopoly.

3. We believe that unemployment will cease when men have access to land suitable for use.

4. We believe that untaxing buildings and an increased tax on urban land will cure the slum evil.

5. We believe in voluntary cooperation by people living under conditions of individual freedom.

6. We believe that the sales tax is a most pernicious form of taxation because it falls especially on the poor.

7. We believe that business men should favor the Single Tax because it would increase the purchasing power of their customers; that tenant farmers should favor it because agricultural land owners will then not hold more land than they can use profitably, and thus tenant farmers will be able to obtain land at a low price; that all artisans should favor it because it will make jobs and increase wages.

8. In general we believe that the application of the Single Tax promotes the maximum happiness, efficiency and exaltation of the individual; and is the only way by which liberty may be preserved and by which idleness may be averted.

Address of Welcome

RABBI MICHAEL AARONSOHN AT HENRY GEORGE CONGRESS

ABOUT two years ago a well-known educator carried on an experiment with high school students all over the country. He was curious to know the attitude of American high school students toward the occupation of the farmer, the clergyman, and the politician. To his great astonishment he found that the majority of the students regarded the work of the farmer, the clergyman, and the politician pretty much with derision.

Some philosophers tell us that we laugh when that which is normally sedate and dignified and respectable suddenly becomes grotesquely undignified and commonplace. The farmer in classic literature was a rugged individualist. But the general idea of a farmer today is that of an over-worked and luckless fellow who is always clamoring for relief, the victim not only of drought, floods grass hoppers, but also of every business racket.

When we think of a clergyman we should like to picture a man of authority and wisdom and benignity. However, the general concept is that of a faltering, scatterbrained individual devoid of authority and grace.

And what of the politician? Why did the high school students laugh when his occupation was called out? In former days a politician was an elder whose word was law. He was the most honored man in the community. So when we think of a politician idealistically we recall a Moses, a Solon, an Aristides, a Gladstone, a Disraeli. But the boys and girls see a different personality. When we say "politician" to them, they see a well-fed haunch, paunch, and jowl person with a ten-cent cigar in the corner of his mouth, and usually to be found in the rear room of a saloon. This is quite a burlesque of a Burke, a Jefferson, a Webster, or a Lincoln.

About one hundred years ago Ralph Waldo Emerson had this to say about politicians in general: "Politics is a deleterious profession like some poisonous handicrafts. Our politics fall into bad hands and churchmen and men of refinement, it seems agreed, are not fit persons to send to Congress."

But this is what Aristotle had to say on the same subject: "It is necessary for the politician to have a certain knowledge of the nature of the soul, just as it is for the oculist to have a knowledge of the whole body and in fact more so, as politics is more important than the healing art."

We in Cincinnati, however, believe that the high school boys and girls in our community do not have the same aversion toward politicians. We in Cincinnati are proud of our position among the municipalities of the country. We have been told that Cincinnati is one of the best governed cities in the nation. Yet this is very recent history. The political reform movement began just about ten years ago. By being the best governed city, we mean that we have a capable city manager as our chief executive officer, that we have a city council composed of men of more than average civic virtue, that we have an electorate conscious of its power and responsibility, and that we have so-called politicians who in some measure submit to the will of the people—the collective will for honest, efficient, and good public service.

While we take pardonable pride in these achievements, we must confess that here even in Cincinnati we have one of the most reprehensible slums in the country, that men and women still have no sense of economic security, that poverty and disease and crime and juvenile delinquency and illiteracy are still with us.

We who are familiar with the social philosophy of Henry George are quick to respond that these outrageous conditions are not to be regarded as the evil work of politicians. What my fellow-citizens in Cincinnati do not realize, and what the machine-politician does not care to understand, is that these disgraceful, worse than barbarous conditions are the result of a foul system of taxation. So your

presence here in one of the best governed cities of the country will help to bring this challenging truth to the serious consideration of my neighbors. You will explain how it is that such splendid political progress has had so little effect upon the deeply-rooted problems of poverty, unemployment, low wages, crime, underprivileged children, overworked mothers, and harassed fathers. You must tell why a few should enjoy so much of the wealth of the community even in Cincinnati, and why, on the other hand, the masses of the people should be compelled to accept a bare subsistence level of human life.

You have the answer to all these questions. We want you to give the answers so clearly, so bravely, and so vividly that all who hear and read your words will see the light as God has so graciously given you the power to give light to the hundreds of thousands of our fellow-countrymen who stumble in the darkness of ignorance.

With the power and the authority that come from sound knowledge and experience we must show why and how industrial slavery is doomed. We must show that wage-slavery under forms of political freedom is doomed. We must show that monopoly of land is doomed. We must show that a great and deep and vastly beneficent process of reconstruction is in progress. And we must prove at the same time, patiently and understandingly, that the Single Tax is the simple and sovereign remedy for almost all of our economic, social, and political maladies.

With such a clear programme and so determined a resolution we must triumph in the name of truth and democracy.

BUT I should like your Holiness to consider how utterly unnatural is the condition of the masses in the richest and most progressive of Christian countries; how large bodies of them live in habitations in which a rich man would not ask his dog to dwell; how the great majority have no homes from which they are not liable on the slightest misfortune to be evicted.

—THE CONDITION OF LABOR, BY HENRY GEORGE.

IT is often said by protectionists that free trade is right in theory but wrong in practice. Whatever may be meant by such phrases they involve a contradiction in terms, since a theory that will not agree with facts must be false. But without inquiring into the validity of the protective theory it is clear that no such tariff as it proposes ever has been or ever can be made.

—PROTECTION OR FREE TRADE? BY HENRY GEORGE.

BUT so far from this treatment of land in the United States having promoted settlement and reclamation, the very reverse is true. What it has promoted is the scattering of population in the country and its undue concentration in cities, to the disadvantage of production and the lessening of comfort.

—PROPERTY IN LAND, BY HENRY GEORGE.

Practical Pedagogy

ROBERT C. BOWERS AT HENRY GEORGE
CONGRESS

IT is with pleasure that I acknowledge the invitation of the Convention Committee to address you this morning. The subject for discussion is without a doubt one of the most pertinent of our times. Even more pertinent than many of our favored topics of a more technical nature. Practical pedagogy, if it means anything, must carry the connotation of implied failure of pedagogy.

That certain representative groups of our teachers and leaders of education have somehow missed a great opportunity is evident on all fronts.

That our much vaunted education has failed to redeem our civilization from the bonds of distress of earlier peoples is not to be denied.

Everywhere in education, religion, politics are confusion, disagreement and chaos. Passion and prejudice, bullets and ballots are fired at real or imaginary opposing classes; while the dance of class hatred goes on.

Education in America has been pretty general for many decades. Is it not reasonable to expect now what once was hopefully indicated? What with the increase of general knowledge man would be brought nearer to an earthly happy hunting ground of schismless relations. On the contrary, professors, leaders of thought today seem only able to agree to disagree. So somewhere pedagogy has failed us; at some point in the past, the science of teaching has ceased to be practical. It is for us, who believe in natural economic laws of living together, to point the way. It is for those gathered here today to re-examine their beliefs and find, if we can, why pedagogy is now under a cloud.

"The most striking fact about the higher learning in America is the confusion that besets it." . . . "Our confusion is so great that we cannot make clear even to our own students what we are trying to do." . . . "To the love of money and a misconception of democracy I would add as a major cause of our disorder an erroneous notion of progress." . . . "The tremendous strides of science and technology seemed to the men of the nineteenth century to be the result of the accumulation of data." . . . "The way to promote progress was therefore to get more information." . . . "And so empiricism having taken place of the thought as the basis of research, took its place, too, as the basis of education." . . . "Thus the modern temper produces that strangest of modern phenomena, an anti-intellectual university." . . . Ladies and gentlemen, those are not my words. They are the words of one of the country's outstanding educators, Robert Maynard Hutchins, President of the University of Chicago, in a recent published article. In these words we have a scathing denunciation of the unconditional surrender of pedagogues to pedantry. Now the dictionary defines pedantry as the over-emphasis of trivial details

and the good Doctor says that empiricism has taken the place of thought as the basis of education. Again the dictionary tells us that empiricism is the pursuit of knowledge without the aid of science or knowledge of principles; hence quackery. Thus one of their own number tells us in resounding phrases that we have anti-intellectual universities, staffed by those who place over-emphasis on trivial details by practicing quackery.

Now whether we agree with the Doctor that such a sweeping condemnation of all that passes for culture in our methods of education is justified, is not of any material importance. But what is of far greater importance is the recognition by a great educator that something is wrong somewhere, that in some manner pedagogues have strayed from that strict definition, meaning the science of teaching. To conclude that our educators are turning loose every year, hundreds of thousands of youths whose only claim to an education is being a well tubbed young American with a statistical complex, would be to agree with a recent writer in the *Yale Alumni Weekly* who suggested that the curriculum is of little importance, for students really educate themselves by informed association with one another. If this is true there is no reason for worrying about anything. The thing to do is to skip the whole business and go fishing. But of course, it is not true. We cannot brush away this indefinable pattern of culture woven by the art of living together in such a facetious manner. Some place in this weaving there must be the broken threads of truth, lost by reason of haste, carelessness or perversion. Let us see. Let us trace back the trends of education and find, if we can, the causes which shifted pedagogy to pedantry. There must be a point of deviation from truth for authority, and if we find that point in education, perhaps we as scientists may bring hope to the souls of such calamity howlers.

Picture this visible civilization of ours in terms of a beautiful tapestry with its beautiful interwoven pattern of intellectual, spiritual and social wants, overlaid on the warp and woof of man's primary wants. Just as man has applied the strong warp and woof of his rug-weaving, if the power and environment to satisfy these have not been denied, so has he been able to embellish the brocade of civilization which we call modern society.

Now if the foundation threads of any woven piece are faulty, the beautiful design soon falls away. So our society. Those to whom is given the privilege of pointing to mankind the warp and woof of our social fabric must take care never to lose track of the true character of these threads, the very foundation of our delicate civilized pattern.

It is so easy to fall a victim of empiricism, to see only the complexities of the design, so easy to surrender to despair and cry wolf! wolf! So easy to look with jaded eyes at the efforts of others and so become smug and pragmatic.

It is not necessary to condemn the whole system, when seeking those points of diversion which seem to create a disjointed society.

Certain it is that the sciences have not failed us. Witness all the marvels of engineering within your very walls, or in your kitchen. You press a button, the light flashes on, you are hurled upward through space at the breathtaking speed. There is no confusion here. Why? For the very definite reason that the science of electrical engineering is as exact as all the other sciences. Not that mankind was handed a tablet of laws from a Moses of engineering, but that the pioneers who preceded the present day wonders admitted that there are natural laws and thereupon set about discovering these laws and applying them to every day life. Many generations pass while these laws are slowly evolved. Each step was proved. There was no surrender to rationalization because the proofs were so difficult. No hint that their was not an exact science since their conclusions seemed to be leading them away from accepted mass opinion, for by sticking to natural law, they soon found order. Nature, you know, will not tolerate confusion. No matter what pattern of the physical sciences you care to trace, the answer or form is always the same—Nature understood.

Yet all these sciences, capable of ministering to all the wants of mankind and making possible the "more abundant life," periodically seem to fail us, and their services and products fall away like the beautiful pattern of a rug which is destroyed by pulling out the warp and woof. This should bring to the mind of all those interested, the question, "Why," and to find the answer is it not obvious that it must be sought in the warp and woof of our education?

For several centuries, the science which sought to explain the natural laws of living together was known as "Political Economy." To their credit it must be recorded that the early pioneers in this study did make feeble attempts to seek natural laws concerning the distribution of wealth, but their clash with the special privilege of the day is too well known to this group to dwell upon. These old classicists did attempt to define what they were trying to study, all the sneers of the present day planned economists notwithstanding. They at least agreed that it was a science that treats of the nature of wealth and the laws of its distribution among the factors engaged in the production. But when the definition of wealth as a natural product of labor applied to land, forced consideration of accepted practices (established by fraud and coercion) the expounders scuttled for safety and produced those prunes and prisms of academic humbug, the wages fund theory and the Malthusian doctrine. No wonder their studies were later dubbed "the dismal science." It is evident that they feared to trust nature. Tolerance forbids me to assign other reasons but I suspect that our

present day friend, "economic determination," was known to mankind at that day.

Here is our first failure in the warp and woof of our educational system. The retreat and confusion of orthodox education in political economy has continued to the present day with only a few notable exceptions. In fact the retreat became a rout. Instead of political economy we now have "economics," described by the teacher as a science which is not exact. If it is not an exact science it is not a science. In fact after reading scores of volumes of these modern apostles of planned economics I feel it is a parlor pink discussion of the production of some articles of wealth and their possible use, flavored with a lot of money bug balony and a dash of class hatred for good measure. Just recently I exposed myself to a course in economics at one of our recognized universities to obtain a modern view of the subject. The class used a text book, selected by the school authorities and written by a well known writer to today. What the students were expected to learn is still a mystery. The author made one fundamental statement to the effect that under free competitive enterprise was the only economic system in which the consumer had a chance, and then devoted eleven hundred pages to an exposition of the idea that government ought to control industry and the development of various means to accomplish it. We just heard a lot of that kind of reasoning in the last campaign, with the addition of a few crocodile tears. The book was a flagrant example of empiricism. No definitions, no answers to the questions propounded, but a political means to exploit the economic means. Another writer has the insolence to defend his statement that economics is not an exact science like chemistry or astronomy because these have natural laws to govern them and economics is subject to the whims and actions of men, and in the whole book there is not even the mention of rent. In the name of the prophet . . . Confusion. No one handed the early chemists a tablet of the laws of chemical reactions and astronomers once used the Ptolmaic theory of the solar system. Yet the astronomers persisted in their search for natural laws when this system was shown to be fallacious. Now when a small error is made in the calculations for an eclipse, they simply admit an error in the application of a natural law, but the politically minded expounders of economics have had to deny that their science was a science in order to cover the mistakes.

Let me recapitulate. Have we found the broken thread in the warp and woof of our civilized pattern? It appears to me from our discussion we have discovered where pedagogy has surrendered to pedantry. It must be located at that point where those investigating the cause that associates poverty with progress, have refused to treat economics as a science and have ignored all those natural economic balances so ably correlated by Henry George. Here is the Waterloo of all our culture and

higher learning. A false and weak foundation in the teachings of the primary relations of man, a social animal.

Practical pedagogy has been given the challenge. It must prove to a sorely tried world that economics is a science as exact as any, because if it is not then the equitable distribution of wealth depends upon whether men are good or bad. Ballots or bullets will be used to enforce an imaginary system, with prunes and prisms to feed and amuse the multitude in the interim.

We who are gathered here today cannot subscribe to such a doctrine of futility. Upon us has fallen the mantle of practical pedagogy. We must cease compromising with the truth. It is for us to stop carping about the theories of George in the back parlor or convention hall, while maintaining a dignified silence on the front porch, or under the spot-light of public office. Those who do this are only following the old rule of economic determination and are of no value to a movement which proposes to establish justice among men. It is for us to go along the highways and byways to teach the central truth, fight for it, yea even die for it, no matter what public office we hold. A recent newspaper article quotes the present claimant to the office of mayor in the city of Pittsburgh, Cornelius D. Scully (supposedly a Georgeist) as saying he did not believe in using the prestige of public office for the purpose of propaganda, while at the same time he was engaged in a public speaking campaign to elect some ward heeler to office to further perpetuate the Federal spoils system. Yet this same man was among those racketeering politicians who forced the resignation of the first honest mayor the city ever had, William N. McNair, who was trying to tell the people the truth. If we compromise with the compromisers they will soon make Marxists of us all, while the Prince of Light fights in vain with the Prince of Darkness, and that unalienable right of life, liberty and the pursuit of happiness is trampled under the feet of the barbarian hordes from within.

PPRIVATE property in land is the primary cause of the monstrous inequalities which are developing in modern society. It is this, and not any miscalculation of Nature in bringing into the world more mouths than she can feed, that gives rise to that tendency of wages to a minimum—that "iron law of wages" as the Germans call it—that, in spite of all advances in productive power, compels the laboring classes to the least return on which they will consent to live.

—THE LAND QUESTION, BY HENRY GEORGE.

DID you ever see a company of well-bred men and women sitting down to a good dinner, without scrambling, or jostling, or gluttony, each knowing that his own appetite will be satisfied, deferring to and helping the others? That is human society as it might be.

—SOCIAL PROBLEMS, BY HENRY GEORGE.

Radical Literary Intelligentsia and Hard-headed Propertied Conservatives: A Study in Similarities

PROF. HARRY GUNNISON BROWN AT HENRY GEORGE CONGRESS

IT is very discreditable for an "intellectual" to be found adhering to ideas which other "intellectuals" have come to regard as out of date. Or, at any rate, such appears to be the view of those who are currently rated as intellectuals!

