

May—June, 1937

# Land and Freedom

FORMERLY THE SINGLE TAX REVIEW

*An International Record of Single Tax Progress Founded in 1901*

## Causerie

Thomas N. Ashton

## The Assessment of Land

Hon. Lawson Purdy

## What Is Interest?

Raymond V. McNally

## Increased Recognition

H. Ellenoff

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# LAND AND FREEDOM

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### INDEX TO CONTENTS

	PAGE
COMMENT AND REFLECTION.....	67
CAUSERIE..... Thomas J. Ashton	69
THE ASSESSMENT OF LAND..... Hon. Lawson Purdy	73
INCREASED RECOGNITION..... H. Ellenoff	75
"TAMMANY"..... H. Hardinge	76
GLAD TIDINGS FROM THE SCHALKENBACH FOUNDATION..... Miss V. G. Peterson	78
WHAT IS INTEREST?..... Raymond V. McNally	79
THE HENRY GEORGE SCHOOLS IN CHICAGO AND NEW YORK.....	83
DEATH OF VISCOUNT SNOWDEN.. Anna George deMille	87
ACTIVITIES OF THE MANHATTAN SINGLE TAX CLUB	87
ECONOMICS AS TAUGHT BY THE PROFESSORS.....	
..... John Luxton	89
THE ECONOMIC IDEAL..... Ray Robson	91
MISCELLANY.....	92
DINNER TO JUDGE RALSTON.....	93
WASHINGTON LETTER..... Gertrude E. Mackenzie	94
CORRESPONDENCE.....	95
NEWS NOTES AND PERSONALS.....	97

## 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

ROGER BABSON is a curious type of thinker. Not that he is much different from the usual run. He is as wordy as most of them. He speaks of those who put their trust in economic laws, among whom by inference he includes himself. But he does not say what these laws are. He sees the nature of a "boom" and warns against its coming. He seems to think that a spiritual awakening might avert it.

IT appears from Mr. Babson that we hold in our hands the power to direct us to or away from the depression which he thinks might be possible, and which would be "deeper by five fold any depression that we ever knew." Listen to him:

"Ours is the decision, not as a preacher or as a prophet, but as an ice-cold statistician, I give you my formal report that essentially the so-called business cycle is a revolution of character. Its pulse is our human heartbeats. Its rotation are the wheels in our own hands."

NOW let that percolate for a moment. To say nothing of the loose English, what under the sun does it mean? And this is accompanied by some more observations, a development out of the old copy book maxims. "The rich should not evade their obligations." "Employers and labor leaders should see each their point of view and cooperate in an unselfish way." And more of the same sort. Not the faintest intimation of any economic laws which he speaks of in the beginning.

IT will probably surprise Mr. Babson to be told that the rich have no obligations—no more than those who are not rich. If their wealth is unearned then the obligation of both rich and poor is to see that the maldistribution of wealth is remedied. It is no special obligation of the rich—it is an obligation of society, rich and poor alike. The very mention of economic laws suggests that if these laws are regarded at all they must be considered without reference to who is rich and who is poor, but only the *why* of such disparity as exists.

WE are rather attracted to Mr. Babson's statement that a spiritual awakening is needed as a remedy for the economic ills that afflict us. If a spiritual awaken-

ing will arouse a knowledge in the minds of man that God has provided abundance for the needs of all, and that the only thing that stands in the way to prevent this is our disobedience to God's law—that is something. But this is not, we suspect, Mr. Babson's meaning. Just what he does mean it is impossible to say. So many of the writers of today have a rush of words to the head that it is difficult to attach to them any definite meaning.

NEVERTHELESS, we do not summarily dismiss this idea of the need of a spiritual awakening in man, but we ask Mr. Babson to consider that the first thing man needs is a job. No matter how spiritually awake he is he must first find food for his body, clothes for his back, and shelter for himself and his family. With his spiritual awakening must also go an understanding. Unless he understands, his faith will not long sustain him.

MR. BABSON fears another "boom." He does not quite know why. But he is apprehensive. It is a queer whirligig world in which some people fear depressions and others fear booms. That is because people sense booms as the cause of depressions. But why should booms cause depressions? Evidently it is because speculation leads to continuous demands upon labor and capital—more than these two productive factors can give and continue to produce. Now observe that speculation in commodities has a way of curing itself,—but speculation in land is different, for that takes from both labor and capital, halts the industrial process and leads to collapse. This is what happened in 1929 and it is what Mr. Babson fears, though he does not understand much if anything about it.

HE thinks that all our industrial troubles are due to a law of action and reaction—whatever that means. Laws of action and reaction are not something in themselves. They must have causes that set them in motion. What these causes are in his present state of confusion Mr. Babson does not see. Illustrations of the muddled state of his mind may be cited. As the following:

"It is easy to understand why it is hard to guard against a boom. The seeds of recklessness and greed that breed booms are not streams from without. They germinate within the human mind. Only as the hearts of our people are cleansed of evil can we hope to avoid falling into evil.

A permanent economic revival depends upon a spiritual renewal. Furthermore let me add that I believe this may be in the cards."

**H**OW to properly characterize this and continue to be polite is a problem. So we shall fall back on Charles Lamb who asked us to extend the same measure of commiseration to an apparently maimed comprehension that we extend to the physically disabled. But perhaps this would not be polite either.

**M**AYOR LA GUARDIA said in a recent talk: "An economic background with some college degrees are certainly a big help to a fellow. If I had said the economic system was screwy everybody would call me a radical." The Mayor need not fear. No man who knows the meaning of the word radical will ever accuse him of being one.

**W**HEN this very well meaning political opportunist was floundering around for some avenue for political preferment we landed him in the office of Borough President. Mr. LaGuardia was elected by nine hundred plurality. Running on the Single Tax ticket the editor of LAND AND FREEDOM got several thousand votes drawn for the most part from the Democratic nominee. In this way Mr. LaGuardia was elected and his political career begun. And for a time Mr. LaGuardia, opportunist always, flirted with the Single Taxers and acted as if he might know what it was all about. But of course he didn't. However, the accident that started him on his political career is not forgotten. In the steady trend of economic thinking in our direction now so plainly obvious the incident is not important.

**D**OROTHY THOMPSON, for whom we have an unstinted admiration, speeds around on her flashing skates on very thin ice at times. When she says with an air of finality, "I have decided that public ownership of property is a complete mirage if unaccompanied by political freedom," we want to add that before property is defined, public ownership must always be a mirage. For the public ownership of property, unless we first agree on what is property, is wholly destructive of political freedom. Economic freedom is the basis of all liberty. If Miss Thompson will sit down and read "Progress and Poverty" she will add to her repertoire of significant truths a new foundation for her often interesting and occasionally brilliant speculations. Remember, Miss Thompson, "Progress and Poverty" is THE BOOK OF A THOUSAND YEARS. No one in the days to come will influence civilization in any way comparable to this humble printer who blazed for us a new world. No one can afford to be ignorant of these slowly gathering forces which are remaking for a happier civilization all

the nations of the earth in which his teachings have found a lodgement.

**P**ERHAPS it is a mistake to emphasize too strongly the benefits that will go to capital as a result of the taking of economic rent for public purposes and the abolition of all taxes. What capital per se will gain is purely incidental, though it will gain much. When Henry George wrote "Progress and Poverty" he was not thinking of capital—he was thinking of labor, of labor underpaid, of labor robbed of its inheritance in the natural resources of the earth, of the unemployed, of the steady pressure of poverty upon all those who work for a living.

**O**F capital he was not thinking, particularly. He knew, as all of us know, of the power possessed by so-called capital where and when it bargains with labor for employment, which is due of course to the helplessness of labor divorced from the land. Karl Marx saw it too, but belatedly—too late to revise his earlier conclusion. We refer our readers to the last chapter of "Das Kapital" in which he declared that the divorcement of labor from the land was the basis of exploitation.

**T**HAT "capital" will benefit by a free world economy is conceded, but it will be deprived of certain powers it now possesses, which are the vantage grounds of all contracts it makes with labor for employment. Such advantages are but temporary, it is true, since capital sells its products and cannot afford to lower the general level of wages which is its market. But temporarily it is a very real power, and this deceives the mind that does not look below the surface. It does not see that the causes that determine and make inevitable the inequalities in any bargain for employment finally react to the disadvantage of capital in restricting its market.