The "Single Tax" is reputed to be out of date. Hence, mention of it arouses no tremor of real interest in the mind of the typical present-day intellectual; and his only reaction is likely to be a hasty disavowal of support for it.

The idea of taxing at a high rate community-produced land values, considered as a truly significant step in the establishment of an ideal economic order, seems to be completely ignored by most "liberal" and "progressive" magazines and newspapers. The subject is avoided as if it were a dangerous microbe. It appears to be the one subject that proprietors and editors of these journals think it not worth while to discuss and about which they won't editorialize.

And yet, to the casual onlooker who will think over the matter without prejudice, it cannot but seem peculiar that intellectuals—especially those who consider themselves to be "liberal" or "progressive" or "radical"—should have such a complex. For, after all, the salient fact is that, with property rights as they are now, *the many must pay to a comparatively few*, billions of dollars a year merely for *permission* to work and to live on the earth.

Since there are barren mountain tops, remote and forbidding islands, the trackless wastes of deserts, and other relatively undesirable places where men may attempt to live and to work without paying others for permission to do so, the last statement needs some qualification. The statement should rather be that a majority of us must pay to the rest of us, billions of dollars a year for permission to work and to live on the earth, in those locations which geological forces and community development have made comparatively livable.

On the face of it, the proposition that the payments made for such permission—and certainly for the enjoyment of community-produced advantages—should go to the community, seems altogether reasonable. On the face of it, allowing some men to charge others for such permission seems like allowing some to charge others for permission to sail boats on the ocean, swim in the lakes and rivers, breathe the air or enjoy the sunshine. Through what legerdemain of rationalization do our "intellectuals"

manage to persuade themselves that here is no problem of special import to the common welfare?

Possibly the explanation lies in the fact that many modern intellectuals, so-called, are pretty thoroughly permeated—though they do not always realize it—with the ideology of Marxian socialism. Therefore, they find all the ills of our economic life in “capitalism,” in the “exploitation” of the masses by their “capitalist” employers, in “the profit system.” That there is anything peculiar in the income from land as contrasted with the income from capital, or that the rent of land is a matter of significant concern in a society “suffering from the ills of capitalism” and of “the profit motive,” does not seriously occur to them.

The Marxian viewpoint is that the chief robbers of labor are the owners of capital and that the chief exploitive income is the income of capital. The owners of land may intercept a little of what would otherwise go to capital—and so would in any case be taken away from the workers—but this is not a matter of great significance to the radical permeated by the Marxian philosophy. And the literary intelligentsia who, on the basis of a little desultory reading in the literature of socialism and near-socialism, plus some training in *belles lettres*, plus a modicum of journalistic experience, essay to instruct supposedly less initiated intellectuals in the complexities of our economic order, through the “high-brow” magazines as a medium, are apt to be equally vague or equally non-committal regarding any distinction between land and capital.

Does it not seem a bit incongruous to find socialists, “parlor pinks,” “liberals” (post-war style) and hide-bound conservatives, all in agreement in not admitting or, anyhow, in not stressing any important distinction between sites and natural resources on the one hand and constructed capital on the other hand.

The reader, nevertheless, habituated to drinking of the current stream of thought, is likely enough to lift a sceptical eyebrow and inquire: “Well, is there any socially significant distinction between land and capital or between the income from the one and that from the other?”

Such a question is, of course, fair enough. It must receive a fair and sufficient answer.

Let us begin an answer by analyzing the nature of capital and the income from capital. In doing this we shall seem to be taking the side of the conservatives. For we shall find ourselves forced to the conclusion that interest on capital can be defended by precisely the same argument commonly used to justify the wages of labor, viz., contribution to the productive process. So perhaps socialists and parlor pinks and (new style) liberals will refuse to read further!

Two facts are fundamental in the problem. The first is that capital is useful, that we can produce more if we construct capital to aid us than if we do not. The second is that capital can come into existence only through saving.

How can a fisherman increase his catch? Perhaps by building himself a boat that enables him to go where the fish are most plentiful. But to build the boat he must save, i. e., he must produce, for a time, more than he consumes. The boat is, of course, an excess of his production over his consumption. If he consumes each day all that he produces that day, the boat will never materialize. The larger daily catch after the boat becomes available must be regarded as partly a repayment of the labor of building the boat and partly interest, the extra return made possible by the new capital over what all the owner's labor, past and present, could produce without it. Wherein can his enjoyment of this interest, this extra return made possible by his own saving, be objected to? Whom is it supposed that he is robbing?

How can a farmer increase his crop? He may work to fertilize his land or he may irrigate it or he may plant and bring to maturity an orchard. With the fertilized land he can produce more each year than if the land were not fertilized, and still more, perhaps, if it is irrigated. With the planted orchard he can make his labor of future years more productive in the getting of fruit. But in each case he has to save, i. e., produce for a time more than he consumes. His extra production is not of wheat, corn or fruit but is greater fertility or moisture in the soil, or growing fruit trees. These things are produced *in addition to* what the farmer consumes. He produces them in additional working hours beyond the time necessary to produce his own current means of livelihood. Or, possibly, he first produces an excess of wheat, corn, etc., and then lives upon this excess while making the improvements in or on his farm.

When, thereafter, the farmer enjoys the larger crops made possible by the fertilization of his land or by its irrigation or by the planting of the fruit trees, all of the excess above what the labor spent in improving the farm could have brought him if applied directly to current crop production, is a return on capital, an interest return, an extra income made possible by his saving. Let those socialists and those pinkish literary intelligentsia who contend that the income received by the owners of capital as such, is a robbery of the masses, explain for us what masses or what individuals the farmer of our illustration is robbing? In what sense does it take something away from others, for the farmer to save and thereby to make possible a larger production on his farm in future years? What person is made poorer by the fact that the farmer's soil is now richer or more effectively watered than before? In just what way does it injure the masses of working people or “deprive” any worker of “the full product of his labor,” when the farmer's orchard begins to bear fruit and the farmer receives, thereby, gradual repayment for his temporarily wageless labor of planting, plus an excess which may properly be called interest or income on capital, the reward of his saving and a consequence of the fact

that, by saving and thus accumulating capital, we can usually produce more wealth than if we did not save?

The principle involved here is precisely the same when, as is commonly the case, the person who saves does not himself construct the capital but provides the means, from his saving, for someone else to do it. Thus, suppose the farmer of our illustration, whom we shall now call Noren, does not himself fertilize his farm or install the irrigation system or plant the trees, in his extra time (beyond that necessary to provide for the immediate needs of himself and his family), but instead uses that extra time to produce an excess of wheat, potatoes, carrots, peas, etc., beyond his own needs. This excess he gives to another, whom we shall call Fenton, in order that the latter may be free to improve Noren's farm. Fenton, we may suppose, needs the potatoes, peas, etc. He wishes to—perhaps needs to—consume currently all that he can produce. If someone does not provide him with the potatoes, peas, etc., he must spend his own time producing them. He can afford to work the requisite number of days fertilizing Noren's farm or making an irrigation system for it or planting trees on it, only if he has something to live on while doing so. If Noren gives him for his work all the potatoes, carrots, peas, etc., that Fenton could produce for himself in the time he spends improving Noren's farm, how is Fenton in any way injured? How is he prevented from enjoying "the full product of his labor?" *It is Noren's saving that makes possible the improvement of the farm.* Fenton has lost nothing whatever. If Noren now enjoys the larger product from his farm which is the result of the improvement made possible by his own saving, in what way is he robbing Fenton? Fenton is at least as well off as he would have been had Noren not saved. And Fenton is certainly not prevented from saving on his own account,—if he desires to do so and can live on less than his current production. But, in the case we have been considering, it is Noren's saving that is responsible for the increased productiveness of Noren's farm.

Let us change the illustration somewhat, so as to make it both more complicated and more realistic. Noren, the farmer, does not directly give Fenton the wheat, potatoes, carrots and peas, but sells these crops for money (or bank checks) and pays the money (or checks on his bank) to Fenton who uses it to buy deeded food and (perhaps) other goods. Noren, we may say, adds to society's available stock of consumable goods, receives money (in effect, tickets) entitling him to use up those goods or their equivalent, and passes this money, or a part of it (what he *saves*), to Fenton who buys therewith the consumable goods he needs and wants. Thus, Fenton does not have to spend his own time producing goods for immediate consumption but has his time made free—through Noren's saving—for producing capital.

And now let us illustrate the dependence of capital

construction on saving, by a case still more complicated and one which pictures contemporary investment in corporate industry. A large number of Norens (so to speak), including farmers, bakers, tailors, coal miners, et al., save, and invest in the stock of a paper manufacturing company which is about to construct a paper mill. The company hires a large number of Fentons to make the materials for the mill and do the constructing. The Norens produce more cereals, bread, potatoes, clothing, coal, etc., than they are themselves consuming. That is to say, they *save*. The money they receive for this excess (i. e., the money they do not spend to satisfy their own current needs and desires) is paid for (invested in) stock of the paper company. The paper company pays it to the Fentons, who are enabled to buy therewith the excess of consumable goods produced by the Norens. Thus, the Fentons have their time set free for the construction of the mill, even though their circumstances are such that they need, or insist on having, in the form of consumable goods and services, all that they currently earn,—even though, that is, they themselves save nothing.

The saving of the Norens, in short, makes possible a construction of capital by the Fentons. The Fentons are certainly no worse off than if they spent their entire time producing goods for immediate consumption. They are paid, in money exchangeable for the excess consumable goods produced by others, all that their own labor could produce of such goods. The capital they construct could not come into existence without the saving of the Norens. It is the saving of the latter, their production of more than they consume, that makes the construction of the capital possible. If, now, this capital is truly productive, if it does really add to the output of industry an excess over what the labor and all the rest of the capital of the community could have produced without it, and if this excess goes, as return on their investment, to the Norens, who made the excess production possible, in what way have the Fentons been robbed?

It is, of course, open to "liberal" and "parlor pinkish" critics of property income in the existing economic order, to object that those who save are, in some cases, recipients of income that they never earned and that it is out of such unearned income that they have been able to make their accumulations. Monopoly, unfair competition, use of fiduciary positions for personal profit, etc., may be common means to affluence. None the less, those who so contend ought to take pains to separate these various means of exploitation, at least in thought, and show how each one conduces to give individuals and classes unearned income. Certainly they ought not to lump all such means of privileged income together as "surplus value," or as inevitably involved in "the profit system." Nor may they with propriety use discussion of such purely unearned and illicit incomes as a means of making plausible any objection they may feel to a kind of income, interest

on capital, which is, in itself, entirely reasonable and justifiable, in the sense that it is merely a *quid pro quo* for a productive contribution.

And now how about the income from land ownership, which, to conservatives, socialists, parlor pinks and (new style) "liberals," is not essentially different from the income on capital? Land rent, purely as such—as distinguished from what is paid for the use of buildings, orchards, introduced fertility and other improvements on or in land—is surely not paid for saving. In other words, land rent is not paid for an added output of industry produced by capital which in turn has been made possible by individual saving. Instead, as we have already noted, it is a payment which non-owners of land (in many countries, the great majority) must pay to landowners for *permission* to work and to live on those parts of the earth which geological forces and community development have made relatively productive and livable.

What is there so unreasonable about the contention that individuals should not be allowed to gain a livelihood by charging other individuals for *permission* to work and to live on the earth and to enjoy *community-produced* advantages? What is there so unreasonable about the proposal that whatever is paid by the user, for permission to use those locations which have been made desirable by community development (and, of course, by past geological forces) should be paid to the community? What is there so unreasonable about the view that this (in the main) community-produced annual rental value of land ought to be the *first* source, even though not necessarily the only source, of community revenue?

Then what is the explanation for the utter lack of interest of "liberals," during recent years, in this reform and for the apparent fear of some of them lest they be suspected of any sympathy with it? Can it be that in the intellectual realm inhabited by our near-socialists, "liberals," et al., including the literary intelligentsia, there are more or less obligatory changing styles of thought and changing economic philosophies? And do the literary intelligentsia subconsciously feel that they would be as discredited to ignore such styles as a lady of fashion might be, in her circle, if she began regularly to garb herself in the dress and millinery of the nineties or the early nineteen hundreds? And is advocacy of the public appropriation of the community-produced rent of land thus discreditable for the literary intelligentsia merely because it is out of style, while advocacy of "production for use and not for profit" is highly creditable because, in their particular circle, it is now in style?

Or is the subject of capital and its dependence on saving—together with the idea of the serviceableness of capital and, therefore, of saving, in our economic order—too difficult for the ready comprehension of minds trained more to *bon mots* and general literary cleverness and effectiveness than to economic analysis! And is the dis-

tinction between income on capital, received for an added productiveness of industry resulting from individual saving and investment, and income on land, received by individuals for *community-produced* advantages and for *permitting* others to work and to live on the earth,—is this distinction too subtle for the "intellectuals" among our social radicals to understand!

Or may it possibly be the case that advocacy of so specific a reform as the public appropriation of land values gets more easily discredited among people of supposed importance, and butters fewer literary parsnips, because it arouses a more definite hatred and a more definite desire to get it looked at askance than do vague general complaints about "the profit motive" and "the evils of capitalism?" A particular reform is contemplated, definitely taking away the privileged income of a particular class, and it is to be expected that many members of that class will endeavor to discredit, as much as they can, both it and those who support it.

As with literary intelligentsia of radical persuasion, so with the political "leaders" of radical groups. Will not—indeed, does not—the candidate for president or governor, of a radical party, feel it usually unwise to stress such a specific reform, even though he believes in it? For, after all, he wants the greatest possible number of supporters, the greatest possible number of votes, and the way to win such supporters, as in the case of candidates of the major and less radical parties, is to talk in generalities and commit himself to nothing specific which may offend any appreciable number of potential followers. If, among the moderately poor who look for an economic millennium and who might give him a feeling of success by multiplying the total vote for him, are a considerable number who have been lured into the purchase of vacant lots in the hope of an increase in their value, and who, believing in some vaguely conceived reorganization of society which will benefit themselves by guaranteeing them "the full product of their labor," nevertheless do not desire, meanwhile, any public appropriation of community-produced values,—if such citizens are a part of his hoped-for following, he is not likely to be too specific in urging this reform.

Then, too, most of the supporters of such a candidate are probably more interested in hazy promises of a new and better world than they are in the making of a clear distinction between income from capital and income from land. And those who own no property of any kind, or almost none, are perhaps easier to arouse to a general, though vague, opposition to private enjoyment of income from any type of property than to an attempt to distinguish, each from each, income from sites and natural resources, income from capital, income from monopolistic control of an industry or industries, and income from business chicanery. It is mentally easier and, for some, may be more satisfying emotionally, to join a radical group which is striving for "the abolition of the profit system"

or for a "share-the-wealth" scheme than to attempt to discover, by careful investigation and analysis, what are the different specific evils from which our society suffers and how each specific evil can be prevented without, necessarily, revamping the entire economic system.

It would be manifestly unreasonable to claim that, once the annual rental value of land, or the major part of it is appropriated by the public, no further reforms will be necessary to make the price system ("capitalism") work most smoothly and fairly for the general good. But it is none the less a fact that this particular reform is one of the most important along the line of making "capitalism" or the price system what its conservative defenders claim it is, viz., a system which rewards industry and thrift and enterprise and gives most to those who are most deserving,—presumably to those who serve the public best. It leaves in the economic order its essential element of freedom, freedom as to what work to do, freedom to save and invest in capital construction or not to do so, freedom on the part of each individual and group of individuals to use his or their capital in whatever line of industry seems most profitable. And this reform would add a new freedom, viz., freedom to live and to work on the earth without being hindered or prevented by persons who, not desiring to use their land (or much of it) themselves, hold it out of use speculatively in the hope of making money from a *community*-produced increase of value.

How can it be consistent with the ideals of an economic philosophy which would base incomes on service, which would reward industry, enterprise, thrift and inventive genius, to support such an incongruous element in the economic system as that which enables a part of us to collect from the rest of us merely for *permission* to work and to live on the earth in those locations having *community*-produced advantages?

And now let us raise a question as to those industrial magnates who have recently been so much publicized in the matter of their insistence on preservation of constitutional rights, the maintenance of freedom in our economic system and the continuance of an economic order based on individual initiative and thrift. If such industrial magnates do not support—if, perchance, they oppose—a system of taxation which would make our economic order more nearly conform to their professed principles, which would bring it about that the rewards of industry, henceforth, would be distributed more consistently with the contributions, by each person, of effort, thrift, and productive enterprise, which would no longer, through heavy taxation of capital, deprive those who save, and so accumulate capital, of the returns which this capital yields,—if they do not support such a system of taxation, what must reasonable men say about them? Will not the simplest and most obvious conclusion be that such magnates are *not really interested in a free society*, any more than are the radicals who seek "the dictatorship

of the proletariat"; that they are not really interested, any more than are socialists and communists, in the giving of its full reward to voluntary individual *thrift* and enterprise, or in the development of the fullest practicable degree of *individualism*; but that they, along with their sympathizers among journalists and politicians, are using the slogans and rhetorical flourishes descriptive of such an ideal, as a smoke screen to conceal their real purpose, viz., the maintenance of special privileges which are altogether inconsistent with the ideal they profess to support?

Have we here a case where "extremes meet," since radical "leaders," including the literary intelligentsia of radical leanings, and conservative business men and journalists, alike, support the principle of letting some live as parasites on others,—the one group desiring that those who do not save shall enjoy the fruits of the saving of others, and the other group desiring that certain individuals, as owners of the earth and of community-produced location values, shall continue to collect from others for permission to live and to work on the relatively livable parts of the earth's surface? If, perhaps, the first group should finally so sway the masses as to win its goal, might this not be due in part to a general confusion of thought, regarding the distinction between earned and unearned incomes, contributed to no less by the second group than by the first?

Radical, dreaming, literary intelligentsia and hard-headed industrial magnates! Each group supposedly scorning the other! Is their thinking fundamentally alike, after all?

Rent, Wages and Interest— The Law of Their Relation

EDWARD WHITE AT HENRY GEORGE CONGRESS

IN teaching political economy certain fundamentals must be strongly impressed upon the students, for there are points wherein the least wobbliness causes confusion and results in the propagation of error.

Political economy shows us that wealth is produced from natural resources, termed land, by human effort, termed labor, aided by various instrumentalities, termed capital. Frequently it is stated that the product wealth is divided into three portions, rent for land, wages for labor, and interest for capital. This statement accords with common speech, but it is incomplete and tends to obscure the actual relationships involved.

Ordinarily people speak of rent as payment by a tenant to a landlord, of wages as payment by an employer to a workman, of interest as payment by a borrower to a lender. These statements do not accord with basic facts

but reflect superficial appearances only, like the conventional statement that the sun rises in the east.

Rent, wages and interest are receipts, not expenditures. Primarily they are received by man from nature as a result of wealth-producing activity on the part of man. Only secondarily and only in part can they properly be viewed as payments by some men to other men.

The point can be illustrated by simple facts of common knowledge, the significance of which we are apt to overlook.

Wealth being the product of human exertion applied to nature with the aid of capital, it is plain that the individual who undertakes productive activity receives in the product the entire quantity of wealth resulting from the union of land, labor and capital, and it is plain that this product is received from nature, not from man.

To use an illustration stripped of non-essentials, consider some man who undertakes some productive activity on some location and uses some capital. As a result of his exertion (labor) applied to natural resources (land) with the aid of certain instrumentalities (capital) there is a product (wealth). Part of the product is due to the man's exertion; this is the wages of labor. Part of the product is due to the man having a superior location; this is the rent of land. Part of the product is due to the capital which the man used; this is the interest of capital.

After the man has received wealth from nature as a result of productive activity on his part, the product is usually, but not always, shared with other men who permitted or aided the activity. Here is where confusion enters, because at first glance we see this secondary act of sharing the product take place in the form of payments commonly called rent, wages or interest; it is only by closer attention that we see the producer first receive from nature the entire product out of which all shares must come. So do we see the sun rise in the east; it is only by closer attention that we perceive the revolution of the earth.

Not always is any sharing of the product involved. The producer who owns the location where he labors does not pay rent, but receives rent from nature in the form of wealth to the extent of whatever advantage his location gives him. Self-employed labor does not pay wages, but receives wages from nature in the form of the wealth produced. The producer who owns the capital he uses does not pay interest, but receives interest from nature in the form of wealth due to his use of capital.

If the producer needed only the labor power of himself, that portion of the product resulting from labor is his wages; if he needed the labor power of other men to aid in part or all of the undertaking, the wage portion of the product results from the labor of all the men involved, and that wage portion must be shared among them according to the part performed by each.

If the producer had only to choose a more productive location upon which to labor, the rent or superiority differential of his location comes to him as an advantage

over other men who used less productive locations; if he must first buy permission to use a better location than he could use without permission, part of all or the rent portion of the product, must be paid to the person whose permission was bought.

If the producer owned the capital he used, that portion of the product due to the use of such instrumentalities comes to him as the interest of his capital; if he had to borrow capital from others, part or all of the interest portion of the product must be paid to those whose capital he used.

Of the three, rent seems to be the most difficult to grasp. It must be understood that rent is a differential expressing the greater productiveness of superior land. Take farm land for example. If there is plenty of it available on any of which a farmer can produce twenty bushels of grain to the acre, and there is some better land on which the same application of labor and capital will produce twenty-five bushels of grain to the acre, there exists a differential of five bushels per acre in favor of the better land. The man using that better land receives from nature five bushels more per acre than is received by other men using twenty-bushel land, and he receives this additional five bushels, not as a result of labor or capital, but as the result of location. This holds true in all forms of productive activity, although not always so readily perceived. The storekeeper on a busy downtown street does a tremendous volume of business, not because of the labor or capital involved, but because of location. The more advantageous locations are comparatively scarce, which leads men to bid for them and offer a premium for their use. This results in the phenomenon of land value, or a purchase price reflecting the opinion of men as to the advantage secured by using particular locations.

The principle of the illustration given holds true in all the subdivisions and through all the ramifications of human activity in producing wealth, although it may not always be seen clearly. There is a necessary series of steps between the raw material in nature's storehouse and the consumption of finished products by consumers. If these steps are taken by one person at one place, it is not difficult to see the whole picture, but where efficiency requires subdivision of labor, and different steps are taken by different sets of people in different localities, the complexity of the process may obscure the basic principle.

The producer of raw materials, the processor of raw materials into finished products, and the distributor who takes the final step in production by placing finished products in the hands of consumers, all deal with the location factor, land; the human factor, labor; the assisting factor, capital; and all receive from nature a product due to the union of these three factors.

When this relationship is grasped, many difficulties vanish.

The notion that rent enters into price, or is an element

of cost, is seen to be an inversion of the natural order, for obviously rent is in effect a reduction of cost, the user of a superior location producing at less cost per unit than those using inferior locations.

The notion that wages are paid to labor out of capital or by capitalists is also seen to be an inversion of the natural order, for obviously wealth must first be produced before there is anything for labor to have or to share in.

The notion that interest is extorted from producers is seen to be an inversion of the natural order, for obviously it is nature that pays interest, and it pays it to the user of capital by yielding a product that is due to the use of capital.

This discussion is intended to emphasize and somewhat amplify points to which Henry George called attention in "Progress and Poverty," but which he did not enlarge upon because not essential to his inquiry. This discussion is not in any way an improvement on or correction of Henry George, but may serve as a correction of some who have failed to grasp the teaching of this greatest American.

Unpublished Letter of Henry George

READ BY A. LAURENCE SMITH AT HENRY GEORGE
CONGRESS

417 First St.,
San Francisco, June 29/'80.

Frank H. Norten, Esq.

My dear Sir:

I have since writing received the copy of the *Era*, also the pamphlets and the pasted articles. I have read these with a great deal of interest and pleasure, and shall read them again. I see that you have given a great deal of thought to these questions, and I see at once that my book will explain itself perfectly to you, and that you will perceive connections and methods on which I have touched but lightly.

Coming from a man who has thought and has *felt* about these things, what you say of my book pleases me. I am glad of your appreciation and recognition. And I will say to you frankly that I have the same idea of its importance which you express. It may be a long while in making its way; but that does not trouble me.

I am very glad to have made your acquaintance, for working in a common cause we can be of much mutual assistance. And you are in a position, it seems to me, to do a great deal. The important thing to be done is to effect a junction between capital and labor. Paradoxical as it may seem to one who has never thoughtfully considered the matter the hope for the enfranchisement of labor is through the selfish aid of the tremendous aggregations of capital whose growth and power you so well appreciate. The interests of the railroad kings and the interests of the day laborers run for a long distance together. But as to their true interests the one class is as ignorant as the other, and it is as necessary to "spread the light" in the one as in the other direction. Cannot this be done? Are there not among the great railroad managers and merchants of New York men intelligent enough to see that what we want is just what will be best for them?

I see the *New York Times* has at last noticed my book—in a very flippant and unjust way, it is true; but still I am glad to see the notice. If the professed political economists will only start in to "refute"

the truths I have tried to make clear, their acceptance will come so much the sooner.

I should like to hear from you again, and I hope you will send me whatever you write on these subjects. Have you by the by any acquaintance with the writings of Agathan de Potter of Brussels? He has recently written to me and sent me some of his writings. I am not only greatly pleased with them, for on essential things we completely agree, but I have formed a very high opinion of the man, and if you know nothing of him I would like you to become acquainted. I presume you read French, which unfortunately I do not.

With best wishes, and hoping to hear from you again, I am

Yours truly,

HENRY GEORGE.

A Popular Novelist Speaks

WE fathers and mothers of today are anxious about the drift of the rising generation toward reckless radical thought, aren't we? Granted.

And at the same time we can't tell the children that everything in the world is all right, that there must be want and hunger in the midst of plenty, and that thousands of hands aching for work must remain idle, can we? Granted.

But we do feel, in the depths of our worrying and loving hearts, that if there *were* something we could do to keep them American, to prove to them that their eternal natural impulse toward change, their eternal young impatience with needless suffering could be satisfied right under their own magnificent Constitution, we would do it. Also granted.

If you reading this, feel that, then give this thing five minutes of your time now, open your eyes to it, and some day hand on to these same fine, restless, ambitious youngsters a better world than the one you and I were born into.

To begin then: Is not every time of social misery identified with cruel, unjust taxes? And what would you say of the injustice that is the base and structure of a stupid taxation system that permits private appropriation of the publicly created revenue and then puts the load that it should bear on the homes, the furniture, the purchases of the everyday people of our state?

There is not a good, thrifty, hard-working farmer's wife in all California who would not resent it bitterly if her husband told her that he and she had to pay the taxes for seven or eight of the neighbors.

"Oh, and what do *they* pay?" she would ask suspiciously, stopping her work, whatever it was, looking at him for an explanation of such madness.

And if he said, "Well, they pay nothing. They're just—in luck. From now on they can travel about, live luxuriously, leave fortunes to their children. And that means we have to work harder, give up comforts and even necessities, mortgage and borrow for the rest of our lives," then wouldn't her emphatic answer be, "Are we *fools*?"

But just the same that farmer and his wife, and every other one of us who pays the Sales Tax and taxes on improvements at all, *is* paying for the unearned idleness and luxury of others, and as taxes multiply and increase in every direction the injustice of the situation multiplies and increases, too.

I'm not speaking of the taxes the rich pay. The rich are always in a minority. I'm speaking of the everyday taxes the very poorest, the hardest-working men and women of the state pay; those sly hidden taxes that make every loaf of bread you buy carry 53 separate assessments; every pound of bacon pay 36 cents to someone; every dollar telegram carry a weight of 60 cents!

And all the while the real wealth-making thing, the *one* thing from which all wealth flows, the land—this earth, the only thing upon which we can live, the thing our presence gives a value to—is being very lightly taxed, or not taxed at all.

The land will feed everyone, and leave food to spare, house everyone, with lumber and cement and bricks and roofing to spare. Best of all, it will employ everyone. Let men get to it, on the honest simple economical terms upon which God meant his children to have it, and there can be no more problem of supply. To work, and to earn the wages of his work, these will be the right of every man.

We have to go to the land for everything, food, water, and gold, the fleeces of sheep, the lumber for houses, wheat, apples, pasturage and oil.

But stupidly, centuries ago, men permitted a few to fence it off, to hold rich tracts of it idle and unimproved, so that their children might some day sell tiny strips of it at high prices, and make other men's children beg for the privilege of working on it. You Californians, do you realize how rich this state is, what a cornucopia of fruits and grains she pours out for the rest of the world—silver, apples, cotton, wheat, everything that we need upon which to live, everything that the world must buy? And do you realize that while the actual owners of this food and oil and gold-producing soil are paying hardly any taxes at all, we others are straining to support them, straining to keep them rich so that they may hold on to our rightful heritage and pass it along to their children, at the eternal expense of other children yet unborn?

The cure for this condition sounds a little formidable. It isn't. It has, instead, the simplicity and sanity of all the great movements that have bettered mankind without injuring anyone; that have moved the slow old world one step nearer to that time that those of us who pray or think of when we say: "Thy kingdom come, Thy will be done, on earth as it is in heaven."

Exaggerated? Not at all. This is an understatement. It is an understatement to say that the present injustice of the tax system is the one thing that may really hurry this rich, powerful, adequate country of ours into the wretchedness of that intemperate, destructive thinking that leads to blood-stained trouble. The danger is very real and very near.

Has this great reform ever been tried? It has been tried in Australia with such success that some of us who like to find long parallels of history see in this another world re-birth, as America was born in 1776. Remember that most of the world was ruled by kings then. It didn't seem such a tremendous thing, the breaking away of a few colonies. But the crowns have come down in France, Brazil, Spain, China, Russia, Austria, Germany, Portugal, as country after country has followed that little beginning. And world changes, toward peace and prosperity, must follow.

This change differs from most all the social plans that end in "ism" in that it involves no dictatorship. It is honest, intelligent, sane, logically American in that it does not conflict with or alter our Constitution, touch these rights inherently ours! It does right an old, old wrong; and it does place the tax responsibility where it belongs, and frees us all to enjoy the richness of a state that should never know poverty in any form, nor all the woes and crimes that follow poverty and idleness.

It is the beginning of a new day. Get your share of sunrise!

—KATHLEEN NORRIS.

IF chattel slavery be unjust, then is private property in land unjust. For, let the circumstances be what they may—the ownership of land will always give the ownership of men, to a degree measured by the necessity (real or artificial) for the use of land. This is but a statement in different form of the law of rent.

PROGRESS AND POVERTY.

AMERICA is unquestionably the land of opportunity. The most hopeless economic ignoramus may aspire to congress or the presidency with excellent chances of success.—SAMUEL DANZIGER.

Charles O'Connor Hennessy

HE died dictating to his acting stenographer, Miss Mary Hennessy, his half sister, the active brain in the frail body functioning to the very last.

There is nothing to regret. He had lived his life and his successes were many. He had won his spurs as a journalist, a banker, and a representative in the New Jersey legislature. He had been blessed above most men in the host of friends he had made, in the half century of a companionship with a devoted wife who preceded him in death and who watched over him with unremitting solicitude, in the honors that were showered upon him as president of the Schalkenbach Foundation, as president of the International League for Land Value Taxation and Free Trade, and foremost spokesman for the Georgeist cause in the English speaking world.

He was city editor of the old *Daily News* of this city, having graduated from the editorial staff of the *New York Sun*, and at the time the youngest city editor in New York. He was the president of the Franklin Society for Home Building and Savings. As a member of the New Jersey legislature he was closely associated with Governor Wilson and his progressive policies. As candidate for the United States Senate he was warmly supported by Governor Wilson.

Mr. Hennessy was born in Waterford, Ireland. He visited Ireland after presiding at the International Conference in London in September last.

His address in opening this remarkable convention at which representatives of many nations were gathered, was a noble setting forth of the philosophy to which his life had been devoted. It appeared in the September-October issue of LAND AND FREEDOM and was editorially noticed in the *London Times*. There also appeared in LAND AND FREEDOM of the same issue the elaborate and painstaking report from Mr. Hennessy's own hand of the proceedings of the London conference sent us, while on his way to Ireland. He did nothing by halves, and this report is a model of journalistic proficiency which he had acquired in early years and which had never forsaken him.

Senator Hennessy died at seventy-six. A son, Frank Hancock Hennessy, of Haworth, N. J., survives him.

He was a devoted friend of the Henry George School of Social Science which he had at first regarded with some doubts as to its success, for it was his nature to be cautious. But these doubts, even if they had ever taken formal shape, were soon set at rest, and in his will made in June last he leaves a very substantial bequest to the school. The sum is indeterminate and cannot be announced at this time, but it is large.

Our friend has fought the good fight. His knightly presence is no longer with us, but he has left his influence on his generation. The movement is stronger for those

of his type among men of affairs, unselfish, courageous, outspoken. He did not live to see the triumph of the cause for which he had given so much—that remains for others of the gathering hosts of adherents now being enrolled in every part of the world, slowly, irresistibly, conquering and to conquer, despite the lowering clouds that threaten all that is precious in civilization.

This belief strengthened our friend in the hours of trial and doubt. Of him it may be said in this happy close of a noble and distinguished career:

"Tis not the grapes of Carmel that repay
But the high hopes that failed not by the way."

Tributes to Charles O'Connor Hennessy

THE death last week of Charles O'Connor Hennessy in New York is a loss to the cause of a new political economy. He was born in Ireland 75 years ago, came to America with his parents at his ninth year and made three distinct successes in life: As a newspaper writer on the old *New York Sun*, later as a banker with large trust responsibilities and still later in the cause of sane, simple tax reform—not only here in the United States, but in England.

But the class of banking that most interested him was that which would enable the common man to safely save his money and easily acquire a home.

At one time in his career he entered politics and became a leader of the Democratic party in New Jersey during the governorship of the late Woodrow Wilson.