**C**APITAL merely assist labor in the work of production. It has no other function. It neither determines wages nor pays them. Causes independent of both capital and labor determine wages. It is not to the advantage of Capital that wages should be lowered. Nearly always the true interests of Capital is to conserve wages of superintendence and the return to the entrepreneur, about which so much fuss is made by certain economists who do not clearly apprehend the relation. For there are only two returns outside of rent, and no other return is conceivable—wages to labor and interest to capital.

**T**HAT justice is the highest quality in the moral hierarchy I do not say; but that it is the first. That which is above justice must be based on justice, and include justice, and be reached through justice.

—HENRY GEORGE, "Social Problems."



## Causerie

BY THOMAS N. ASHTON

### THE RIGHT WORD

WITH the austere solemnity known only to the law profession—in measured tones emphasized by “dead pans”—we are, in effect, informed that the science of political economy is governed entirely by the proper selection of words. The laws of Nature are so much excess baggage.

It's this way—

If one wishes to correct economic conditions which breed poverty in the midst of progress—want in the midst of wealth—one needs but write a legislative bill and submit it to the State legislature. One should be careful, however, in one's selection of words which are purposed to prevent low wages, otherwise one's legislative bill, upon enactment, *may* be tossed out as being unconstitutional.

The idea is to write a constitutional minimum-wage law, then—being constitutional—the law will compel stingy employers to pay an existence-wage and the economic problem will be solved; everybody will live happily, ever after, in a more abundant life.

It's all so simple—except in selecting the right word for the legislative bill.

Take the N'York minimum-wage law, f'rinstance. Its diff'runt from the Ohio law.

Despite the galaxy of lawyers in the N'York legislature, they got all messed up and wrote an unconstitutional law aiming to cure hunger in the midst of food. Yeah, they unconstitutionally prescribed minimum wages *based on the necessity for a decent and healthful living*.

Right here they fell down. The necessity for a decent and healthful living is simply unconstitutional.

Obviously—patently—plainly—naturally. How careless!

Ohio, on the other hand, is smart. Ohio's legislative lawyers used their heads. No unconstitutional verbiage for them. No siree! They cutely prescribed *their* minimum-wage law on the *basis of the value of reasonable service*.

Right here they out-smarted the Constitution. The value of reasonable service is okay.

Obviously—patently—plainly—naturally. Simple, eh wot?

Ohio is all set, now, to corral prosperity—to whip the depression—to warm shivering bodies in the midst of abundant heat—to show Nature that her laws are unnecessary except to toy with in high school physics classes—to chatter about among Sunday school kids when illustrating the Ten Commandments.

Be sure to choose the right word.

### LIFE ENDS AT 45

The hand that rocks the cradle of culture is stilled. The heart that cherished the hope for stronger, sturdier, erudite offspring is heavy. The eye which beamed in pride and joy is wet with tears as it looks down upon a bonny boy and a lithesome lass of forty-five years, now come to the economic ends of promising lives.

Full and fair—mature and sober—keen and capable, these eager children perplexedly look up into the sad, sweet face of their maternal State. They have come to the economic end of life. They had read that “Life Begins at 40,” but the Massachusetts department of Labor and Industries reluctantly now tells them that Life ends at 45.

So *this* is life! Five, full, fateful years—youthful years spent 'midst the greatest intellects of the world—maturing years spent in the cradle of liberty from whence came life, patriotism and freedom from taxation-without-representation.

Dully do this boy and girl of 45 listen to the wavering voice of the Director of Statistics:—

“We have completed a two-year survey of 3,781 industrial establishments. Of these, 310 employ no man over 45 years of age—1,283 employ no women over 45. During a 22-months' period 968 establishments—or 40 per cent of all that reported hiring additional men—put on not one man over 45; 1,277 establishments—or 60 per cent of all that reported hiring additional women—took on none over 45.

“Thirty-five per cent of all employable men are 45 or over.

“Fifty-three per cent of all men on welfare relief are 45 or over.

“The survey covered 600,000 workers. Once out of a job, few men over 45 can get back because business men do not want to take on other employers' elderly people. Age discrimination against women starts earlier and is more pronounced than among men.”

As the voice of the Massachusetts Director of Statistics retarded to its whispered conclusion, the bonny boy of 45 turned to the lithesome lass and—drawing her hand under his arm—bravely he led her down the ornate stairway of polished marble—through the Hall of Flags where tattered stripes and aged stars hung limp from scarred staffs—out from 'neath the gilded dome which glittered grandly in the red rays of a setting sun.

The voice of the lithesome lass came sifting back into the austere halls of legislative wisdom:—

“Cheerio, my dear, in twenty years more you and I will be eligible for the old-age pension.”

\* \* \*

Somewhere in this favored land the star of hope hangs high—somewhere happy dreams are born as children scan the sky; somewhere in this verdant vale ambitions e'er are fed—but not at Freedom's cradle . . . Intelligence lies dead.



## SCIENCE SOLVES SOMETHING

The land question, the boarding-house pie question, the sharing-of-wealth question, in fact almost any question which involves the division of anything, no longer presents an opaque front. Tax assessors and tax collectors should have no difficulty in sharing your annual earnings whilst getting more for the government and yet—believe it or not—leaving more for you.

Yep, *now* it *can* be done. *Now* it can be told. It *can* happen here.

All one needs to do is to master the Krasner formula for measuring the "horn angle." It is very simple.

If you wish to divide land, or pies, or wealth, et cetera, merely arrange the subject-matter in the form of a circle. Instead of drawing straight radical lines, as in the old, pie-cutting way, draw curved lines from the locus of the circle to the perimeter. The angle between two such curved lines is known as the "horn angle" and is measured as follows:—

"Measure the square of the difference in curvature and divide by the difference in the rates of variation. The result is an abstract number and a standard of measurement."

By applying this abstract unit of measure to whatever you are dividing you will find a most miraculous consequence.

"Unlike straight lines on which the whole is always equal to the sum of its parts, in a horn angle the sum of the parts is nearly always greater than the whole, but is never less."

On the way to the office and to the daily, prosaic duties of building municipal sewers, the writer dropped into kindly, keen and quaint Mrs. Clancey's coffee kitchen for his customary New England breakfast of pie and coffee. Quite casually the conversation turned to the topic of the day, the day being Tuesday. Mrs. Clancy aims to keep posted on every up-to-the-minute item, albeit her mathematical education has resulted in her keeping of accounts by making chalk marks on the kitchen wall. The kindly old soul insisted upon knowing the meaning of the Krasner formula, which term slipped from the writer's lips—and almost fell into the coffee—during the table-talk. It required no time at all for Mrs. Clancy to grasp the significance of the "horn angle" because she has been making radical straight lines and pie-perimeters ever since she discovered the various uses of rolling-pins.

Beginning instantanly, all pies of the Clancy cuisine will be cut curvilinear regardless of the old-time notion that a straight line is the shortest distance between two points.

"Mebbe, me bhye, I can get ten pieces out of each pie instid of six, and each piece will be larger than before although I cut the pie only six times. Anyway, there'll never be less than the whole pie and we'll all be the gainers."

The writer attempted to point out that Mrs. Clancy's great increase in business would undoubtedly result in higher rents, higher income tax and, in general, a total absorption of the benefits of her ingenious adaptation of the Krasner formula.

"Ah sure!" exclaimed Mrs. Clancy, "Ye're allus talkin' Single Tax."

## PATERNALISM

"The unquestionable republicanism of the American mind will break through the mist under which it has been clouded, and will oblige its agents to reform the principles and practices of their administration."

—THOMAS JEFFERSON.

To those who have read the revelations of "Progress and Poverty" the following true story may be of interest. The writer, having been born and bred a rock-ribbed, New England Republican; having been reared among New England's square, squat homes with their *narrow* eaves, *hard* granite steps, *small* window panes and *cold* white paint, cannot be accused of blindly worshipping a human idol if he occasionally quotes from the pen of Thomas Jefferson.

For eight years the writer has labored among the "Jeffersonian Democrats" of cultured Boston; for twenty years he has listened to the impassioned political speeches of New England "Jeffersonians" as they belabored us—and as we belabored them—in our periodic peregrinations into political piffle, hither and thither in the old Bay State.