But he found that the tax reforms for which he uncompromisingly stood, could only come with an enlightened public opinion, and in later years he has been the executive head of The Robert Schalkenbach Foundation, New York, a well endowed institution, not for profit, for the publication and distribution of books on political economy, including the works of Henry George.

His loss to the cause of sane and simple economic reform would be irretrievable if it were not for his splendid precept and example to younger men and women.

DAVID GIBSON in *Lorain (Ohio) Journal*.

FROM ANDREW P. CANNING

CITIZENS of this city and state who knew of the work of Charles O'Connor Hennessy mourn with you the death of that great democrat and humanitarian.

On high authority we have been told that men are worth just so much as the things are worth about which they busy themselves.

Measured by this standard Charles O'Connor Hennessy was a great man and one whose work and memory will be an inspiration to all who share those ideals which made his life so radiantly beneficent.

A BRAVE SOUL

DESPITE his deceptive stature and his almost ethereal physique, Senator Hennessy was every inch a man—solid, sincere, earnest, powerful, and sweet.

He had many facets. For years a working newspaper man, then a banker, always a student of economics, an active political leader, a philosopher, a worker for peace and economic order, and finally an elder statesman of the international George movement. He was president of the Robert Schalkenbach Foundation which publishes the works of Henry George.

It was back in the eighties that Mr. Hennessy first met the Prophet of San Francisco. He was at that time city editor of the *New York Daily News*, a Democratic newspaper, and he reported one of George's addresses during his first campaign for Mayor. Needless to say, the young man was captivated, and the leader was so impressed with his report that he sent for him, and there began a life-long personal relationship and friendship between them.

Mr. Hennessy had but just returned from a trip abroad during which he presided at the fifth congress of the International Union for the Taxation of Land Values and Free Trade, which was attended by representatives of 25 nations. He was president of this union, in which he took the greatest pride.

He was one of the newspaper men who founded the Franklin Society for Home Building and Savings, was its president from its organization in 1888 until 1934, and thereafter continued as chairman of the board. It was while he was serving this organization so well that Mr. Hennessy was a resident of Bergen County and was sent to the Legislature as a Democrat from that county. He was a tower of strength to Woodrow Wilson while he was Governor, and as a Democrat played much the same part George L. Record did as a Republican. They were men of like vision, and cooperated in securing the direct primary law, the Australian ballot, the nomination and election of United States Senators by direct vote of the people, and many other reforms of that time. He had the distinction of being nominated for United States Senator in 1918, and President Wilson gave him personal aid, and he ran far ahead of his ticket, which was a popular tribute to the esteem in which New Jerseymen held him during his active career here.

As a friend, Mr. Hennessy was steadfast and true. As a companion he was superb. His acquaintance with the best in literature was intimate, and his native Irish wit was a boundless delight. We'll search long to find another Charles O'Connor Hennessy.

—Passaic (N. J.) *Herald News*.

Socialism A Psychosis

SOCIALISM is a figment of the imagination, born of fear psychology. We read of psychopathic cases—or personality cases—which are characterized by dream refuges. That is, the individual, for causes which are sometimes impossible to ascertain, and of which he surely is not aware, develops a fear of realities, or certain forms of reality, which he unconsciously evades by secluding his mind in dreams. In the clouded area of this dream life his mind finds a refuge from, and a defence against, the stern facts which his consciousness is afraid to cope with. The psychologists claim that if they can discover the character of the dreams they can also ascertain the cause of the fear that first induced this subconscious running away from reality; that is, if they get the patient before this dream habit deteriorates the mental fabric to such a state as to bring on a complete break-down, or insanity.

Socialism is a mass personality case. The first cause of this dream refuge is mass fear—fear of poverty. Note that the first symptoms of this disease developed with the increasing difficulty of making a living that accompanied the growth of landlordism, following the break-down of the feudal system. Fear of not having a job, fear of hunger, fear of the inability to provide for old

age, fear of seeing loved ones suffering from privation—fear of poverty so haunted the mass mind during the middle of the nineteenth century, after the lands of Europe had become completely monopolized, that a refuge of some kind was necessary. The mentality of a bewildered civilization was prepared for the dream state of socialism. When this was invented by Karl Marx, Lassalle, and other poetic imaginers, it was avidly accepted by the harassed and desperate workers as a consoling refuge from unpleasant reality. It is important to observe that socialism found acceptance in Europe first; in America it did not gain a foothold until this century, after all the free land in the country had been pre-empted, and poverty became a fixed national problem.

The growth of socialistic ideas is evidence of two facts: First, that the struggle for existence is becoming keener, and, secondly, that the mind of society is quickly approaching a complete breakdown. In Russia it has reached the state of insanity.

The burden of this dream is that organized society must take care of the individual. To enable organized society or government to do this, the individual must relinquish all claims to personal rights, including the right of possessing what he produces. It is manifestly impossible for government to provide for me if I insist on providing for myself. As such insistence breaks up the entire scheme of this dream state, my removal or incarceration becomes a matter of necessity. Thus, personal liberty, even the right to life, is abolished with the abolition of property rights. No matter what brand of socialism you examine, and there are many, you will find they all come to this: that property and personal rights are relinquished by the individual to government.

The silliness of this dream is not important. The important thing is that the world is adopting it. Why? Simply because the hopeless worker finds it easier to slip into this dream state than to ascertain the cause of constantly increasing poverty in the midst of plenty, and to make an effort to remove this cause.

When the enemy is at the city gates we turn over all personal rights to a captain, whom we follow blindly even unto death. We are afraid. And so with that more hideous enemy, poverty. We fear it so that we readily relinquish the cherished ideas of individual liberty—for which thousands of lives have been sacrificed throughout the centuries—and look to government to save us from the monster. An empty stomach obstructs reason. And so we have doles, and so-called social insurance plans, and public works projects, and regimentation, and more government and more government. And the individual becomes a slave to society. Since society consists of an aggregation of individuals, the slave mentality of the units becomes the mentality of the aggregate. Thus endeth rational civilization.

In our country the dream state of socialism has not

yet vitiated our national mind. Some of us are still able to think and act sanely, because the control of wealth has not yet been entirely concentrated in a few hands, and we are still able to make a decent living. We are rational not because of the vaunted heritage of individual liberty we are told about by Fourth-of-July orators, but because the conditions of economic liberty are not entirely wiped out. But, unless we learn how and why wealth passes from the many to the few, and unless we stop this unnatural flow by permitting the natural law of the distribution of wealth to operate freely, the American mind will, under pressure of increasing economic slavery, find refuge in the dream state of socialism, just as the European mind already has.—FRANK CHODOROV.

What's on my Mind

DR. TOWNSEND'S "Old Age Pension" proposal is on the minds of many people just now and has been for some months. It has been on my mind because it was, and is, the nearest thing to a personal problem that has recently come my way. There are several persons within my close relationship who are, like myself, on the shady side of sixty years of age. Some of them might not qualify for an "Old Age Pension," but all are very much interested in the proposition. Personally, it troubles me since the good Doctor has, in apparent good faith, hitched his quite plausible "plan" to an impossible method of taxation. Many think that such an error is regrettable.

A great many persons are in sympathy with the motive behind the Townsend movement, and also the objective desired, but the proposed method of financing old age pensions, or any other governmental activity, does not appeal to those who have their *economics* on straight.

The "transactions tax" is just another "sales tax" masquerading under a new name. It would raise the price of everything that everybody needs and wants to buy, including land, urban and rural, and, be an additional tax on labor and the poor, who now pay nearly all of the various taxes in force. They are incapable of paying any further levy and that alone would render the entire programme futile.

Most people believe Dr. Townsend and many of his associates are strictly honest and sincere, and for that reason those of us who know something about Natural Economic Laws as related to the incidence of taxation, hope that he and his political confreres may revise the "plan" and make it conform to the fundamental law of rent and taxation *which cannot be revised* nor abrogated. We believe that the "Old Age Pension" scheme is a wonderful contribution in the interest of humanity. We think it is one of the most useful and necessary conceptions that has recently been evolved by any one and, consequently, we all hope that wise counsel will not be lacking and, may prevail. Anything less will surely prove disastrous to the project. The host of proposers of farm relief measures and their nostrums have made us shy of ill-advised and superficially considered panaceas and their advocates.

Any tax that raises the price of things that any one consumes or wants to use is invariably destructive. It promotes poverty among the many and gives the social earnings of all-of-us to a few-of-us who have a superabundance of things that the rest-of-us need to raise the standard of living among the under-endowed and make it possible of attainment. It limits the quantity and quality of consumer goods and services which the great majority of consumer-workers can buy with their earnings or other regular, but often small, incomes. That limitation of effective demand reduces the necessity to produce and consequently, *the need for labor*. Then develops a condition which is so

often misnamed "overproduction"; throwing many potential consumers out of their jobs, and we have "unemployment" with all its concomitants; progressive cuts in wages, and in demand for capital goods.

Unemployment is the most disastrous condition that can befall any individual or society, and it is so unnecessary. It is always due to high prices for consumers' necessities and luxuries.

The quickest, and only, way to cure the unemployment disease is, manifestly, to cut prices to the bone, for everything that any one wants. In order to do that, manufacturers, processors, public service distributors, wholesalers and retailers must eliminate all redundant costs. But, they should carefully consider which costs to reduce and which to eliminate; always bearing in mind that the buying-power of wage-earners, farmers and other producers must be maintained or raised so that consumption may balance production. They must realize that some costs only are within their control. Rent of land and structures, wages and salaries, also interest, are all governed by the laws of competition, supply and demand. They all enter into cost. If any or either could be reduced, it would not be the right solution; would not be economic wisdom because consumption must be kept equal with production or that other unnecessary evil, "overproduction," would obtain. Disregarding these truths causes depressions.

Advertising, if wisely placed, helps everybody, the producer, distributor and consumer. It takes up the slack and is educational. It reaches those who can and should spend. Most will when consumer goods and services are cheap.

Superintendence and the services of the entrepreneur are always necessary, but often too costly. Generally, we "pay too much for the whistle." A substantial cut in costs may often be made here.

Profits and dividends can be adjusted somewhat, if and when it becomes necessary to prevent under-consumption. Cooperation and coordination are imperatively needed in this field as elsewhere in business, trade and commerce, industry and distribution, especially in all governmental activities.

The last and most important factor that affects costs and overhead is government and its activities. But this is where everybody can control if they really want to. Taxes are a necessary concomitant of any government that does not collect the social earnings—rent—of land and other natural resources, irrespective of all improvements. Taxes! Ah! There's the rub! Our governmental activities must be paid for and when we give our social product—rent—to the landlords we have to dig up out of our personal earnings twice; once for land rent, and again for government expense—taxes. Given a rational political-economic system, we would have to dig up but once—land rent. To tax or not to tax? Ah! That's the question!

This is where the "transactions tax" which Dr. Townsend recommends comes in for consideration and evaluation. It is economics perverted, as are most of our present tax levies. It would add to the cost of everything that everybody needs and wants to buy. It would boost the price of all necessities, including land, which is a prime and universal necessity. It has none of the attributes of what the economists call "a good tax." Conversely, it is in itself and potentially, the very antithesis of "a good tax."

No! It is not inflation but is deflation. It would deflate every one who earned his way in any vocation or avocation. In a short time it would prove most distressing to those whom it is now intended to benefit. All class legislation does that. Their monthly stipend would get less from time to time and the prices of things that they must have would rise progressively as the wealth created by labor and capital flowed into the strong boxes of the few who own the source of all wealth—land values and natural resources. As the St. Louis *Star-Times* says: "It's bad enough to tell junior there's a Santa Claus, but to lead grandpa to believe there's one is unpardonable." The "transactions tax" could not benefit the old and, believe you me, it would injure every one else, landlords included, for it would eventually get them. It would hit the consumer-workers first. Class legis-

lation is always bad. It hurts the to-be-favored class most in the end. Multiple taxes in Russia cost the taxpayers their lives.

Medical doctors usually think their problems through. They mean to understand the cause of troubles brought to their attention and aim to adjust conditions rather than use radical measures to effect a cure, and endeavor to conserve the whole body while treating affected parts. They are surprised that Dr. Townsend overlooked that important natural law: "The Consumer Pays the Tax." It has never been repealed nor will it be, so long as God is in His Heaven. The Doctor knows all this and should know that there are only three types of taxes that do not raise the price of consumers' necessities, nor lower their purchasing power, namely: Personal income tax on net receipts above \$2,500 per annum; inheritance tax, and, land value tax, irrespective of all betterments. The first two step up the price of land and all natural resources by *indirection*; promote land speculation and monopoly, but, if they are the only source of government revenue, they lower the cost of living to everybody, at least for a time.

The land value tax lowers the price of everything needed or wanted, including land, urban and rural. Old and young, rich and poor profit by its effects. It also conforms to the four cardinal requirements of "a good tax," which Adam Smith reduced to their lowest terms, in his "Wealth of Nations" when he enumerated the four maxims: Equality, certainty, convenience and expense of collection. That part of his work has never been seriously questioned by any economist of note. If and when these four maxims govern the imposition of taxes and, as levied, do not raise the price of anything, an important step will be made toward conquering "the high cost of living."

Either or all three tax types mentioned would finance Townsend's "Old Age Pension" programme satisfactorily and completely. The best would be the land value tax as it would destroy speculation in land and, to a great extent, commodities. No other form of tax will or can achieve that desideratum. They all promote speculation and monopoly.

Most taxes that now obtain should be shifted to land values for the reason that they throttle trade and commerce, business and every type of industry, by boosting prices and aggravating living costs. They should be shifted gradually, one tax at a time, step by step, not revolutionarily. "Haste makes waste." Shifting some of our taxes in this way would materially increase buying power; raise our living standard by reducing prices. An example: telephone taxes about double the cost of the service to consumers and they pay the entire tax; the telephone companies pay none. The same holds good for the various transportation facilities. Transportation costs farmers and other producers, consumers and labor more than any other item of overhead or expense. Shifting all taxes from carrier facilities to land values in exchange for a comparable cut in rates would benefit me and all other farmers \$2.00 to \$3.00 per acre, annually. It would lower the price of most consumer-goods 25 to 40 per cent and freight rates about 50 per cent.

The effect of taxes on freight rates is the chief cause of the midwest farmer's trouble and we brought it on ourselves by heeding the host of demagogues who told us to "soak the rich" service corporations, but were mum about it being a boomerang. We have learned by sad experience and now want to undo the mischief we did ourselves and everybody during the last three or four decades.

It has been suggested that shifting taxes from all carrier facilities be "tied in" with the Townsend "Old Age Pension" programme so that lower living cost, due to exemption from all taxes of all carrier facilities, would make \$100 per month worth as much to us old folks as \$200 with present prices. A further reason: All of us, young and old, would benefit by the cut in prices. We could buy more things which would require more labor, thus absorbing the unemployed who can and want to work. Man! How business would boom!

Our rugged individualism under democracy has done a great work. It has gone far in the last 150 years. We should be proud of the progress made. But, we have built castles in the air and Thoreau said: "That is where they should be. Now put foundations under them." It might be well to start the foundations by requiring the Congress to

underwrite all transportation taxes and a *modified* Townsend "Old Age Pension" appropriation and "*Take Taxes Out of Prices*" by a levy on the several states equal to 2½ per cent on all land values, *urban and rural; not structures* or other improvements, annually. Such a start toward putting down foundations by shifting one tax item only each biennium would be conservative progress and 100 per cent American. We could then evaluate its worth. Jobs would soon be seeking workers instead of the workers hunting jobs. Then, and not until then, wages and time employed per day, week, month and year will come into their just share of the productive and industrial income. If and when we exempt all transportation facilities from all *taxes we will be well on the road to economic and social security* for everybody.

—CHARLES J. LAVERY.

McNair Fights Back

IN a series of articles running in the Pittsburgh *Sun Telegraph*, Hon. William N. McNair bares the rackets of Pittsburgh under the protection of the politicians, and strikes some telling blows in newspaper English. He says the yearly profits from organized and protected racketeering in Pittsburgh would total two million or more, "probably much more." He says: "The numbers racket in the Hill District took in \$12,000 a day. During my administration this figure was reduced to \$150 a day."

He tells of the threats made against him, the movement for his impeachment and the "ripper bill" to get him out of office. He reviews the work of his administration and what he has actually accomplished. He took the police out of politics and eliminated the "fixer," instituted a new system of assessment which relieves the small owner, improved the administration of justice, enforced the collection of taxes on big estates, opened the City Hall to the citizen whose property it is, etc.,—on the whole a series of accomplishments for which he is entitled to claim credit. Besides he tried to loosen the grip of land speculators. Here he was blocked.

He tells of his fight for cheaper bus fares. He says he knew all the time he was fighting for the land speculator. But he was working as Mayor of the city and he knew that to progress in competition with other cities Pittsburgh must have cheaper bus fares. So he fought for lower fares, though he knew the land speculators would benefit more than the people.