The term "Jeffersonian Democrat" came to have an awe-inspiring air of finality. These two words alone were deemed sufficient by any one of our political enemies. We young Republicans never were taught the principles laid down by Thomas Jefferson, and it now appears that Democratic spell-binders were too lazy to read what Jefferson had written, or else they did not understand what he had said. If we Republicans had not been reared in ignorance—if the Democrats had not steadfastly failed to understand what their idol had said—much of this nation's suffering would have been averted. We were too busy quarreling with each other.

"Seeing, therefore, that an association of men who will not quarrel with one another is a thing which never yet existed," said Jefferson to John Taylor, "from the greatest confederacy of nations down to a town meeting or a vestry; seeing that we must have somebody to quarrel with, I had rather keep our New England associates for that purpose, than to see our bickerings transferred to others."

In this respect the "Jeffersonian Democrats," of the North at least, have been always Jeffersonian—even when the Republicans were right. Until the great economic unrest brought the recent change to the Bay State's political complexion, the northern Jeffersonians did in

vain dash their inch-and-a-half skulls against the granite stubbornness of the phlegmatic, smug majority. The static moment of inertia of New England Republicanism was too great to be overturned by the static squawkings of the Democratic "outs."

Came the dawn . . . and the NRA. Came another dawn . . . and the CWA. Yet another dawn . . . and the ERA. Dawns may come and dawns may go, but the alphabet goes on forever.

The Democratic originators of alphabetical combinations have, very patently, lost sight (if they ever saw it) of the Jeffersonian principle that "There are rights which it is useless to surrender to the government, and which governments have yet always been found to invade."

It is a queer quirk of human events which now presents the spectacle of Republicans vociferously defending Jeffersonian fundamentals which have been swept by the board by Jeffersonian offspring. Jefferson was a charter member in the colonial Republican activities. The Hamiltonian crew inclined to castes and kings. From the ostensible democratic republicanism of those days came our present Democratic and Republican parties. The bold theft of the term Republican, by the Hamiltonian offspring, has been an effective method for misleading the sheep of the ensuing Republican party, the leaders of which have never intended to further the republican principles to which Jefferson gave voice. The Democratic demagogues have never intended to further the democratic axioms laid down by Jefferson. Taxation expediency has become the soul of both parties.

"The negative, proposed to be given them (Congress) on all the acts of the several legislatures, is now," says Jefferson, "for the first time suggested to my mind. *Prima facie*, I do not like it."

Our modern Jeffersonians do not care a hoot—or do not know—what Jefferson liked or disliked. By alphabetical combinations they work their negatives on any and all acts of State legislature and we "take it and like it."

"State a moral case to a ploughman and a professor. The former will decide it as well," says Jefferson, "and often better than the latter, because he has not been led astray by artificial rules."

Our present-day Brain Trust has proven that Jefferson was again right. They seek artificially to improve upon the laws of the Creator.

"The tyranny of the legislature is the most formidable dread at present," continues Jefferson, "and will be for many years. That of the executive will come in its turn; but it will be at a remote period."

Remote periods come all too quickly where untoward events are concerned, and we find the remote period upon us in the short space of one hundred and forty-three years. Jefferson's admonition, to "Let the General Government be reduced to foreign concerns only," has been dumped overboard.

"If it is believed that these elementary schools will be better managed by the Governor and Council, the commissioners of the literary fund, or any other general authority of the government, than by the parents of each ward," says Jefferson, "it is a belief against all experience. Try the principle one step further, and amend the bill so as to commit to the Governor and Council the management of all our farms, our mills, and merchants' stores."

The offspring of Thomas Jefferson's party have taken him at his word and hence the triple-letter triumvirate.

It came to the writer's experience to be projected into one of these tri-letter regimes—into the very brain-center of paternalistic protection. The name of the city, which follows, is alone fictitious.

The city of Springton boasts a population of 125,000 souls, of whom its army of unemployed numbers 15,000 (only 3,000 being given jobs because of insufficient federal funds). Like all other American cities Springton has never learned the simple and correct method for levying taxes. It has been advertised to the world as being bankrupt. Food tickets are dispensed to the most needy families.

Into the picture comes our paternalistic federal government, operating under the familiar ERA. An office force of fifty employees speedily is put onto the payroll to cope with the intricate mass of detail which naturally follows such emotional officiousness in the aim to control private lives. Jobs are "made" of a nature outside the usual order to prevent the City Fathers from using federal funds for routine affairs—from saving their cash-on-hand and from being able to boast of a low, local tax-rate. Yes, even cities will "chisel in" if they are not watched.

Applicants for emergency relief jobs are invited to register, and the process demands a complete acknowledgment of total, utter and abject want. Large families get the preference in being placed upon the list of eligibles. The man with a family of ten, twelve or fourteen children (there are many so situated) is fortunate to draw a pick-and-shovel job at \$12 per week. No laborer or mechanic is permitted to work more than 24 hours weekly. No family can have more than one job per household. If a child earns \$3 per week then that sum is discounted in figuring papa's "budget hours" which our paternalistic government computes on a penny-by-penny basis. In consequence, the budget hours range from several to the maximum of 24.

Peter Piper played a piccolo in the local ERA band—a band created to provide jobs for unemployed musicians. Peter's budget hours were arithmetically found to be 11½. Now a piccolo is very essential to harmony in every self-respecting band. All went well in the concerts during Peter's first day of 8 hours. On the second day Peter had 3½ hours left in his budget-computations. Alas and alack! Peter was in the midst of a piccolo solo when the timekeeper tapped him on the shoulder to say: "Peter, your time is up." The bandmaster valiantly



tried to maintain his artistic poise during the following days when first the oboe, then the traps, then the horn, each and severally, intermittently and periodically, fell before the stop-watch of the ERA timekeeper.

Each Monday morning brought a new week, a "new deal" and a new stretch of "budget hours." Each Monday morning awoke to hear the stirring strains of Souzanian marches, popular airs and medleys artistically smiting the ear-drums of yawning business men who had no business to go to. As the 6-hour, 13½-hour and 22-hour musicians fell before the timekeeper's authoritative commands, the well-balanced band dwindled to a few spot-lights, vacant "first chairs" and other band-stand chairs as the handful of remaining artists blew their last, wheezy breaths into their instruments at the end of the 24-hour budget-week.

Economic planning, Regimentation! In the name of Democracy mumble them words. Page Thomas Jefferson.

### "IT IS CONSTITUTIONAL"

In perhaps the first judicial decision in this nation, the Social Security Act may be declared constitutional. It does not follow that a directly contrary decision, with an equal degree of rationality, may not be made by another mind.

To those who are familiar with the distinction between moral and legal right—particularly after reading the able and conclusive expositions written by Henry George—there comes the realization of an added obstacle to economic justice from judicial decisions. Unfortunately too many people believe that a favorable judgment at once places a mooted question into the realms of righteousness. It is illogically reasoned that when an unbiased court passes judgment upon the validity, or constitutionality, of a man-made law then righteousness no longer is in doubt. Even lawyers—apparently intelligent ones—too many of them—accept this illogical conclusion.

Many intelligent men become lawyers, but not as many lawyers become intelligent men, and there are a vast number of the law profession occupying strategic positions in public office. An even greater number hold the confidence of, and hence influence over, lay minds and their private lives and present and future acts.

To the Georgeists who appreciate the time and toil which must be spent to rectify erroneous thoughts, before society permanently can be established in economic truth, there comes an appalling realization of the colossal task which confronts them even without the almost-daily addition of judicial confirmations of economic error.

As we appreciate the picture it appears that in order to avoid the creation of infinite obstacles to social justice—particularly those which come from our highly respected judiciary and which carry the greatest weight and air of finality—it may be necessary to re-write our national

and state constitutions in such a manner as to forestall further judicial decisions which actually tend to a destruction of the very Constitution itself. Almost helplessly to witness the compiling of daily decisions which can lead to naught but eventual revolution—to visualize the task of re-writing State and national constitutions—presents, indeed, a well-nigh hopeless undertaking. Yet it appears that this task must be accomplished because—assuming that all members of the judicial branch finally learn economic truth—they must still follow the erroneous mandates of our highest law in civil life.

It is at this point that we come to a realization of the puny efforts of mere man to establish social justice. The egotistical, materialistic self-sufficiency becomes conspicuous by its very incompetency, in the emotionally-conceived cures for social ills.

We meekly now turn to the idea that none but God Almighty can rectify our predicament.

We have exercised the power to think and to act illogically—selfishly—enviously, but we seemingly lack the equal and opposite power to rationalize—to be generous—to approve the success of our fellowman. Perhaps we can reach the spirit of humility—the acknowledgement of Divine omnipotence—in no other manner. Perhaps example is superior to precept. Perhaps the Law of Consequence is supreme.

Henry George has acknowledged the superior accomplishments of the Duke of Argyll, notwithstanding the Duke's inferior reasoning in the matter of economics, and the Duke obviously was not without ability to reason in other matters. He says:—

"And here we come on a great subject—the function of Human Law as distinguished from Natural Law . . . the Will of Society (can) operate upon the conduct of its members in two ways—first, directly by authority; and secondly, indirectly by altering the conditions out of which the most powerful motives spring. . . .

The ancient lawgivers were always aiming at standards of Political Society, framed according to some abstract notions of their own as to how things ought to be, rather than upon any attempt to investigate the constitution of human nature as it actually is. It was a mistake in the Science of Politics analogous to that which Bacon complained of so bitterly in the science of Physics. Men were always trying to evolve out of their own minds knowledge which could only be acquired by patient inquiry into facts. . . .

Such are the humiliating results from abstract reasoning, pursued in ignorance of the great Law, that no purpose can be attained in Nature except by legitimate use of the means which Nature has supplied. For as in the material world, all her Forces must be acknowledged and obeyed before they can be made to serve, so in the Realm of Mind there can be no success in attaining the highest moral ends until due honor has been assigned to those motives which arise out of the universal instincts of our race. . . .

But all this comes of thinking that we can be wiser than Nature, and of failing to see that every natural



instinct has its own legitimate field of operation, within which we cannot do better than let it alone. . . .

There are no short cuts in Nature. Her results are always attained by Method. Her purposes are always worked out by Law. . . . Nor can those means be ascertained except by careful observation, and as careful reasoning. . . .

If the upper classes, with all the advantages of leisure, and of culture, and of learning, have been so unable, as we have seen them to be, to measure the effect of the laws they made, how much more must we expect errors and misconceptions of the most greivous kind to beset the action of those who—through poverty and ignorance and often through much suffering—have been able to do little more than strike blindly against evils whose pressure they could feel, but whose root and remedy they could neither see nor understand. . . .

The Speculative Faculty is impatient of waiting upon Knowledge, and is ever as busy and as ingenious in finding out new paths of error as in supplying new interpretations of truth. . . .

In the last generation, and in our own time, the Old and the New Worlds have each afforded memorable examples of the Reign of Law over the course of Political events. Institutions maintained against the natural progress of Society have "foundered amidst fanatic storms." Other institutions upheld and cherished against justice, and humanity, and conscience, have yielded only to the scourge of War. . . .

The Laws of Nature were not appointed by the great Lawgiver to baffle His creatures in the sphere of Conduct, still less to confound them in the region of Belief. . . ."

(\**"The Reign of Law,"* by the Duke of Argyll, 1868)

## The Assessment of Land

BY HON. LAWSON PURDY

(FORMER PRESIDENT OF THE DEPT. OF TAXES AND ASSESSMENTS, NEW YORK CITY)

**T**HIRTY years ago there were few if any books and treatises on the subject of the assessment of land. Since then that lack has been supplied. Thirty-two years ago the Assessment Roll in the City of New York was published and has been published annually ever since. Twenty-seven years ago Land Value Maps were published for the City of New York, have been published annually since, and similar publications have been made in various cities in the United States and in Copenhagen, Denmark.

Reports of State Tax Commissions in the United States contain many references to methods of assessment. Good books on the subject are available. Much of this work was done by followers of Henry George or was stimulated by them.

### LAND VALUE TAXATION

In the United States, Canada, New Zealand, and Australia land has been taxed for many years, the tax being a percentage of the assessed value which is determined at regular intervals. In many places the assessment is annual, in some at intervals of four years. In some

places methods of administration are very good. In many places such methods are poor. Experience is ample. I believe that that experience demonstrates that assessors should be employed on the basis of their competence, to be ascertained generally by competitive civil service examination, that they should be removable only for cause, and that they should be employed continuously throughout the year. The number of assessors depends upon the area to be assessed, the population in the area, the stability or otherwise of values. Where values change slowly one assessor can assess a larger territory with a greater number of parcels than where values change rapidly.

Ever since "Progress and Poverty" was published there has been much discussion as to whether the annual value of land is adequate for the necessities of government. Some used to contend that it was far more than sufficient; others have contended that it is much less than sufficient. It really makes no material difference. What we wish to accomplish by the taxation of land is the acquisition for the public treasury of so much of the annual value as may suffice for the needs of government or as may be obtained, whether it may be sufficient or not.

I think it must be clear to almost anyone that if countries indulge themselves in the luxuries of war and great public debts, land values will be insufficient to pay the bill. I am inclined to believe that with no annual charge for debt and under conditions in which people took care of themselves and did not receive all kinds of help from the state, land values would suffice. After all, it seems that the value of land measures all the advantages of living in a country and naturally should be adequate for all proper public needs. Whether that theory is sound or unsound is immaterial for our purpose. We need claim nothing more than that the site value of land is a publicly produced product and belongs to the public and should be taken for public use.

The discussion of whether land values suffice for public needs is not confined to persons who are not followers of Henry George. Single Taxers hold diverse views and I think many of these views are based on inadequate information and a failure to realize the extent to which the apparent selling value of land is in many places far in excess of the economic value. In the United States I know we have millions and millions of acres of land held at a price for which a few acres may sell. That represents a scarcity value and produces an appearance of value that is a mirage. In a rural section ten acres may be sold for one hundred dollars an acre. In fact it generally is not true that the five thousand acres are all worth one hundred dollars an acre. Each owner is encouraged to think that his acres are worth one hundred dollars because of the single sale. This is true of rural land; it is equally true of the land that surrounds cities, large and small. There is no conspiracy to hold land out of use. Owners of vacant land and idle acres would be glad to sell them for a price. That price is usually based on what some



parcel has been sold for. If an attempt is made to buy a large area of land or acres the price rises as soon as the demand is known.

We are accustomed to base our calculations on the assessed value of land under existing conditions under which it is the exception for the tax rate to exceed 2 per cent of the actual selling value. That tax rate is large enough to do a great deal of good, but not large enough to squeeze out the fictitious value I have attempted to describe.

To what degree, in any town, city, or state the apparent market value exceeds the true economic value, no one knows or can know until we try. We should not base high hopes of large revenue on fictitious values.

Few people realize the extent to which a tax on land reduces its selling value. If the capitalization rate is 5 per cent, a tax of 1 per cent would take one-sixth of the annual value and reduce the capital value by that much. If the annual tax rate should be 5 per cent the value would fall to one-half what it was before, and the tax would consume one-half the annual rent and reduce the selling value by one-half. These examples are given on the basis of economic value, not of the scarcity value we have now. We should have these facts in mind and not indulge in the expectation of excessive revenue from an increasing tax rate on land values. Our tax base will shrink as the tax rate increases.

What I have said is based upon other conditions remaining the same. Other conditions will not remain the same. With each increase in the tax on land values and reduction of the tax on products of labor in the form of buildings or otherwise, industry will be stimulated, it will feel the lightening of the load and the easier access to the materials of production. The larger the production of wealth the greater the value of land.

Many of you know this as well as I, or better. Some of you may think that this stimulus afforded by the relief to industry of taking taxes off the products of labor and increasing the tax on land values will result in a very great increase in the value of land, sufficient to effect the reduction in the scarcity value and even the reduction in the economic value. Whether this result will follow or not we should have the facts clearly before us and not base our hopes on dreams which may not come true. If they do come true, so much the better. Do not count on them.

### LAND ASSESSMENT

Wherever, as in the United States, land is assessed regularly at frequent intervals and an annual tax imposed upon the assessment, the machinery of assessment has been created and is functioning. Usually it can be improved but new machinery does not have to be created.