In regard to public utilities he says: "Utility, rates are too high. But I don't advocate government ownership. They have that in England and it takes an hour to get a telephone connection. Nor do I believe in taxing the utilities to death. I believe in taxing their land sites, but I'd like to abolish all taxes on their services, because when we tax them they either raise their rates or curtail their services."

McNair reveals how the underworld tried to buy him off. Racketeers, knowing his "weakness" tried to bribe him by offering the proceeds of their rackets to the Henry George movement. They followed him to the Henry George Congress in New York with their offers. McNair laughed at them.

He fired the City Treasurer, James P. Kirk, and appointed William B. Foster in his place. The Council refused to confirm him. The city could not function without finances, and the salaries of teachers, firemen, etc., were unpaid. So he got out. A further move on his part to withdraw his resignation was later decided against him by the courts.

That is the story McNair tells in these wonderfully interesting articles in the Pittsburgh *Sun Telegraph*. His enemies were out to get him; threats of nonfeasance in office were made if the courts decided in his favor.

The new Mayor, Cornelius D. Scully, a life long Single Taxer, states that the prestige of his office will no longer be used to propagate the Georgeist cause. Or rather that is the statement made for him by

the Pittsburgh papers. Since McNair's retirement the axe has fallen on a number of his adherents, and more are to follow.

But the net gain is that the Single Tax got on the first page of the Hearst newspapers and the net loss to McNair is his salary of \$20,000 a year!

A Visit With the Kin of Cobden and Bright

ONE of the most interesting experiences I had in England, on my recent visit, was a week-end spent at Dunford House, Sussex, the much-loved home of Richard Cobden.

Resting comfortably on green velvet sward and flanked by gay gardens, the house is sheltered by noble trees and looks across the Sussex Downs (which to my amazement aren't downs at all but ups rather—being a line of gentle, pastel-tinted hills). It can accommodate some sixteen guests and is as entirely Victorian in atmosphere as though it had slipped from the pages of a Thackeray novel. Possibly some of its plumbing dates it later, but the furniture, the portraits, the framed presentation illuminations and photographed groups, as well as souvenir bric-a-brac and the books in the library, throw the setting definitely into the period of Cobden himself.

So redolent of that great and good man is the place that one could almost expect to see him walk again through the rooms he loved so well.

How interesting it was to me, who am the only living child of Henry George, to contact here Richard Cobden's only living child, a white-haired lady nearing eighty, Mrs. Cobden Unwin, and to be told by her of the evening my father had spent with her and her sister, long years back.

How interesting to talk here with the silver-haired Philip Bright, only remaining child of John Bright, about how my father had been likened to his, in his gift of eloquence.

How interesting to meet, in this inspiring setting, Lady Gladstone of Hawarden, the widow of the last child of W. E. Gladstone, and to note her interest in the Cobden tradition.

One wished for long hours of reminiscences with each of these delightful people, and for long quiet talks with one's hosts, Mr. and Mrs. Francis W. Hirst, and with Sir Gilbert Jackson, Major Lawrence Wright, Sir George Paish, Mr. Alec. Wilson and the others of the party, some twenty-four in all; each one keen on world affairs and dedicated to the cause of universal peace, and to the destruction of trade barriers. One longed for time to explain to them one's belief that Cobden, himself, had he lived, would have accepted the teaching of "Progress and Poverty," and that today their logical course, if they hope to establish international understanding and economic freedom, is to work for freedom of trade in production as well as in exchange.

But it seemed not the hour to speak of one's religion. Instead, I left a set of Henry George for the Cobden library shelves and a framed quotation of Henry George's plea for a league of nations; knowing that these will speak more clearly than any uttered words to those good folk who may be fortunate enough to go to Dunford House.

—ANNA GEORGE DEMILLE.

News from the Schalkenbach Foundation

SINCE the last issue of LAND AND FREEDOM appeared, the Robert Schalkenbach Foundation has lost its president. Elsewhere in this magazine Mr. Miller has set forth how other people feel about Mr. Hennessy's passing, but, as our own tribute, we quote the words of Mr. Philip H. Cornick, who addressed the Board of Directors on November 2, as follows:

"Since the last meeting of the members of this Foundation, Charles O'Connor Hennessy, our president since 1927, and one of the original members of the Foundation, has passed away. Almost to the hour of his passing he was actively engaged in furthering the movement instituted by his guide, philosopher and friend, Henry George.

"As individuals we have lost a friend whom it was a privilege, a delight and an inspiration to know. As members of the Robert Schalkenbach Foundation, we have lost a leader who not only brought us successfully through the most critical period which the Foundation has experienced, but who, in spite of difficulties and obstacles, carried on the purposes for which his friend, the late Robert Schalkenbach, had created the Foundation. As members of the larger group who throughout the world are engaged in disseminating the teachings of Henry George, we have lost a devoted organizer and eloquent advocate whose works and whose words will live after him. "His passing leaves us deeply in debt to him: a debt which we can now discharge only by taking up the burdens which he has laid down."

It was decided, at this Director's Meeting, to leave the office of president vacant until the next annual meeting, and to divide the duties of leadership between a first and second vice president. Mr. Philip H. Cornick, who has been a director of the Foundation since 1932, and vice president since 1933, has accepted the office of first vice president. Mr. Albert Pleydell has been elected to the newly created office of second vice president. The vacancy on the Executive Committee was filled by Mr. Leonard T. Recker.

In October 3,000 more copies of "Progress and Poverty" came off the press. This is the ninth printing from the plates made by the Foundation. Summarizing its work over a ten year period, the Foundation has printed, or purchased for resale or distribution, over sixty-seven thousand books by Henry George and related authors—

including twenty-seven thousand copies of the unabridged "Progress and Poverty." It is interesting to note the scope of our distribution, which is by no means limited to the home shores. A shipment of our very popular *Up-to-date Primer* by Bengough went to Australia recently, and we are negotiating now to place other of our books and some of our best-liked pamphlets in far-off Georgeist circles. The distribution figures in themselves are some indication of the good which has been accomplished by the Foundation, but the extent of its service is incalculable.

During the early autumn a campaign was conducted among 1,800 college professors and high school teachers, with lively response. Three universities ordered class material, a few college bookstores laid in large supplies, and one debating body applied for literature which it intends to put into immediate use. As a post-election event, we waged a vigorous campaign among a small group of California Grange Leaders whose names were supplied by Mr. Noah D. Alper. Our letter challenged the granger with the problem of increasing farm tenancy and the large accumulated tax in every price the farmer pays. In a comment to the writer today, Mr. Alper said: "The grangers are taking a liking to this subject."

Of still more recent origin, and very timely, is our Christmas Gift Offer. We are selling any five of our dollar titles for four dollars, postpaid. This should solve the gift problem for many people, and we are looking for a goodly response. We have prepared an attractive folder which will go out with a letter asking our friends to cooperate in making this a Georgeist Christmas, and through their Christmas giving bring the word of Henry George to those who might never, otherwise, become acquainted with it. Our letter gives the story of Tom L. Johnson, telling how he bought "Social Problems" on a train because the conductor suggested it was a book he ought to read, how he read it, and he lived to be one of our great Single Tax leaders. Another Tom Johnson may result from the Georgeist books given this Christmas.

The Foundation wishes its friends a Merry Christmas, and a Happy New Year. Let's all put our shoulder to the wheel and make 1937 a Georgeist year.

V. G. PETERSON, Acting Secretary.

WE see in the material provision that He has made for men room for all, work for all, abundance for all, and opportunities of leisure and the fullest development for all, conditioned only on men's obedience to the moral law that teaches us to give each his right; to do to others as we would have others do to us.

—HENRY GEORGE AT THE FUNERAL OF W. T. CROASDALE.

WHEN I first realized the squalid misery of a great city, it appalled and tormented me and would not let me rest, for thinking of what caused it and how it could be cured.—HENRY GEORGE.

Broadus Mitchell

A STUDY

BROADUS MITCHELL has been long and favorably known to followers of Henry George. In 1931 he wrote a sympathetic and interesting account of the Great Leader in the "Dictionary of American Biography." (Volume 7.)

At the Convention of the Henry George Foundation held in Baltimore in October, 1931, he created favorable comment by his discussion of "Henry George, The Teacher of Political Economy" (LAND AND FREEDOM, November-December, 1931, page 173).

In the same year, also, he was among the petitioners who warned President Hoover of the serious consequences we might expect from the Hawley-Smoot Tariff Act.

Last year Professor Mitchell did not hesitate to make a forlorn race for governor of Maryland under the Socialist banner.

I mention these facts only to show that Professor Mitchell may fairly be called liberal in the best sense of that term. Since 1927 he has been Associate Professor of Political Economy at The Johns Hopkins University, itself a liberal institution. He is conspicuous among the half-dozen professors in our colleges and universities who have given sympathetic ear to the Georgian philosophy and approached it with an open mind. He has sincerely sought to understand it and, as this reviewer can testify, has presented it fairly to his students.

It is clear that he does not believe that the scholar may not take sides. He has convictions on controversial questions of the day, and admits them. As Heywood Broun has written, "Spirited writing only comes out of commitments, enthusiasms, and even prejudices." To make commitments, to take sides, distinguishes Professor Mitchell from most teachers of economics. That he does not see eye to eye with us is beside the point.

He hazards the opinion (page 56, of "A Preface to Economics") "that the cue to world developments of today and tomorrow is found in the teaching of Marx."

In his Baltimore address, to which I have already referred, he confessed that he was only "in imperfect sympathy" with us.

"Mine is a position, right or wrong, with which you are familiar in others. Henry George, the man, the spirit, the intellectual force, I honor as much as you can. The positive proposal to recover economic rent for the community I accept as joyfully as you do. But that this one social act, unaccompanied and unfollowed by others, will set us economically free, I do not believe. . . .

. . . we Socialists . . . are anxious about many things."

His book "A Preface to Economics," published four years ago, is unique. I mean exactly that. I can recall no other work which covers the subject as does this book.

"Let us sit down and examine this subject of economics," Professor Mitchell seems to say.

"It is the very stuff of life, juicy and inviting. I have tried to keep it so, in spite of summary treatment. The manner of the book is informal, is sometimes flippant, and oftener descends to pretty poor 'wise-cracking.' Your indulgence is asked in the effort, however misconceived, to prevent you from going to sleep." (Foreword.)

In keeping with his views expressed at the Baltimore Conference

"That nothing so lights up dry economic analysis as biographies of the persons who thought about the same things to good purpose."

Professor Mitchell pauses at intervals, to sketch the lives of Adam Smith, Karl Marx, Henry George, Thomas Malthus, David Ricardo, John Stuart Mill, and many others.

Having mentioned some points of approval, I must now refer to others of disagreement. I shall quote passages from this book and briefly show how they deviate from sound economic philosophy, as we conceive it. No one could write a work on political economy, 574 pages in length, without challenging Georgian philosophy. But then no Georgeist could write a book of half that number of pages without causing other Georgeists to rise in protest.

ONE.—Concerning the social sciences, which include, of course, political economy, Professor Mitchell writes:

"Here all is in state of flux. Nothing is certain but change. No principle is immutable, eternal." (Page 3.)

We disagree. Political economy *is* a science, a science as exact as astronomy, mathematics, or biology. Its laws are fixed and unyielding; otherwise, it would not be a science. The basic law of economics, that men always seek to satisfy their wants with the least possible exertion, is but a re-statement of the law of physics that force follows the line of least resistance. In science, nothing is in flux. To say otherwise, would be a contradiction of terms.

True, *until* we discover scientific laws, everything *seems* to be in flux. Gravitation was a fact long before Newton. Natural laws exist, whether or not we discover them. The confusion inheres, not in laws, but in man's gropings to find laws. He discovers some phenomena and presumes to formulate principles. Later he discovers other phenomena which make it necessary to modify his earlier "laws." Here there is "confusion, uncertainty; everything seems to be in flux." As our knowledge grows and we attain fuller understanding, we gradually discover laws.

The law that men seek to satisfy their wants with the least possible exertion, like the law of supply and demand, the law of rent, and the other laws of political economy is as immutable and impersonal as the law of gravitation. Given a certain set of conditions, the laws of politi-

cal economy will act and react on those conditions always and ever in the same way. This is the test of law. The laws of political economy meet this test, and, therefore, confirm its right to be classed among the sciences.

In short, has not Professor Mitchell confused the uncertainty preceding the discovery of the laws of political economy, with the science itself?

Two.—Professor Mitchell's division of political economy into four heads—production, consumption, exchange and distribution (page 6) is without scientific basis. Political economy deals with the production and distribution of wealth. Distribution and exchange are but parts of production. The object of production is consumption. The *method* whereby production is translated into consumption is exchange.

"Distribution is in fact a continuation of production—the latter part of the same process of which production is the first part. For the desire which prompts to exertion in production is the desire for satisfaction, and distribution is the process by which what is brought into being by production is carried to the point where it yields satisfaction to desire—which point is the end and aim of production." ("The Science of Political Economy," by Henry George—page 426 et seq.)

* * * *

Production and distribution are in fact not separate things, but two mentally distinguishable parts of one thing—the exertion of human labor in the satisfaction of human desire. Though materially distinguishable, they are as closely related as the two arms of the siphon. And as it is the outflow of water at the longer end of the siphon that is the cause of the inflow of water at the shorter end, so it is that distribution is really the cause of production, not production the cause of distribution. In the ordinary course, things are not distributed because they have been produced, but are produced in order that they may be distributed. Thus interference with the distribution of wealth is interference with the production of wealth, and shows its effect in lessened production." ("The Science of Political Economy," by Henry George—page 438 et seq.)

THREE.—Likewise we must take exception to Professor Mitchell's statement (page 8) that there are *four* factors in production—land, labor, capital and enterprise.

"Enterprise was brought forward two generations ago particularly by an American, Francis A. Walker, as a result of economic progress and differentiation in this country. Enterprise is the function which unites the other factors in production, it is the catalytic agent which brings the others together and makes them undergo a transformation. Earlier economists had confused enterprise with capital or labor, generally with the former. But when American industry and commerce developed on a grand scale, it was seen that land, labor, and capital were all really passive, and that production was in need of the services of an inventive, directing intelligence. Nature offered resources, labor in masses was ready to take orders, commercial banks and investment houses afforded capital. Production required in addition the function of imagination and experience to combine the

ractors of land, labor, and capital wisely to give a desired result. (Page 10.)

* * *

"The reasons for including enterprise as a fourth factor in production are not as strong as they were several decades ago. The enterpriser is essentially a figure in individualistic, competitive business. Whatever renders the outcome of business activity more predictable, whatever concentrates economic control, reduces the number of enterprisers and diminishes the importance of the enterprising function. Business mergers, trade associations, the use of economic statistics, government interference and regulation are all tendencies in this direction.

Under the head of production we shall study the ways in which the factors work together to make wealth. The principles controlling the reward which each factor receives will be studied under the head of distribution. Thus, as has been said, land receives rent, labor is paid wages, capital demands interest, and enterprise leads to profits." (Page 11.)

Professor Mitchell has injected into the divisions of wealth the *mechanism* whereby one of those divisions operates. Strictly speaking labor applied to land produces all wealth. Enterprise is only a higher form of labor. *A*, on the farm, with brawn, grows potatoes. *B*, in the city, with brain, plans their marketing. Without *A*'s labor (seeding, hoeing, weeding and harvesting) we could have no potatoes. Likewise without *B*'s intelligence in arranging for their transportation, packing, financing and distribution to the ultimate consumer, there would be no potatoes *so far as the consumer is concerned*. Both farmer and brain-worker are essential if the potatoes are to reach the consumer *for whom, primarily, they are intended*.

I have quoted Professor Mitchell on enterprise *in extenso* because, it seems to me, that this is the first fork in the road where he deviates from sound principle.

FOUR.—Like all Socialists, Professor Mitchell opposes "the profit motive" and "production for profit." (Page 498.)

"The competitive system substituted the motive of production for private profit for that of production for public use or benefit." (Page 40.)

* * * *

"There have been, of course, many criticisms of the competitive, profit-making system which relies upon chance, sows to the wind and hopes against hope that we shall not reap the hurricane." (Page 486.)

* * * *

"We do not make and distribute and exchange things because they are useful, but because we hope these activities will be profitable in the money sense." (Page 503.)

* * * *

"We need to produce in agreement with a rational scheme, making things directly for use and not for profit." (Page 516.)

Political Economy recognizes no such terms as "profits" and "production for profit." They have no scientific

basis and are meaningless to one accustomed to precision in speech.

When wealth is produced it must be distributed through three channels, and *only three channels*. As labor, in primitive society produced all wealth, labor alone was entitled thereto. This was its natural wage.

Since capital (stored-up labor) in modern society, helps labor to produce more wealth than labor otherwise could produce, capital, obviously, is entitled to share with labor *in the increased production* resulting from its use. This share we call interest. Socialists loosely refer to it as profit, but, as already stated, political economy designates it as interest and only interest.

(Not infrequently the use of capital is attended with risk; as where there is uncertainty that the borrower will return the capital as and when agreed. In that event, the lender exacts a premium for the risk he is taking. This additional charge, clearly, is insurance, not interest.)

Interest is the price paid for the use of capital. It is as much justified as the wages paid to labor. When labor shall work without wages, capital will work without interest.

Professor Mitchell and Socialists to the contrary, notwithstanding, production for profit is not incompatible with the public interest. (Page 484.) Competition among capitalists for users of capital (supply and demand) prevents capital from receiving too great a return for its use. If, during extraordinary times capital should receive, for even a little while, a return out of keeping with the return of capital generally, other capitalists enter the field and interest quickly drops, for the law of supply and demand works twenty-four hours a day, 365¼ days a year.

Witness the condition of capital during the great depression. Commercial loans have been almost at a standstill. Prime commercial paper has commanded a rate scarcely more than 2 per cent. A short twelve months ago banks were lending money on call at the record low rate of one-quarter of one per cent.

Were lenders *willingly* making such loans, or had they been *forced* so to do by vast accumulations of capital desperately seeking employment? Just as labor has suffered unemployment, so has capital been in the doldrums. This disproves the Socialist's contention that capital thrives at the expense of labor. It is in harmony with the Georgian position that capital and labor are not antagonistic to each other but that landlordism is the enemy of both.

Land monopoly, however, closely entwines itself around capital. This is not only unnecessary but *injurious* to the effective functioning of capital. If capitalism is to preserve itself from Communism and Fascism it must promptly and completely disentangle itself from monopoly. *The issue is clear, Georgeism or state slavery.*

In criticism of the profit system Professor Mitchell cites the case of

"A merchant (who) ordered a stock of canned goods which he was prepared to retail at 10 cents a can. He had hardly got them arranged on his shelves when he found that he could get 12 or 15 cents each. These were the halcyon days for trade." (Page 475.)

Would not the converse also happen? Would not merchants offer other products at 10 cents with no customers; so that they would be compelled finally to offer them for 2 cents or 3 cents? These abnormal situations have a way of averaging up. If bricklayers during the World War find themselves receiving \$20.00 daily they also find themselves at the end of a war with no jobs whatsoever.

These abnormal situations are not *inherent* in the capitalist system but arise out of extraordinary, unforeseen circumstances, and are just as likely to be disadvantageous as advantageous. Over a period of years they iron themselves out.

FIVE.—"But when all is said and done, the *principle* which Malthus announced (that population if unchecked in some way will outgrow the means of subsistence) has always been and always will be sound. It represents a fact with which all human contrivance must reckon." (Pages 18-19.)

Does Professor Mitchell really subscribe to the Malthusian doctrine? Can he point to a single spot on this earth with its 2,000,000,000 inhabitants where people are starving *because of the niggardliness of nature*? To be sure, there are places which seem inordinately crowded, but that is quite a different thing from saying that the earth cannot support them. Is not the problem one of *distribution of wealth*, and only to a limited degree, better distribution of population?

The Island of Java, for example (probably the most densely populated spot on the earth), contains 816 people to the square mile or a total population of 41,700,000.

This in an area no larger than the state of Alabama which has a population of less than 3,000,000. All around Java are islands comparatively unpopulated. Nearby Sumatra, Borneo, Celebes and New Guinea, with a combined area ten times as large as Java, have a population density of less than 28 people to the square mile.

"Java is like an overcrowded ship surrounded by empty boats." (*Fortune Magazine*, December, 1934. (Page 79.)

SIX.—Professor Mitchell apparently believes that machinery causes unemployment. He writes: (page 222)

"Machinery . . . has gone further, and reduced the demand for workers generally."

And at page 294:

"America is right now (1932) suffering conspicuously from 'technological unemployment,' or the supplanting of human labor by mechanical devices."

Most economists today are agreed that *in the long run*, machinery does not displace labor but increases the demand for labor. The very object of machinery is to make

production more efficient; to produce more wealth *at less cost per unit*. If it failed to do this, it simply would not justify its existence. If I recall correctly, a would-be patentee is required to show in what respects his invention is superior to machines already in use.

When wealth is produced more efficiently, which is the same as to say when it has become cheaper, it comes into wider use. The sale of cotton, for example, when it cost more than \$1.00 a pound, as it used to, was greatly restricted. The introduction of the cotton gin increased its use ten thousand-fold. The introduction of the automobile, while it has decreased the demand for horses, certainly has created millions of new jobs for automobile mechanics, dealers in gasoline, and the like, and has brought into existence tens of thousands of road-houses and miles of greatly widened highways.

If Professor Mitchell were correct, how does he explain the *increase* in factory workers from 41,000 per million in 1849 to 76,000 per million in 1929, and their increase in wages from an average of \$237.00 annually in 1849 to \$1314.00 in 1929? (See letter of Gus W. Dyer, Professor of Economics, Vanderbilt University, to President Roosevelt, dated July 13, 1936.) During this period of eighty years thousands of inventions displaced labor, yet factory workers increased over 50 per cent and their wages increased 500 per cent.

SEVEN.—Professor Mitchell writes (page 488):

"The advertiser under a profit-making system does not care, on the whole, whether his product is good, or good for you, so long as he can make you want it enough to buy it."

This comment would be more in keeping with the facts had Professor Mitchell qualified it by showing that true capitalism, like Christianity, never really has been tried. A moment's thought shows that in a normal capitalistic state the interest of the buyer and the seller are not in conflict; on the contrary, they are in harmony. A buyer will purchase only what he needs; a seller will offer only what is beneficial to the buyer. The seller will receive wages (erroneously called "profits") for the services or commodities delivered to the buyer; the latter will be benefited by their acquisition. Should the seller attempt to overreach himself, the buyer will cease to patronize him, and seek elsewhere in the competitive market to satisfy his needs. Each party to the transaction must benefit; otherwise he will not participate. An exchange of services like an exchange of goods, must be mutually advantageous, otherwise it will not be repeated.

Today, both buyer and seller, hard pressed by monopoly, find the struggle to live exhausting. They are *forced* to resort to shady practices. Our criminal records, bankruptcies, strikes, lockouts, and wars, reveal only too painfully that something is wrong with our economic system. No system can function properly if its workings are constantly interfered with by extraneous forces. Competition, which is the essence of capitalism, is weighted

with monopoly, and can no more manifest its virtues than a marathon runner dragging 50 pounds of iron around his legs can show his true speed.

EIGHT.—Professor Mitchell poses four interesting problems in rent. (Page 285.)

The first reads:

"Off the coast of the 'Eastern Shore' of Virginia, in the Atlantic Ocean, is an island called Chincoteague. It is said that wages on the island are much higher than on the mainland. Can you assign a cause connected with rent?"

Professor Mitchell answers as follows:

"The waters surrounding the island contain a lot of fish. Since these waters are public property, nothing need be paid for the privilege of fishing in them; that is, any man with rowboat and line may pull up hard-heads, trout, and rock and no owner of the fishing grounds meets him at the wharf to exact from him part of his catch. So no man with any inclination for fishing will work for less on the island than he can make on the water; in fishing he pays no rent, and his earnings at that occupation are relatively high."

Professor Mitchell fails to state how the land constituting the island is held. He does not state whether "owners" claim to own the island or whether the Georgian philosophy is in force. In the former case, we submit, that if the landlords be too lazy to meet the fishermen at the wharf to seize their fish, in exchange for rent receipts, they nevertheless will require the fishermen to hand over their fish (or their money equivalent) on the first day of the following month *as rent for the privilege of living on what they call "their" (landlord's) island*.

Unless the fishermen lived on that island, or some nearby island, they could not reach the fishing grounds. The very fact that the island is close to fishing grounds reflects itself in the increased value of the island. In other words, the "owners" of the island charge as rent for nearness to opportunity to earn a livelihood, "all the traffic will bear."

Professor Mitchell is in error, then, in implying that the fishermen are relieved from the payment of rent because they go elsewhere to earn their livelihood. He fails to perceive the universality of rent; that even if one occupied only land and refrained from working it, one must, nevertheless, pay a landlord, as rent, *all one possesses except only a bare subsistence*. The alternative is to get off the earth.

NINE.—"The apparent prosperity came to an end in the panic of 1819, which struck both Europe and America. This was the collapse which regularly, sooner or later, follows war." (Page 240.)

Really, how can war, which means the *destruction of wealth*, lead to economic collapse which means *failure to produce wealth*? Assuming that in a natural economic order we had war (a most violent assumption) would it not be followed by great activity (prosperity) to make up the losses occasioned by war?

TEN.—"Between the capitalist who furnished the means

of working and the laborers who fed the raw material to the machines, there was a great gulf fixed. Machinery (the emblem of the capitalist) had deprived the workers of their old independence and assigned them to grinding taskwork, while their masters seemingly drew an income simply by virtue of ownership." (Pages 411-412.)

Is not Professor Mitchell unfortunate in writing that the capitalist furnished the *means of working*? Is he not thinking of *natural resources*?

Also, how long has machinery "deprived the workers of their old independence?" Can workers who depend on landlords *for a place to work*, as Henry J. Foley has so aptly expressed it, ever enjoy independence?

In a word, are not the faults which Professor Mitchell ascribes to the capitalist system really due to land monopoly? Karl Marx, whom Professor Mitchell admires, seemed to think so.

In "Das Kapital," quite innocently, he admitted that labor could not be exploited *until it had first been dispossessed from the land*.

ELEVEN.—In a beautiful metaphor, worthy of a poet, Professor Mitchell indicates the role that price plays in political economy.

"Our economic system may be compared to the span of a steel bridge, where every part hangs upon every other part, receiving thrusts and imparting thrusts. And the joints and rivets and couplings, which expand and contract, hold fast or give way, are forged of the delicate metal which we call *price*." (Page 504.)

This sound statement is vitiated elsewhere, as, for example, at page 336 where Professor Mitchell writes:

"Wages of women are lower than those of men mainly because their choice of occupations is limited, and because they are weaker bargainers than men."

And at page 118:

"In actual economic life, prices are increasingly controlled. The chief control of price is by monopoly."

Will Professor Mitchell refer us to a single commodity or service which is monopolized? Even public utilities (which possess the characteristics of a limited monopoly) find that customers will not avail themselves of the service if their rates are too high. Price in the last analysis is determined by the relation of supply to demand.

"The end is easily foretold,
When every blessed thing you hold
Is made of silver, or of gold,
You long for simple pewter.
When you have nothing else to wear
But cloth of gold and satins rare,
For cloth of gold you cease to care—
Up goes the price of shoddy."

(Act II "The Gondoliers"
by Gilbert and Sullivan.)

True, supply has attempted, and still attempts to fix price, but it must always fail because it does not reckon with the second factor in the equation, namely, demand. Even the price of a public service as Professor Mitchell himself shows (page 120), is influenced by demand. The

United States Post Office Department is as near a monopoly as can be conceived since it is a criminal offense to offer to carry mail for private profit. When, a few years ago, it attempted to raise postage rates from two to three cents it quickly experienced lessened demand for its services. Public utilities, for example, found it cheap to deliver bills by messenger; patrons generally began to economize. In the case of mail-order houses, for example, the increase of 1 cent a letter meant a tremendous increase in postage.

Every attempt to fix price from the time of the Egyptians down to the Roosevelt Administration; every scheme to "regulate" or "stabilize" prices of bread and coffee, to fix "minimum" wages; to establish "just" prices for wheat and pigs and cotton by destroying so-called "surpluses"; has ended in dismal failure. Men have yet to learn the hard lesson that they cannot *successfully* interfere with natural law.

TWELVE.—Professor Mitchell ranges himself alongside those who believe in planning.

"A planned economy, forecasting demand and supply with far greater accuracy than is possible in a scheme which makes profit the criterion of production, would be able to make steadily for stock, keep the requisite number of men and machines employed, and feed out to consumption as goods were needed. (Page 490.)

* * * *

We have individual greediness which knows no precautionary restraint. There is no forethought. Instead we suffer the penalties of industrial collapse. There is no plan. All is left to chance, which results as often as luckily as luckily. (Page 516.)

* * * *

Concert of action according to deliberate plan must be substituted for the present anarchy in production. . . . Remedies are doubtless helpful, . . . but they do not touch the cause, which lies in the fact of competition under acquisitive sanctions." (Page 517.)

Planned economy is incompatible with democracy. It inevitably demands increased power to make and influence its plans. It was no accident that Congress delegated to President Roosevelt its functions; that was necessary under the system he sponsored. Planning implies that one man or a set of men in Washington are better qualified to direct the production of wealth than millions of adult Americans scattered over 48 states.

What special qualifications for producing goods and services do politicians and office-holders possess? It has been well said that nature endowed no man, or group of men, with sufficient wisdom to manage the economy of a large nation as well as it can be managed by the individuals themselves. Assuming, however, that she did endow Mussolini, Hitler, and Stalin, with omniscience, what assurance is there that she would breed equally wise successors?

State capitalism can never match private capitalism because of the inefficiency inherent in the centralization

of power and decision. State capitalism smothers individualism, without which there can be no spiritual and little cultural progress. A free people need no government planning. They plan for themselves; they are better qualified to determine what services need to be performed and what wants need to be supplied.

The supreme intelligence already has "planned" for us. All we need do, is to discover the *natural laws* governing the production and distribution of wealth and *make our laws conform thereto*. The natural law of distribution is that *the producer shall be paid all that he produces*; man-made law violates this by permitting a non-producer (land owner) to absorb a portion of wealth which the land "owner" has had no part in producing. *This is the basic injustice which we must correct.*

THIRTEEN.—"The socialist wants, in the end, the maximum of individual development and the freest individual expression. But he feels that this is to be attained only through a preliminary sinking of the individual in the collectivist undertaking." (Page 558.)

The socialist's claim that he believes in freedom is specious, so long as he advocates state ownership and control of the means of production and distribution. Such a programme implies a wider, and constantly wider, extension of governmental interference in the production of wealth. It is inevitable that where the State constantly seeks to extend its power over more and more of the area which the world has come to recognize as private business (the production and distribution of wealth), it must do so at the expense of those now engaged in the same field. This explains such cases of tyranny as N. R. A., under which a Jersey City tailor was sentenced to thirty days' imprisonment and fined \$100.00 for offering to press a suit of clothes for 35 cents instead of 40 cents; such examples of legislation as the law which forbids competition with the Post Office Department and the law which forbids officials of airplane companies dealing with the government receiving greater salaries annually than \$17,500, regardless of their services.

The fundamental instinct of humanity is individual freedom. We are individuals of infinite varieties, personalities, capabilities, inclinations and needs. Each of us possesses the itch for personal self-realization and self-dominion. This itch to weave our own patterns in life and to be entities, not cogs, gives rise to the competitive spirit which Socialism, Communism, and Fascism denounce but which, under natural law, is essential to the maintenance of social harmony.

Autocracies have generally tried to thwart individualism and the competitive spirit and prevent it from functioning freely and naturally. They point to the mess we are in as confirmation of their belief that the competitive system has failed. In truth, of course, it has never fairly been tried.

Our instinct to carve our own destinies according to

our own patterns is deep-seated. There is no substitute for our desire to work out our own salvation. Expression is life; repression, death. Expression attained through mastery is the prime essential of life. It can never be attained by Socialistic, Communistic, or Fascist methods. Freedom for all can flower only in the garden of equality of opportunity wherein we distinguish between public and private property and respect the sanctity of each, a distinction which no country in the world has yet recognized.

We regret that Professor Mitchell has not made more clear these fundamental distinctions. We trust he will, in a future book, take note of them. Then will he be acclaimed the author of a truly great work on the "Queen of the Sciences."—B. W. BURGER.

Washington Letter

THE Woman's Single Tax Club held the first meeting for the season at their new headquarters, the Lee House, 15th and L Streets Northwest, on Monday, October 5, the vice-president, Mrs. Mackenzie, presiding in the absence of the president, Mrs. Helene McEvoy, from the city. There was no regular programme for this meeting, and following the business meeting and the reading of "His Interested Friend," by Mrs. Phillips, recounting how Tony had the rent of his peanut-stand corner raised because he had been too confidential about his profits, the evening was devoted to an informal discussion of plans of work for the coming season, which included a series of open-air meetings in one of the city parks.

The second meeting was held on November 2, with a number of members absent who, not being legal residents of the District of Columbia and therefore on a political par with the insane, the pauper, the feeble minded, the alien, the criminal, and the minor, had gone to their respective homes to vote.

It was reported that Mrs. McEvoy had been sighted in Chicago, headed toward the Cincinnati Convention, and hope was expressed that she would be with us at our next meeting.