In countries unaccustomed to the assessment of land at frequent intervals there is an exaggerated idea of the difficulty of making such an assessment. When it is

proposed many think that the task of making an assessment will take years. One of the reasons for that notion, I believe to be the theory that an assessment should determine the value of the interest of each person who owns some part of the fee. If that task be attempted, it is very difficult and an assessment would take a long time. In many places in the United States the assessor is entirely unconcerned with the ownership of the fee and how that ownership may be divided, whether vertically or horizontally.

There is a good deal of land in the United States in one place or another under ground lease. Usually the lease provides that the tenant shall pay the tax. The land is assessed as though there were no lease and the parties are left to determine who shall pay the tax by their own private contracts. The State is not concerned with it. The State is not concerned with whether a property is mortgaged or not mortgaged, with whether the owners are one or many in number. The property is dealt with, as we say, *in rem*. The land is assessed, the tax is imposed upon the land. If the tax shall not be paid, the land is sold by proper procedure and the tax collected.

Where there is no existing assessment, my recommendation would be that for the first few years a very small tax should be imposed, say  $\frac{1}{4}$  of 1 per cent for the first two years and an additional  $\frac{1}{4}$  of 1 per cent every year. Should we ever proceed so far I think 40 per cent is about the maximum we can ever reach. If the capitalization rate of that neighborhood is 5 per cent, a 40 per cent tax rate would take eight-ninths of the ground rent in theory.

The machinery of assessment should be set up. Assessors should be required to use land value maps and they may find it expedient to invite persons interested to appear and give their opinion as to unit values. Let the assessment be made two years after the effective date of the act and a tax be imposed at  $\frac{1}{4}$  of 1 per cent. That is such a small rate that no harm will be done by such inequalities as are inevitable with a new assessment. Opportunity should be given for persons interested to apply for a reduction of the assessment. Knowledge will be gained by the assessor as a result of such appeals. The following year the assessment should be better and so each year the assessment should approach more nearly the actual value of the property.

### UNIT VALUES

In the United States for urban land probably the most common unit in use is a depth of 100 feet, and the value of land is expressed in terms of the value of a parcel 100 feet deep of suitable size for development. There is nothing holy about a unit of 100 feet in depth. Assessors should conform to the practice of the community. In some places known to me lots are normally 125 feet deep. In one place I know the common unit in use is the square foot. That is used but it is understood to mean the

value per square foot for a lot of normal depth which in that community I think is 100 feet.

There are tables in use in the United States giving the normal value of a lot which is shorter or deeper than the ordinary lot. Such tables must vary according to the practice of the community and must vary in different parts of the same community. Experience indicates that the variations are not very great. They do not vary much above or below a norm, a lot 50 feet in depth being worth two-thirds as much as a lot 100 feet in depth. On a business street where small shallow stores are in demand the first 25 feet of the lot may be worth almost half as much as a lot 100 feet deep, whereas in a residential section in which the demand is for lots of full depth a short lot is often a damaged parcel and has less value per square foot than a lot 100 feet deep.

In these matters it is well to be acquainted with the rules in common use but they must be used as servants not as masters, and the experienced assessor must be guided by what is the truth in the particular location. That he can find out from his own experience and the experience of others.

The assessment of corner lots presents a problem which must be solved in the same way as the problem of short lots and deep lots. When two streets intersect each other, being about an equal value, and the demand is for retail shops, the ordinary sized corner lot may be worth twice as much as an inside lot. In certain favored locations it may be worth even three times as much. On the other hand, in a residential area the value of a corner may be very little in excess of the value of an inside lot. These are problems to be solved by intelligence and experience.

In general, I believe that an assessing department should be so administered that the actual work of assessment should be performed so far as possible by men thoroughly familiar with the locality in which they work. An administrative unit might be an area of considerable size containing various sized towns, cities, and rural districts. Under these circumstances so far as practicable men having local knowledge should be selected for duty in each section.

In English-speaking countries the ordinary unit for rural property is the acre. Whether it is an acre or a *hectare* is immaterial; people think in terms of the value of the unit to which they are accustomed.

### CONCLUSION

The sum of the matter is that the assessment of land for purposes of taxation upon its capital value has been carried on in various parts of the world for a good many years. There is plenty of experience to guide an assessing department. There are certain elements common to all countries and to all times. The administration of an assessing department is an art which differs little

from the administration required for any other function of government. It is above all things a human problem. It may be met with reasonable intelligence and diligence and it can be improved progressively year by year.

We know that as taxes upon land increase land will become more and more available for use. As taxes upon the products of labor decrease more and more of the products of labor will go to the producers and more and more prosperity will bless the land.

## Increased Recognition

I HAVE been browsing around book stores for many years with my attention generally gravitating to titles pertaining to economics or business. Thumbing through pages, in recent years, I have been accustomed to see chapter headings such as: money, social planning, price system, the business cycle, collective bargaining, etc.

Last fall I was pleasantly surprised in looking through a book entitled, "Creative America," by Mary van Kleeck, of the Russell Sage Foundation, to see Henry George's name favorably mentioned.

Another book that is of interest to Georgeists is Ida M. Tarbell's book, published last November by The Macmillan Co., entitled, "The Nationalizing of Business, 1878-1898." Miss Tarbell starts on page 118, gives a biographical sketch of Henry George with various comments and concludes on page 125 with a reproduction of a photograph of Henry George.

She quotes from the New York *Herald* reference "Progress and Poverty," ". . . it has had no equal since the publication of 'The Wealth of Nations,' by Adam Smith, a century ago, or, at least since Malthus formulated his theory of population and Ricardo his theory of rent."

A statement which she makes that will be encouraging to Georgeists is: "There is no place in the thinking world where he is not still read, where he has not followers. He is inextricably woven into the liberal thought of the world." She also mentions John Dewey's opinion of Henry George.

In the latest economics catalog of The Macmillan Co. is a book that caught my attention. It is: "Pioneers of American Economic Thought in the Nineteenth Century," by Ernest Teilhac, Professor of Political Economy, St. Joseph's University, Beirut, Syria. It is translated by E. A. J. Johnson, Assistant Professor of Economics, Cornell University, New York, and published 1936, 187 pages.

Quoting the catalog: "Through a detailed analysis of the work of Daniel Raymond, Henry C. Carey and Henry George, Professor Teilhac has made way for a greater appreciation of what American economists have done in building an essentially American economic philosophy."

The other day I saw the following three books in each



of which Henry George's ideas, on the whole, are rather favorably mentioned, or at least seriously considered.

Just published is: "Facing the Tax Problem," "A Survey of Taxation in the United States and A Program for the Future." It was prepared under the auspices of the Committee on Taxation of the Twentieth Century Fund, Inc., New York; Research Director being Professor Carl Shoup of Columbia University and Assistant Research Directors being Professor Roy Blough, University of Cincinnati, and Professor Mabel Newcomer of Vassar College.

The Single Tax is mentioned on pages 138, 151, 152, 272, 274, 275, 290, 291, 396, 411 and 546. The book contains 606 pages. The following are a few brief extracts from statements made:

On page 138: "If apportionment of direct taxes were not required, the experiment of a modified 'Single Tax' might be tried on a national scale."

On page 151: "The opposition to the Single Tax has been largely based on the grounds of justice and inadequacy of revenue. It has been so effective that the Single Tax in its pure sense is not an issue anywhere in the United States."

On pages 290-291: "At the moment the tax gives no indication of being an important political issue in the United States except possibly in a few states where it is linked with other measures."

On page 396: "The economic possibilities of a distinction between land and improvements under the real estate tax are extremely important. Lighter taxation of improvements, in contrast with lighter taxation of land, apparently promotes production. . . . If the public demands further substantial reductions in the property tax, the question will become acute. Meanwhile, we must suspend judgment because of lack of information on the relative effects."

On page 411: "From the point of view of justice alone, we can see little or no appeal in the Single Tax for the United States at the present time . . . and increment taxation is certainly worth more of a trial than it has been given, but it might be incorporated as part of an excess profit tax. In framing it, care should be given to pay due regard to innocent vested interests."