It was unanimously agreed that the open-air meetings which had been held in McPherson Square on the three preceding Saturday afternoons, had been an unqualified success, the speaker, Mrs. Alice M. Caporn, having attracted audiences estimated at between 80 and 100 at each meeting, whose attention had been held throughout the talks and whose interest had been indicated by the questions asked, and the requests for literature to be mailed, as the permit forbade its distribution at the meetings. At the third meeting, Mr. Joseph B. Chamberlain helped with the speaking. It is expected that these meetings will be resumed in the spring.

Mr. Walter I. Swanton gave a brief explanation of the Single Tax, using as an example of its operation, the city block where land value was the highest.

Mrs. Marie H. Heath told of her recent visit to the Henry George School of Social Science while in New York City.

The principal talk of the evening was given by Mr. Benjamin C. Marsh, Executive Secretary of the People's Lobby, who spoke from the viewpoint of a Socialist who believes first and foremost in the collection of the ground rent into the public treasury.

Mrs. Elizabeth M. Phillips read the poem "Did They Tumble?" which compares the fate of those who had machinery but nothing but a cloud to live on, with the fate of those who were stranded on an island without any machinery.

Dr. Caporn, carrying out the theme of the poem, closed the programme with an explanation of the fundamental importance of the land as the basis of all life and means of production, and offered to lead a class in "Progress and Poverty" if one could be formed.

—GERTRUDE E. MACKENZIE.

Radio Talk of Mrs. Madelline Swarte of Henry George School Over WOR

THERE are fundamental economic laws affecting human society just as there are fundamental physical laws by which the universe is governed. Newton's apple did not fall by chance, neither does dire poverty exist in the midst of plenty by mere chance.

One fundamental economic law is that gregarious man can exist only by applying his labor to the raw materials of this earth and he can live in society only by the cooperation of others of his kind. He cannot live on what nature provides, like the beasts of the field or the birds of the air. Since the earth is the sole source of the raw materials necessary for man's existence, it follows that to live man must have access to the land. This was true of Robinson Crusoe; it is true of the United States of America. Any human law denying the right in access to the land to any human being perpetrates and perpetuates an injustice against a portion of mankind.

A second fundamental economic law is that there are primarily but two elements in production—land, the source of everything, and human labor, the activating agent. The two basic factors in the production of wealth therefore are land and labor. Capital is that part of wealth that is used for the production of more wealth. But capital is relatively unimportant. So long as there is labor to be applied to land there will always be capital. To confuse capital with land, or to say that land value is capital or that it is sound economics to permit capital to be invested in land values, indicates ignorance of true economic principles.

An individual can, by himself, make a house; but he cannot, by himself, make land valuable. Land values only appear with population; and they rise as the population grows and fall as it diminishes. It follows inexorably then that land values fundamentally and rightfully belong, not to any individuals of a community, but to the whole community by which they are created. The community should therefore collect the full rental value of its land areas year by year and use this revenue to exercise the functions of government.

Students of the problem hold that this sum would be sufficient for all the legitimate expenses of government and there would be no need to tax industry and the products of labor to support the machinery of modern society.

This is the meat of the philosophy of Henry George, outlined over 50 years ago in his world-famous book, "Progress and Poverty." The principles there laid down, more generally understood and properly applied, would be the first and greatest step toward wiping poverty from the face of the earth and equalizing opportunity for all men so that none need want in the midst of the greatest abundance the world has ever known.

AND just as for the mother to withhold the provision that fills her breast with the birth of the child is to endanger physical health, so for society to refuse to take for social uses the provision intended for it is to breed social disease.—THE CONDITION OF LABOR.

IT is related that when Michael Faraday explained the electric current to William E. Gladstone, then Chancellor of the Exchequer, the statesman asked, "What is it good for?" Faraday's reply was, "Well, maybe some day you can tax it."

YOU can kill all the Dillengers you want but it won't control crime.—WARDEN LAWES of Sing Sing.

THE wealthy class is becoming more wealthy; but the poorer class is becoming more dependent. The gulf between the employed and the employer is growing wider; social contrasts are becoming sharper; as liveried carriages appear, so do barefooted children. We are becoming used to talk of the working classes and the propertied classes; beggars are becoming so common that where it was once thought a crime, little short of highway robbery, to refuse food to one who asked for it, the gate is now barred and the bulldog loosed, while laws are passed against vagrants which suggest those of Henry VIII.—PROGRESS AND POVERTY.

PLACE one hundred men on an island from which there is no escape, and whether you make one of these men absolute owner of the other ninety-nine, or the absolute owner of the soil of the island, will make no difference either to him or to them.—PROGRESS AND POVERTY.

Correspondence

THE CALIFORNIA CAMPAIGN

EDITOR LAND AND FREEDOM:

California, both from the historical and immediate viewpoint, is one of the natural battle grounds of the world for the fight to institute the tax reform we believe will further the cause of democracy, and make poverty and the fear of poverty a thing of the past.

Our campaign, as you know, and concerning which you will have more information in the future, has had a momentary set back. We are determined to keep up the fight here in California. We wish to further our cause by every means in our power. To do this we propose to maintain offices in Los Angeles and San Francisco.

The California State Federation of Labor in Convention in Sacramento during the middle of September adopted a resolution reiterating its previous stands upon the principles of the Amendment and "Resolved, that we reaffirm our intention to keep the issue before the people of the State at the earliest possible moment."

Two important retail organizations, several months before the termination of the Campaign by the Supreme Court, endorsed the Amendment. During the several meetings held with these groups, both with their directors and in open meetings, the complete measure was gone into. Many of them, for the first time, saw how our measure favored the conduct of business enterprises. Leaders of both organizations have expressed their hope that we will continue our fight. This is a fine entering wedge to interest active business men in the fight to safeguard their business.

ALREADY a questionnaire has been sent to those active in our work so that the construction of another Amendment, best suited to change conditions, can be placed upon the ballot in 1938. The number of replies to a rather exhaustive set of questions indicates the fine spirit in which our set-back was received and the strong determination to carry on.

There is in the situation the spirit of a quotation of a Danish poet incorporated in a letter sent by a sympathizer and well wisher from across the seas to the effect that "All good thoughts can never die before still better thoughts have germed from their seed."

We will require a minimum fund of \$300 per month during the next two years. This will maintain the San Francisco office and the necessary general work over the entire state, offering some assistance to the Los Angeles office as well.

San Francisco, Calif.

JACKSON H. RALSTON.

THE LAW OF NATURE IS PERFECT

EDITOR LAND AND FREEDOM:

In your September-October number you print a letter from our comrade, S. Tideman, which leaves room for at least two question marks. He declares that the expression, "Take the whole rental value of land runs outside reason," and continues that it is impossible to do so, and even if possible, it ought not to be done.

As to his first statement; present landholders find no difficulty in taking the whole rental value of land, and just why a change of the collectors of this rent would work some subtle change in its nature that would place its entire collection outside reason is not at all clear to me. At any rate, this statement is not of the nature of an axiom, hence its acceptance awaits demonstration. Just why should it be harder to effect the collection of the entire rental value when it is received by its rightful claimant, society, than when diverted into the pocket of a land speculator?

As to his second statement: Again I must ask *why* it ought not to be done? Men are now paying the entire rental value of land for the privilege of its occupancy, in many cases much more than this, since they must pay a speculative rental in addition to economic rent; and they give no evidence that they account themselves wronged by such payment. Wherein would they be wronged, then, if they paid society in full for the service conferred upon them by society? Is wrong more in accord with "the sublime order of nature" than right? If an individual man extend me a service, I feel no sense of wrong when he collects in full for that service. In fact I agree with Emerson that he can ask me less only upon the assumption that I am his inferior; why, then, should I expect society to extend me a service and not exact payment in full?—a service that is exactly measured by the rent of the land I occupy.

Nor can I assent to the statement that "a man, in making improvements on his land does so on the assumption that it will be worth more to him than it cost." Is the antecedent of "it" land or improvements? This is somewhat ambiguous. If he means the land is expected to be more valuable, I answer that he cannot possibly make enough improvements on the land to influence its value in the slightest measure. If he means the improvements will be more valuable to him than their cost, I think we all will agree with him; but as no one who understands economics will account an assessment against such improvements covered by the term, rent, I fail to see the pertinency of this statement to the matter he is discussing. The man who improves land, does so on the assumption that his improvements will increase the effectiveness of his industry as applied to that land; only the speculator desires to make anything from the increased value of land, and he distinctly declares that, "speculation should, of course, be taxed out." Every industrial effort man puts forth is, of course, made on the assumption that the results he seeks will be of greater value to him than the cost of the effort, otherwise he would not make the effort, but this does not imply that he must secure his goods, or services, for less than their market value. If two men trade horses, each expects the horse he is getting to be worth more to him than the horse of which he is disposing; and it is wholly probable that each will be advantaged, as he expects, by the exchange; but this advantage does not at all depend upon either of them securing his new horse for less than its full market value. And it is this expectation of advantage that accounts for all commercial activity—the exchange of what men have for what they would rather have; and we need have no fear that the removal of opportunity for receiving social service for less than it is worth will occasion the loss of "all incentive to social progress," any more than we need fear that men will refuse to eat when hungry unless they can secure personal service for less than it is worth. This matter is all taken care of in that supreme law of economics, that men seek to satisfy their desires with the least effort. It just happens to be a fact that "The law of the Lord (Nature) is perfect."

Marathon, Iowa.

T. J. KELLEY, M. D.

STEP BY STEP TO NOWHERE

EDITOR LAND AND FREEDOM:

Referring to the article by Bolton Hall, "Step by Step to Nowhere," in the last issue of LAND AND FREEDOM, and your invitation for contributions on the subject, I offer the following:

Assuming the rate of interest at 5 per cent the lot that rents for \$30 a year will always be worth \$1,000. Whether you call that the capital value or call the selling price the capital value, the real value will be \$1,000 as long as it rents for \$50 and the rate of interest is 5 per cent.

The real value of a lot of ground can be determined by adding the rent capitalized at prevailing rate of interest to the selling price and this should be the basis on which to levy the tax. The tax on this particular lot will always be \$30 so long as the rate of taxation remains 3 per cent.

Of course the same result could be obtained by making the rental value the basis of taxation and making the rate 20 times 3 or 60 per cent, but this involves an unnecessary departure from established methods of taxation and it does not seem to be good policy to depart from established methods when unnecessary and no particular advantage is to be gained thereby.

Besides some lots are not rented and have only a speculative value, and it seems easier and more practical to arrive at a selling value than a rental value.

I can not agree that we should wait until education has brought people to the consciousness that land values belong to the people and then determine to take them. That would probably be a long wait. Progress can best be made by the step by step method. Education is a step by step process and can best be furthered by the aid of concrete examples of gradually taking more and more of land values in lieu of other taxes, rather than by the teaching of abstract principle alone. People will accept the principle as they see it gradually being put into practice.

Glenolden, Pa.

FRANKLIN SMITH.

ECONOMIC RENT

EDITOR LAND AND FREEDOM:

Mr. Emil Jorgensen's contention that rent enters into "price" is quite evident when considering the rent paid by tenants of residential property. Rent does enter into the price paid for occupying a flat or a residence.

The tenant of a residence pays for two services; one of a private nature, the use of a building; the other rendered by the community. The private service permitting the occupancy of a part or the whole of a building, warrants a return (interest) for its use and justly so; ground rent, likewise, is a just payment for community services rendered.

The tenant of a residential building cannot shift economic rent to another person, because he is the consumer (beneficiary) of community services.

An occupant or renter of a store, like the occupant of a flat or residence is a consumer of public or community services, and cannot shift the economic rent (cost of community services) to another person, by including it in the price of his merchandise. The economic rent paid by the merchant is a deduction from the gross profits of his sales; the net profits consisting of interest, the reward due capital employed and of wages for his personal services, i. e., labor.

Quoting Louis F. Post from memory: "Distribution of wealth is perpendicular and price is horizontal." "Price enters into rent, but rent does not enter into price."

The old maxim, "The consumer (tenant) is the ultimate payer," still holds good.

Chicago, Ill.

ALEXANDER PERNOT.

"THE INDUSTRIAL AGE"

EDITOR LAND AND FREEDOM:

In your recent editorial "The Superstition of the Street," you very properly destroy the illusion of "Wall Street" as a determining economic force in the welfare of the country. There are other similar illusional psychological phenomena of the masses that produce wordy debates, that result in wrongly applied retributive or corrective action. The frequently repeated use of the term "Industrial Age," like that of "Wall Street," has given it a degree of false authenticity so that extensive experiments costing billions of dollars have been undertaken with no stronger basic reason than a romantic fantasy, namely, that this is an "Industrial Age."

Industrial Age, like Iron Age, Bronze Age, and so forth, indicates either an outstanding characteristic of a period of time or a defect in our knowledge of more important characteristics of that time. As a matter of fact the terms are purely romantic and reveal if anything a lack rather than a plethora of information.

Industry is only a phase of labor and represents mainly that portion that uses the capital of others to produce wealth, as in mills, railroads, mines, and so forth, and does not include the independent day laborer, business man, professional man, farmer, fisherman, hunter, stock raiser, teacher, carpenter, and so forth, in fact the great majority of productive laborers.

The attention of our mass mind has been caught by the flashing lights and spinning wheels of industry, so that it reacts hypnotically whenever industry is mentioned. The illusion is pretty so long as it does not become the basis for action and vast spending. It should be known, however, that it is secondary or lower in the economic scale and is not a significant or determining economic factor. It is as futile to attempt to bring about "economic recovery" (?) through industrial increase as for the tail to try to swing the elephant.

Appleton, Wisconsin.

WM. J. HARRINGTON, M. D.

PROSPERITY BOUNCES BACK

EDITOR LAND AND FREEDOM:

Again we are facing "a more abundant life." Good news has come to us from our Secretary of Commerce. He informs us that *only* nine millions of workers are now out of employment.

Is not your heart gladdened?

These nine millions idle persons (and their dependents) means that there will be needed *only* 36,420,000,000 free meals during the next twelve months. *Only* 72,000,000 feet will need shoes between them and the cold pavement this winter. *Only* 72,000,000 hands will need mittens to keep fingers warm as they brave February's fury. Not over 36,000,000 suits of winter clothes will be needed to shield shivering bodies from biting blasts, because many of these may be seeking straw hats, gay parasols, linen suits and perforated sandals to keep the scorching sun from burning blisters on their backs, fronts, tops and bottoms.

Less than nine millions of homes will be needing oil for Yankee lamps or two-bits for soulless gas-meters week in, week out. *Only* nine millions of landlords, at the most liberal estimate, will need to worry about collecting the week's rent. Probably less than 2,000,000 farmers (if there are that many) will need to fuss about disposing of surplus crops. *Only* nine millions of times, each day, will our captains of industry need to look up from their desks to say "No, we aint got any job for you."

Is not your heart gladdened?

Fall River, Mass.

THOMAS N. ASHTON.

THESE FALLACIES RECUR IN MANY FORMS

EDITOR LAND AND FREEDOM:

There appears to be a feeling among followers of Henry George

that the Wage Fund Theory and the Malthusian Doctrine do not dominate social thought today to as great an extent as they did at the time Henry George wrote and for that reason "Progress and Poverty" should be revised with a view to bringing it up to date. This attitude is not only impractical in view of what is taking place in the world at the moment, but it betrays somewhat of a kinship with those people outside the movement who believe that conditions are so different today from what they were in the last century that George's ideas are no longer applicable. It is true, furthermore, that he thoroughly exposed these theories as fallacies, but in spite of this fact, current thought, when critically analyzed, is seen to be completely impregnated with them. While they have been formally rejected in academic circles, most professional economists, nevertheless, unconsciously believe in them. And there, I believe, is where the danger in large part lies—in the unconscious acceptance of such unscientific theories.

The average person unquestionably believes that capital employs labor and that before labor can be employed or can employ itself, there must first be capital available for the payment of wages. They also hold the opinion that capital profits at the expense of labor. Thus the trend throughout the entire civilized world is towards communism or fascism, for both of these "isms," in the last analysis, spring from a belief in the Wage Fund Theory. In my opinion, acceptance of the Malthusian Doctrine, conscious or otherwise, is also world-wide as evidenced by immigration laws, birth control agitation, the craze for colonial expansion and the agitation for the retirement of men at the age of sixty-five, and for the displacement of women in industry by men. Even many of those people who profess to be followers of Henry George unconsciously pay homage to these fallacies. I have met many who, after finishing a course in "Progress and Poverty," express sympathy for a protective tariff, for the curbing of chain stores and for such artificial devices as the NRA and AAA. Obviously they have learned nothing about economic science, for they have memorized their lessons parrot-fashion; but unfortunately they go about miseducating everyone with whom they come in contact. And are we not frequent witnesses of the curious spectacle of earnest individuals advocating land value taxation, income and inheritances taxes, public spending and government regulation of industry all in one breath?