Published this year by F. S. Crofts & Co., New York, is: "Getting and Earning," 274 pages, by Professor Raymond T. Bye and Ralph H. Blodgett, both of the Department of Economics, University of Pennsylvania.

The authors devote an entire chapter to Henry George's philosophy. This chapter is titled, "The Fruit of the Soil," and continues from pages 87 to 121. The following extract gives an indication of how they feel on the subject: "The rent of land is so obviously an unearned income, and it contributes so greatly to the problem of inequality, that some action to deal with it is clearly called for."

"American Political and Social History," 772 pages, by Harold Underwood Faulkner, Professor at Smith College, published by F. S. Crofts & Co., New York, is another new book. Henry George is mentioned on pages 468, 490 and 574. Professor Faulkner makes the following statement that should interest Georgeists: "If any date is to be picked for the start of a strong anti-monopoly movement in this country, it might be 1879, the date of the publication of Henry George's 'Progress and Poverty.'"

At the main branch of the New York City Public Library, circulation division, I noticed on a shelf under "new books," Gilbert M. Tucker's "The Path to Prosperity," reviewed in LAND AND FREEDOM last year. The covers were well worn and the borrowers' card inside showed that quite a goodly number of readers had taken it out to read.

All this may be an economic straw showing the way the wind may blow in the future towards Henry George's philosophy. Behind it may be the reaping of Georgeists' efforts or it may be that those that cannot swallow the collectivist philosophy are beginning to realize that there is nothing else that will really solve, "man's inhumanity to man," except the solution as outlined by Henry George.

—H. ELLENOFF.

## "Tammany"

ABOUT sixty years ago when I was a boy of ten I first heard of Tammany Hall, the great Democratic organization of New York City that "Boss Tweed" of that day made famous.

This particular boss was followed, as I remember it, by Boss Croker. Then Boss Murphy and all the rest of them down to and including Boss Curry written about in such lively fashion by Walter Davenport in *Collier's Magazine*.

In the half century and more since I heard about the evil deeds of Tammany, I have witnessed no change. They are all alike both as to charges and net results; the upshot of the whole matter is of course a nullity.

There will be no substantial change, for the good and simple reason that all of the writers are attacking and have confined their attacks to effects only, never to causes.

Davenport's criticism relates to pay-roll stuffing and superfluous office holders. Now what does all this hullabaloo amount to? Just a little less than nothing at all. Have all of the prosecutions of political bosses accomplished anything? The answer is no. Would American political life be improved if every political boss were sent to Leavenworth or Atlanta? Or even if they were electrocuted? Has there been any notable change in the crime situation since Capone went to prison? We are a superficial lot and in economic matters almost wholly illiterate.

Imagine if you can what would happen in New York City if every superfluous politician were eliminated. Would it improve business either wholesale or retail? It would not. Would it increase wages? It would not. On the contrary it would tend to lessen wages by increasing the competition for jobs in industry. Do the newspapers and magazines of this country take issue with these pay-roll grafters because they are parasites? They do not, because in the same issues of the newspapers which ventilate the exploits of Tammany and its parasitic dependents and job holders you can see the doings of the parasitic upper class with their sons and daughters at Biarritz, Miami and Hawaii. The real reason for the opposition to Tammany is subterranean. It is always hidden. Hypocrisy and Cant are the distinctive characteristics of upper class society here and all over the world; they never give their real reasons which are personal and financial. They camouflage their campaign with clever appeals to middle class, church-bred, morality. It is, however, you will notice, if you look closely a personal morality, they never discuss *institutional morality*. That would endanger their grafts. The salaries of these disreputable pay roll brigadiers do not come out of wages, or that portion of wealth which goes to reward useful work. They are paid out of rent, ground rent for the use of the earth. If the pay-rollers were eliminated entirely, it would lessen by millions the costs of city government. That means that taxes would be less and since the selling or sales value of land is the *untaxed value*. If the pay-rollers got less, the landowning grafters would get more. This is the real, not the alleged reason for "opposition to Tammany." Hypocrisy and institutionalized theft are always found in the same place, they are twins.

Tammany helps a great many poor people. The landed class hurts them and it robs them. Tammany gets its votes and holds political power by countless good deeds which shine like stars in a naughty world.

Tammany grafts on the rich and gives a part of its loot to the poor; that is why it is popular. The landed class as such does nothing. Its function is not to create but to absorb. It is the one supreme social vampire.

It can and does capitalize every individual and social virtue against those who possess and exercise such virtues.

It is the only agency in civilized society which can and does with uniform and relentless certainty capitalize everything which separates the present from the past, everything savoring of virtue and good intent, every invention and new process, every increase in fertility, every civic improvement, every cardinal virtue against those who possess these virtues. It is the one and only interest which can fry the multitude in its own fat and make them furnish the fuel.

It is the one supreme and universal interest which opposes any fundamental discussion of our social difficulties. It discusses symptoms only.

This is the interest which in all countries foment war, there are no limits either to its greed, its graft or its ignorance. It was born in the past, it belongs to the past, it is wedded to the past. It is faced towards the past and it has a sodden history. Territory and tariffs are its inevitable quarry. It is a foul thing, it comes from the Kings and has no place in the affairs of a free people. A privileged class are a curse to any country and we have laid the foundations for a privileged class here just as has been done elsewhere and it is by this that we are undone.

What a colossal chasm there is between our pretensions and our practices.

We pretend to freedom and we practice slavery. We laud liberty to the skies and take narrowing industrial opportunities for granted.

We excoriate Tammany and pay tribute every day to the very thing and the only thing which gives Tammany power, revenue and importance. We shout, "Down with the political boss" and then proceed to make the political boss invincible. We are a nation of braggarts and economic lilliputians.—H. H. HARDINGE.

## Death of John D. Rockefeller

AS we go to press, comes the news of the death of John D. Rockefeller and we note the laudations in the various papers. Some of the praise, perhaps much of it, is merited, but, in evaluating his life and his earlier years and methods, we recollect the words of Herbert Spencer which we quote: "At what rate per year does a wrong become a right?"

True, at some time, possibly forty years ago, John D. Rockefeller ceased to follow his earlier practices and since then while only taking advantage of the legalized system, has given much away. Will the recording angel recognize a change of heart and will that change atone for the many broken hearts and homes and fortunes of years ago? Does the Creator preside over a bankruptcy court and discharge without full payment, or is he, as author and personification of unchangeable law and justice, the essence and totality of wisdom and love? If a change of heart absolves the perpetrator what has been done in equity for the victims?

IF I go this night where I may over the civilized world, I would find men who would gladly clasp hands with me—if it has been given to me to help forward a great movement—it is through no merit of mine; it is not from my energy; it is not from my learning; it is not from my ability—it is from the simple fact that, seeing a great truth, I swore to follow it.—Speech by Henry George in Sydney, Australia, March, 1890.

OUR readers get four extra pages in this issue, thirty-six pages in place of the usual thirty-two.



## Glad Tidings From The Schalkenbach Foundation

IT is our happy privilege to announce a new printing of ten thousand "Progress and Poverty"—the tenth from the plates produced by us in nineteen twenty-nine, and the largest we have ever undertaken. This makes thirty-seven thousand copies of "Progress and Poverty" published by the Foundation.

Also new from the press is "Protection or Free Trade?"—the fourth printing financed by us. These, too, are moving rapidly, and the message of "Laissez-Faire" is carried to the far corners of the earth.

The Henry George Foundation of Australia placed a large order with us recently, and six hundred and eighty books, with a variety of pamphlets, started on their long journey to Melbourne. Included were one hundred "Progress and Poverty" and a like number of "Protection or Free Trade?"

A campaign among a picked list of college professors has resulted in a number of orders, some of ten books each for classroom use.

The windows and counters of the bookstores offer a valuable media for advertising the name of Henry George and an excellent means of getting books into the hands of new readers. These warm evenings the pedestrian pauses before the attractive window and discusses with his companion the titles displayed there. If he does not buy then, he will do so the next time he sees the book—or the time after that—when, perhaps, some chance remark, or something he has read somewhere, develops the germ of curiosity into a desire to "know." We are getting out, now, a letter to all the bookdealers in the United States of whom we have any knowledge, and Mr. Miller has very kindly turned over to us the back cover of this issue of LAND AND FREEDOM so that we may tell our friends how they can help to bring the orders in.

One of the most constructive suggestions to reach us was contained in a letter received recently from Cleveland, Ohio. It said: "Single Taxers should see to it that there are good, clean, new copies of the latest edition of 'Progress and Poverty' in their local public library. Even a small city library can use at least five copies. There are sixty copies in the seventeen branches of the Cleveland Public Library system—all in good condition—and fifty of them are in constant circulation. There is no more profitable, fruitful contribution to the Single Tax cause than presenting new, clean copies of Henry George's 'Progress and Poverty' to the local public library."

An Associated Press reporter came into the office a week or so ago, having first had a long talk with Mr. Miller. He purchased "Progress and Poverty" and the "Significant Paragraphs." We lent him some material from our library and gave him a selection of pamphlets

that covered practically all angles of the land value taxation question. As a result, in hundreds of newspapers throughout the United States articles are now appearing about the Single Tax. We quote below from the Asbury Park *Sunday Press* of May 2, 1937:

### "SUPPORTERS OF SINGLE TAX FACE FIRST TEST IN 1938

"The Single Taxers are back on the political warpath. Their campaign slogan—'Abolish all taxes save that on land'—again is being spread abroad. After many years of slow eclipse, they are building up toward what they hope will be national power equal to or stronger than the influence they wielded half a century ago.

"Their first test of strength will come in California in 1938 on a bill to substitute a land tax for the existing California sales tax and other state levies.

"Henry George became famous in 1879 by outlining the theory in a book 'Progress and Poverty.'—He traveled over the world preaching the Single Tax gospel, which was this: Land is the basis of all wealth, since labor can produce only when it has land to work on. The value of land grows not because of anything the landowner does but because of the growth of the community. A frontier settler can set up a home in the wilderness, but it does not become valuable as real estate until a town grows up around him and business develops. Since this is true, all the needs of government should be financed by a Single Tax on the 'use value' of land. The tax should vary with the location of the site. If the property were in demand for business purposes, it would be worth more than if it could be used only for a small home.

"George contended that such a tax would end land speculation.—Labor would benefit, George held, because land would be cheaper. Wages would rise because there would be no taxes or licences to discourage the little fellow from going into business for himself if he could not command a satisfactory wage as an employe of another. And the business man, free from business taxes, would have more money to pay his employees.—

"Joseph Dana Miller, friend and colleague of Henry George, remained in a tiny office near old Park Row to keep a spark of life burning. Every two months he wrote and sent out a magazine, LAND AND FREEDOM. Miller still sends his tax message today. But he is no longer alone. The DuPonts and the Wrigleys contribute to the movement. Across the way, on Park Place, is the Schalkenbach Foundation, set up in 1925 to spread Henry George's idea. Up on 79th Street is the headquarters of the Henry George School which stretches from New York to San Francisco and had 10,000 graduates last year.

"Miller will tell you that the Single Tax influence has been steadily growing during the years of silence; that through the period when interest seemed dead."

V. G. PETERSON, Acting Secretary.



## What is Interest?

BY RAYMOND V. McNALLY

**I**NTEREST is commonly referred to in much the same way as the terms "money" and "property"—glibly, without any definite understanding of what it really is and what causes it. Interest is the return for the use of capital," people say, believing that with this simple assertion they have completely disposed of the matter. If pressed to explain the cause of interest, they amiably accept any plausible theory with the comment that interest is of no great importance anyway. Many Georgeists, confident that they know the whole truth because of their acceptance of Henry George's correlation of the law of rent and the law of wages, also assume this unscientific attitude, without realizing that such complacency is dangerous in the light of the confusion relating to economic matters that pervades the world today. As George insisted upon treating economics as a science, they are actually violating the trust that he reposed in those who followed him to carry further the application of the general principles that he laid down, wherever necessary. To many people, the Marxists particularly, the question of interest is highly important and any unscientific explanation of it tends to discredit in their minds even the law of rent and the law of wages.

Some Georgeists blindly accept George's law of interest without fully understanding it, as one might a religious tenet. Others profess belief in it but under pressure of discussion, reveal a belief in something entirely different. Still others, while frankly rejecting his theory, are seen to hold various other ideas that fail to stand up under examination. Is it not significant that while there is a general agreement among economists on the law of rent, there is none on the question of interest? The interest problem has plagued the human race from ancient times right down to the present day, and although an enormous amount of literature has been written on the subject, it has not yet been satisfactorily solved. Obviously the failure to agree is due largely to a confusion of terminology and a misuse of words. Now, I am well aware of the fact that the subject of interest cannot be treated thoroughly in the limited space of a single article, and it may be that I shall not do full justice to the different theories and the various phases of each that have been advanced by many different economists. Yet all of these theories cannot be correct. While each is based on a different principle, in some respects they are quite similar. Therefore, I shall confine myself to a discussion of a few of the more prominent theories, disclosing the errors that are peculiar to each and pointing out the fundamental error that is common to all of them.

Let us begin by stating what economists mean by interest. It is the income that accrues to all capital in the production of wealth, regardless of its nature, above

its replacement value. It includes all returns from the use of capital, whether the capital is used by the owner or borrower, but excludes compensation for risk and for wear and tear obsolescence. We are not seeking the cause of any particular rate of interest but of the *general* rate of interest. Thus, we must view capital in the general sense, that is, as it relates to the community and not to an individual, for the income that an individual may acquire from the use of his capital might not add to the sum total of wealth. Wealth consists of tangible goods produced by labor when applied to land, and capital represents that part of wealth that is not consumed immediately but that is employed by labor in order to obtain more wealth. We must be careful to avoid at the same time any reference to whether interest is right or wrong until after we have reached our conclusions, for economic science is not concerned with the question of morals.

The phenomenon of barren capital yielding a return to the lender who rendered no service for it first engaged the attention of philosophers—Plato, Aristotle, Cicero and others—who condemned it as unjust. After the collapse of Rome, the Roman Catholic Church continued the attack on it and so strong was its authority that legislation outlawing it was passed throughout all Christendom. Not concerning themselves in the least with any logical analysis of interest nor with determining the exact cause of it, the protest of the canonists, like that of the ancient philosophers, was steeped entirely in considerations of justice and benevolence, for they were aroused by what they considered the injustice of inanimate things enjoying a continuous existence and in addition yielding an increase to those who did nothing to earn it.

During all of this time, however, in spite of the ecclesiastical denunciation and the civil laws, the phenomenon of interest persisted in industrial life, because it was a natural part of the economic organism and could not be abolished by men. The canonists found it imperative, therefore, to support their hostility with something more than appeals to the sacred writings of the New Testament and those of the famous philosophers. Thomas Aquinas was probably the first of the Church fathers to take a theoretical approach to the problem by refuting the idea that there was an independent use of capital, that deserved a reward, aside from its actual consumption. But like those who followed him, his pronouncements were little more than an appeal to the moral aspects of the problem, for he did not explain the phenomenon of interest. Despite the inadequacies of the canonists' arguments, however, they seemed to be strong enough to hold their opponents in check. Calvin, the reformer, one of these opponents, justified interest on the grounds that the lender could put his money into land which would yield him an income, overlooking the fact that the interest rate would first have to be determined before the selling value of the land could be computed. Weak as the arguments of the opposition were, they did influence



thought and encouraged others to carry on the work of criticism.

The persistence of the phenomenon of interest in economic life and the lessening of the authority of the Church that resulted from the religious and political upheavals during the middle ages, permitted economists to write freely on the subject purely from the economic angle. Very few of them approached the problem, however, with entirely open minds. Most of them accepted interest as a fact, and their inquiries (with the exception of the Rodbertus and Karl Marx school of writers) consisted in strenuous efforts to justify it. None of them thought of questioning its reality—not even the socialist.