There is no doubt that the Henry George movement is encountering greater opposition today than it did fifty years ago, because the entire world is drifting rapidly away from ideas of freedom and natural law towards a pathetically defeated attitude engendered by an intense belief in these age-old fallacies. The recent election indicates that our own country is following in the footsteps of Europe, trying the same things, making the same mistakes; and we might as well realize that economic planning is firmly in the saddle and will not be ousted until the United States has also gone the limit in social welfare experiments and, through extreme taxation, reduced the middle classes practically to the bare subsistence level of the poorest classes. But how can we have any real understanding of the issues at stake if we fail to recognize the underlying cause of this trend? We are well satisfied with ourselves that we know the truth, and we have a sublime faith in its ultimate triumph if we can only rally enough people around us to give it holy lip-service, serenely unaware that, at the same time, these people are naively supporting the very fallacies that have plunged the world into its present state of economic insanity and that are distracting attention from our own movement. In adopting such an attitude, are we not, therefore, partly responsible for the direction in which our country is headed?

Mere reiteration of the chief tenets in George's philosophy is not enough to overcome this trend. That sort of approach makes the support of the philosophy something of a cult, and the world is already suffering from too many cults. Henry George was not content merely with repeating his conclusions and ignoring the weaknesses of the opposition. He was constantly exposing the fallacies that prevented

people from understanding those conclusions. That is our job—to expose the weakness in the opposition. Economic science is not a static body of knowledge. It is constantly growing and pointing the way to deeper implications, to a wider extension and application of the principles already known. What we should do is to use our knowledge as an attacking weapon by seeking the cause of popular ignorance, focalizing our attention on it as the weak spot in the opposition and hammering away at it until it breaks ground.

The basic error from which all others stem is the persistent confounding of money with wealth, and the Wage Fund Theory and Malthusian Doctrine owe their existence to this source. Therefore, contemplating the Georgeist philosophy in general and a revision of "Progress and Poverty" in particular, due consideration should be given to this angle of the question. Instead of losing their influence, these fallacious theories have actually been increasing their dominance over current thought.

Brooklyn, N. Y.

RAYMOND V. McNALLY.

THE INTEREST QUESTION AGAIN

EDITOR LAND AND FREEDOM:

In criticising the meaningless "Production for Use" slogan (Sept. 1914, p. 10) you say: "And capital would not work if it did not earn interest. Could it now?" May I submit this answer of a common capitalist for fair consideration?

The normally prosperous man will naturally save to provide against forced or desired retirement; and as unused wealth naturally depreciates or must carry care-taking costs, he will naturally put his wealth to use as capital on the best terms securable *even if* such terms should be reduced (as by wide-spread prosperity and resulting large supply) to mere risk-insured return without interest. Any assumption that he would not, or that he would stop saving, is against the dictates of common sense.

(He would in fact *have to save more* for his *personal insurance* purpose.) Of course, inert or senseless matter (wealth) can neither "work" or "earn," properly speaking; only *use* of it by human beings enabling earnings by them (wages). As to whether or not Nature's gifts (other than rent) create an "interest fund" which goes to mere owners, *another question*, answerable only by scientifically determined natural facts; but in any case such fund cannot be properly called earnings."

George himself never stood for his interest theory after "Progress and Poverty,"—and standing instead for free use of capital, and of individual earnings from such unmonopolized use, raises the real issue against Socialism without foolishly arousing antagonism and with sound appeal to users of capital.

Reading, Pa.

WALTER G. STEWART.

RENT AND PRICE

EDITOR LAND AND FREEDOM:

The price question seems to me not to have been clearly handled by any of your correspondents. Mr. Burke comes closest to hitting the nail on the head. He correctly states that price is nothing but value measured in terms of a common medium of exchange, but he seems to me to be in error when he says that land rent enters into price as much as the others who say that land rent does not enter into price.

From what I deduce of the factors in production and distribution, rent of land comes from wages and interest, viz., wages plus interest equals wealth minus rent. Therefore rent comes out of the wealth produced at the cost of the efforts of labor and capital. Rent has nothing to do with the price which is merely a common measure of exchange.

When labor and capital receive only a small part of the wealth produced they command the same small part in terms of exchange, or in money. The price or measure of exchange is not altered by the amount of wealth labor and capital receive or what part land gets. It is fixed by the relative demand and supply of goods and services in terms of the money medium. Therefore prices may be high or low irrespective of rent.

When rent of land is high, the share of capital and labor being less, they get less of the money medium in exchange, but that smaller share necessarily affects the price of articles or services which they buy.

New York City.

FRANK BERMAN.

RENT AND PRICE AGAIN

EDITOR LAND AND FREEDOM:

Rent paid must be produced. It is a part of production. It is paid for something received, otherwise it is inequitable. What does the payer of rent receive? The answer is, he gets the use of land, the sum of its advantages and public services rendered to that land to facilitate his production of private wealth.

Undoubtedly, that payment enters into operating cost. But the payment, being a purchase of facilities or economy of production, reduces relative costs. That being so, price, the measurement of exchange, would be lower than it would have been if rent had not been paid. Therefore rent paid enters into cost but reduces price.

Summit, N. J.

C. H. KENDAL.

NEWS NOTES AND PERSONALS

OUR attention has been called to page 412, article 3, of the New York Supplement to the Record of the Law Courts of New York State. The case in question in Monroe County Court concerned a certain book regarded as heretical in religious circles. A bequest was left for the publication and circulation of this book. Surrogate Feely allowed the bequest, and compared the case to one of many years ago when a sum of money was left by a New Jersey farmer to Henry George for the propagation of his ideas. Surrogate Feely said: "The genesis of this book resembles that of another self-educated carpenter (?), the one who wrote 'Progress and Poverty,' but this book will never come anywhere near the eminence of Henry George's masterpiece." This remark of the Surrogate had reference to an opinion by Chancellor Bird of New Jersey opposing the bequest to Henry George on the ground that George's theories were opposed to public policy. After considerable expense Henry George finally won the case and made over the estate, or what was left of it, to the widow. George then had to sue his former attorney for the money. The widow received seventy dollars total, and was later forced upon public charity. From time to time Mr. George sent her small sums of money. Some of our readers may remember the case and George's remark that Chancellor Bird was "an immortal ass."

ADMIRAL WILLIAM S. SIMS, war-time commander of the United States Naval forces, died in September of this year. He was for a number of years, while a resident of Newport, a subscriber to LAND AND FREEDOM. This distinguished naval officer was a free trader and presumably a Georgeist. He was seventy-seven.

THE Lethbridge, Alberta, *Herald* contains a report of a dinner given by Mr. and Mrs. J. B. Ellert of Milk River, to the students of the Henry George School in that enterprising town. Fred Pease who was converted to the doctrines of Henry George in 1891 while living in California, addressed the diners. Other speakers at the Ellert dinner were Rev. T. Taylor, Miss Betty Taylor, Mr. Heirath, and

H. Bartram. Mr. Ellert expressed his gratification at the presence of so many of the students.

FRANK A. GARBUTT is one of our progressive columnists. His articles are to be found in the *Los Angeles Times*. In one issue of that paper he says: "What is it that has pretty nearly ruined the United States, created class hatred, brought the capitalistic system into disrepute, and almost eliminated intelligent majority rule. The answer is special privilege." And he adds, "Special privilege has been the rock upon which the ship of state of every wrecked government has foundered."

A COLUMN in the Lowell, Mass., *Courier Citizen*, gives certain interesting experiences of the writer in his contacts with the Single Tax movement and many distinguished followers of Henry George. Despite a certain flippancy common to a complacent school of columnists, the article is fair enough. He says: "I still believe if Henry George's quite alluring scheme were pragmatically and possibly important toward the solution of the problems of this generation we should now have a Single Tax party certain of commanding a few million votes." So might the critic of Ben Franklin, first president of the Abolition Society of North America, have commented fifty years later on the progress of that movement which Ben helped to start.

IN a letter received from Charles O'Connor Hennessy dated September 15 which he sent to us while sojourning in Ireland, he wrote: "The Report of the International Conference which I sent you was hastily dictated. Arthur Madsen came with me to Ireland to spend a few days here. He is going to Dublin to visit Robert Barton. Barton is one of the important men in modern Irish history, a signer of the Free State Peace Treaty with Britain, and a Georgeist. I expect to meet him in Dublin next week."

THE *Automobile Club Review* of New York tells us that the motor car owners paid a yearly tax bill of \$1,286,157,907.

THE death of Cornelius M. Sheehan, Single Taxer of New York, at the age of seventy, is announced. Mr. Sheehan was deputy commissioner of Water Supply, Gas and Electricity during the Hylan administration. He was a familiar figure at Single Tax gatherings and was a speaker at the Henry George Congress in New York a year ago. He is survived by his wife, Mrs. Sarah L. Sheehan, a sister of our well known Albert Firmin, former postmaster of Brooklyn.

CHARLES B. ROGERS of Fort Atkinson, Wisconsin, writes: "I have said before, and I desire to repeat it, that I appreciate the sanity of LAND AND FREEDOM more and more as time goes on."

IN Pittsburgh we had a welcome visit from G. Frank Kelly of Scotdale, Pa. He was unable to attend the Cincinnati conference so we were pleased at this opportunity of meeting him.

C. LE BARON GOELLER, of Endwell, N. Y., has completed the printing and circulation of 802,000 Single Tax tracts. He sent 21,000 to California for distribution.

HON. GEORGE FOSTER PEABODY of Warm Springs, Georgia, is in need of a copy of "The Orthocratic State," by John Sherwin Crosby. Can any of our readers supply his want?

JOSEPH R. CARROLL of Norfolk, Conn., has a Single Tax letter in the *Hartford Courant* of October 16. Mr. Carroll was present at the recent Cincinnati Conference.

COPIES, single or in quantities, of Prof. Harry Gunnison Brown's

"Convention Speech of 1940" will be sent from this office to any one asking for them and enclosing the necessary postage.

AN important article on "The Economic Problem and the Earth" appeared in the *Christian Century* from the pen of Louis Wallis, author of *Safeguard Productive Capital*, advertised in this number of LAND AND FREEDOM. This article will be mailed in pamphlet form to any one writing his name on a postal card giving his address, to Willett and Clark, 440 South Dearborn Street, Chicago, Ill.

ACCORDING to Mrs. E. O. Goldfinger, a member of the Zionist Organization of America, the evils of land speculation now so apparent in Palestine, are not due to the organization itself but to the world-wide prevalence of the fetish of private property in land.

"One of the fundamental principles of Zionism," says Mrs. Goldfinger, "is that none of its land can be sold or alienated."

"At what cost it is adhering to this internal principle can be realized when one considers the tremendous increase in land values in Palestine since 1882 when the first Jewish colony was established there." Land then was purchased by the Organization for eight dollars an acre. In 1936 the organization paid as high as ten thousand dollars an acre for land in Tol Aviv, which was built upon bare sand dunes.

THE official declaration of the New Church (Swedenborgian) at its conference in Melbourne during Easter, in favor of the restoration of the right to the equal use of the land for all men, is likely to bear fruit in other lands, says *Progress*, a Georgeist monthly.

Graham Peace writes from England that the Australian resolution has aroused considerable interest in Derby, and a Belgian correspondent expects to use this information to influence European Swedenborgians to accept the Georgeist principles and support the stand of their Australian brethren.

"NEITHER Germany nor Italy needs colonies in far off Africa." T. A. McHenry writes; "right at home, there is plenty of land. For example, there is one tract of 10,000 square miles open in Germany. *Bodenreform* (a German magazine) tells about 412 feudal landowners with a total of 6,500,000 acres or 13,000 acres apiece. It compares this with one million peasants owning an average of $6\frac{1}{2}$ acres.

If Hitler and Mussolini will apply the principles of Henry George, and give their people equal rights to their native land, there will be no European war."

IN the *International Molders Journal* Will Lissner, teacher at the Henry George School in New York and an officer of the Henry George Fellowship, tells of the growth of the School from 84 students three years ago to a total in 1936 of 176 classes and 3,624 students.

JAMES F. BOYER, recently elected to the New Jersey Assembly, is a pronounced Georgeist. This we learn from the Henry George News service of the New York School.

PRESIDENT ROOSEVELT in one of his campaign speeches said that the Federal government "cannot tax real estate." He asked his hearers to read the Constitution if they did not know that. The President is mistaken. Article I, Section 2 show how such taxes may be apportioned and Section 8 gives Congress power to levy such taxes for many purposes.

WE have a few copies of the Single Tax Year Book, a veritable Single Tax encyclopedia of nearly five hundred pages, edited by Joseph Dana Miller, and published in 1917. Also a few volumes of the collected poems of Mr. Miller, published in 1927, containing about one hundred poems appearing in magazines and periodicals.

during the last thirty years or more. These volumes are almost exhausted and the first named is indispensable to the student of Single Tax history. It is on the reference shelves of 700 public libraries.

AMONG recent visitors to this office was E. B. Swinney, of Los Angeles, California. On his return home he intended to visit Henry Ware Allen at Wichita, Kansas.

We also desire to acknowledge the visit of Dr. Lin, a Chinese gentleman from Nanking, and a graduate of the School of Land Economics in that city. He is seemingly well versed in our doctrine and may be useful to us in his country. An equally delightful visitor was Dr. Arnold Schwarz, of Berlin, a Henry George disciple and a most interesting man. He says there is no ban on the teaching of our philosophy in Germany. Writers and speakers must refrain however from saying anything against the government. On other topics they are free to speak. Dr. Schwarz was forced to leave before he had an opportunity to visit the Henry George School about which we informed him. He was very much impressed. At the advice of his friend Arthur Madsen of *Land and Liberty* he called at the Schalkenbach Foundation.

THE Scripps League of Newspapers has sponsored an appeal to President Roosevelt for a proposed amendment to the Constitution. It says in part: "The proposed amendment should state in ringing terms the general principle that the natural resources of America belong to the people. It should endow the federal government with right and authority to protect the resources for the people." "Getting warm," as the children say in their game. But the obvious remedy, i. e., to take the economic rent of these natural resources is not indicated.

The Town Hall Crier of Pittsburgh will resume publication. A. Solly Mazer is the publisher. Its purpose is to provide free discussion, and it is not controlled by any outside political or economic interest. John C. Rose will do much of the writing for *The Town Hall Crier*.

A LETTER from Herbert T. Owens appears in the *Toronto Star* commenting on a recent statement of Sir Raymond Unwin, the eminent English authority on housing, now on a visit to this country. Mr. Owens reports Sir Raymond as saying to him: "If you tax the unearned increment where it has been realized there is a good deal to be said for it."

OUR compliments to Charles Erwood and Mrs. Madeline Swarte for their admirable work on the Henry George News Service, issued from the School headquarters.

MRS. EMILY E. F. SKEEL writes: "May I express my sincere regret at your tidings of the death of Mr. Hennessy. A delightful and finished speaker, an able executor, the distinguished head of our International Association, and his unflagging zeal for our cause, make his death a great loss."

JOHN T. GIDDINGS contributes a letter to the *Providence Journal* contrasting the Russian system with that prevailing in America, and the greater ease with which in this country economic freedom can be made a reality. P. W. Schwander of Houston, Texas, has a letter in the same issue.

JOHN C. ROSE writes: "The passing of Charles O'Connor Hennessy is a great loss not only to our country, but to the world."

THE South Dakota Supreme Court has decided the chain store tax law of the legislature invalid.

We have received a copy of a very remarkable book entitled "The

Sphere of Individualism," by Connor D. Ross, former Assistant Attorney General of the State of Indiana. Mr. Ross was present at the Cincinnati convention. A review of this work will appear in next issue.

WE learn of the death of Prof. Robert Brinsmade in Mexico City, Mexico. We are without details of his passing, which we expect to learn later.

THE *Herald-News* of Passaic, N. J., quotes at length from Comment and Reflection in LAND AND FREEDOM under the title, "Common Sense in Economics."

STATEMENT of the Ownership, Management, Circulation, etc., required by the Act of Congress of March 3, 1933, of LAND AND FREEDOM, published by-monthly at New York, N. Y., for October, 1936.

State of New York, County of New York, ss.:

Before me, a notary in and for the State and county aforesaid, personally appeared Joseph Dana Miller, who, having been duly sworn, according to law, deposes and says that he is the Editor of LAND AND FREEDOM and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of March 3, 1933, embodied in Section 537, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor and managing editor and business managers are:

Publisher: Single Tax Publishing Co., Inc., 150 Nassau Street, New York City.

Editor: Joseph Dana Miller, 150 Nassau St., New York City.
Managing Editor: Joseph Dana Miller, 150 Nassau Street, New York City.

Business Manager: Joseph Dana Miller, 150 Nassau Street, New York City.

2. That the owners are: Single Tax Publishing Co., Inc., Herman G. Loew, Pres., George R. Macey, Sec., 150 Nassau Street, New York City. None but Joseph Dana Miller own one per cent. or more of stock.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent. 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 stockholders 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 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 stocks, bonds, or other securities than as so stated by him.

JOSEPH DANA MILLER,
EDITOR.

Sworn to and subscribed before me this 21st day of September, 1936.
[Seal] LOUIS D. SCHWARTZ, Notary Public.

Kings County.