The simple claim that interest is the reward for the use of capital has been developed by some economists into very elaborate theories that have been achieved through a process of mental acrobatics, and any attempt to follow their long-winded and tortuous dialectics leaves one well nigh exhausted and almost incapable of further thought on the subject. The Say-Hermann school assumed in the case of the loan of capital that what was transferred to the borrower was not the capital itself but an independent use of the capital. The payment for the use of the capital was said to be interest. For instance, if A lent B a plow for a year and at the end of that time received back a new plow to replace the one that was worn out and part of B's crops as well, it was assumed that A received back the same plow he had lent and that the crops represented interest or payment for the use of that plow. But it can readily be seen that B had not only the use of the plow but the plow itself, and that what he returned to A was not the same plow but another equally as good. In other words, B wore the plow out during the year by using it and paid for the use of it by returning a new plow to A. What then can we regard the payment of part of his crops to represent? Surely we cannot assume that there are two distinct uses attaching to the loan of the plow. The using of it is the same thing as its consumption. If B instead of borrowing had bought the plow, he would have paid A at once a value that was equivalent to a new plow equally as good; but when he borrowed he paid A not only a new plow of equal value but part of his crops as well. Why? If it is said that this additional payment was for the delay in replacing the plow, then we are attributing interest, not to the use of the plow, but to the element of time, which is an entirely different matter. But inadequate as the use theory obviously is, as an explanation of interest, it leads us directly and indirectly into other theories.

One of them is the Abstinence theory of which N. W. Senior appears to be the originator. According to it, interest is the reward for abstaining from the immediate consumption of the results of one's labor. But abstinence in itself is not productive. It is a negative quality. If a man saves the fruits of his labor in the form of money

and keeps it locked up in a tin box, he has exercised as much abstinence as though he had lent it, yet he will expect no increase from it. It is said that when a man accumulates capital and lends it to another, he has rendered a service. But does not the second man render a service also by keeping it safely and returning it intact? In fact, the second service may be greater than the first. If the first man retained his capital, he would have the trouble of caring for it. It would deteriorate otherwise and eventually disappear. Capital, therefore, to be maintained must be used, and the borrower pays his debt in full when he replenishes or replaces the capital and returns it to the lender. The use is offset by the replacement. If the borrower must pay an additional sum as interest, is he not robbed? So the Marxist believes, who insists that interest accrues at the expense of labor. In my opinion, those who hold the Abstinence theory do not sufficiently meet the arguments of the Marxist.

Senior claimed that abstinence was a factor in production and that indemnification for the sacrifice involved in it was an element in the cost of production. In other words, capital is the result of two kinds of sacrifice—one involved in the labor directed to its production and one involved in the postponement of present enjoyment. This is obviously a double calculation. To make this point clearer, let us suppose an owner of capital uses it himself to produce more wealth. Out of the wealth produced, he pays himself wages for his labor and compensation for the effort he exerted in making the capital, which consists merely of its replacement value. Now, if he claims an additional sum for having abstained in the first place from immediately consuming his wealth instead of accumulating it in the form of wealth, he is overlooking the fact that without the aid of the capital his wages would not have been so great. He can include one or the other sacrifice in the cost of production but he cannot include both.

Our contemporary, Prof. Harry Gunnison Brown, in a discussion of interest in his "Economic Basis of Tax Reform" unfortunately falls into a similar error. He states on page 32 that an added annual output of industry is made possible by that person or persons "whose saving, whose excess of production over consumption, brought the capital into existence." He recognizes that savings of the individual are the result of an excess of production over consumption—in other words, that savings and excess production are one and the same thing. Yet he seems to overlook this fact when he insists that the individual receive not only wages for that excess production but also compensation or interest for the savings. Now, savings of course explain the existence of capital but they do not explain how interest arises. It is true, as Prof. Brown points out, that labor can produce more with capital than without it, but to insist that the increase

or any part of it is due to the owner of capital, is to assume that the person who uses it is not capable himself of saving part of the results of his own labor; that saving is the result of superior qualities or of a superior technique. This then would make the question one of wages and not of interest. If it is claimed that some people cannot afford to save, that they are forced to consume all that they produce and that, therefore, those who are in a more fortunate position render a real service by making their savings available for use in production, then what we are discussing is not capital but monopoly. It is only fair to point out here that Prof. Brown admits in his earlier book, "Economic Science and the Common Welfare," that saving is not limited to one class but is open to all and that those who use capital can save themselves and become the owners of their own capital. He concedes that some people would save even though there were no prospect of reaping a reward—for their old age and future security. He knows, too, that some people find it easy to save, while others find it hard, regardless of whether they are rich or poor. Yet those who find it hard to save receive no greater return on their capital. The millionaire does not suffer as much pain as the poor man when he saves—in fact saving might be a real pleasure—and realizing that the phrase "pain of saving" is rather too strong to apply generally, Prof. Brown chooses to use the expression "impatience" or "time-preference." At the same time, he perceives that "impatience" or "time-preference" varies with different people and that because of its lack of universality, it cannot serve as a reliable basis of interest. Consequently, he narrows the element of "impatience" down to that of the "marginal" saver—that is, the person who will not save unless he receives a compensation for so doing—and assumes that if it were not for this "marginal" saving, there would not be sufficient capital furnished for profitable enterprise. This is an arbitrary assumption, for it can be claimed with equal assurance that this "marginal" saving furnished rather too much capital. Interest then is regarded here as being caused not by all abstinence but only by that of the "marginal" saver; and although he has tried to avoid making the question one of monopoly, he has gone right around in a circle and met himself coming back, so to speak. In other words, the "marginal" saver holds the balance of power and the socialist's claim of exploitation, according to this reasoning, is sustained.

Realizing the weakness of his position because of the negative character of abstinence, Prof. Brown has sought to save himself by attributing interest directly to the productivity of capital. By the productivity of capital he does not mean that capital possesses the power to reproduce itself plus an increase but that labor can produce more with the aid of capital than without it, and this increase is interest. This is merely an assertion, for

although Prof. Brown has devoted 36 pages in his "Economic Science and the Common Welfare" to a discussion of the cause of interest, he has succeeded only in showing how capital is accumulated and how capital aids labor. But although he has not proved interest, he proceeds to show how various psychological factors influence the rate of interest to such an extent that the whole increase in production due to the use of capital might not necessarily go to capital. Here he brings in another element—the element of time—by estimating the desirability of present goods (which could be bought with one's savings) as compared with future goods (the product obtained with the use of capital). And although he is aware that no two men necessarily act alike under similar circumstances, he attempts to draw a general principle from probabilities, clearly revealing the influence exerted on him by Jevons and the Austrian economists. Thus his theory of interest appears to be a curious, eclectic blending of the Abstinence, Productivity and Time theories.

The Time theory, as developed by Eugen V. Böhm-Bawerk, briefly is this: Present goods are valued more highly than future goods. For instance, \$100 now is equivalent to say \$105 a year hence, the difference being interest. But it is not at all conclusive that present goods are always valued higher than future goods. It depends entirely on individual feelings. \$100 a year hence might seem to me to be much more desirable than \$100 now, if I had no immediate use for it but did contemplate a very important use for it in the future. If I did require an additional \$5, it would be because I wished to be compensated for the risk involved in waiting a year before I used my money, but this would not be interest. This Time theory is based on the utility theory of value which means that a thing derives its value from the intensity of individual desire measured by its marginal or lowest degree of usefulness. But marginal utility differs in the case of individuals. No matter how strenuously Böhm-Bawerk strives to make his value theory stand on its own feet, he is forced time and again to admit that the marginal utility of a thing depends in the last analysis on its scarcity which involves, as we know, human exertion. Human exertion stands supreme in this case, for while utility may be measured by exertion, exertion is never measured by utility. Desire cannot be measured in itself but only by the resistance it will overcome and this resistance to the gratification of desire is the pain of exertion. Therefore, the value of a thing depends not on its marginal utility but on the amount of exertion necessary to produce a similar thing. The futility of trying to draw a general principle from psychological probabilities is clearly shown in both the Abstinence and Time theories of interest. This probably explains why Böhm-Bawerk used so much space in his "Positive Theory of Capital" in his attempt to prove his point, for his book reads more



like a treatise on psychology than a discussion of economics. But while psychology might aid us in explaining certain relative economic phenomena (such as why one occupation will pay a higher wage than another), economic science has nothing to do with the purely subjective feelings and desires of individuals, from which no absolute laws can be deduced.

The Productivity theory, which we shall now consider, has always been a popular one because at first glance it appears so plausible. That labor can produce more with capital than without it seems self-evident and so its adherents ascribe the increase to the power that resides in capital. As to just what this power is or where it comes from there is no clear idea. Before proceeding, it might be well to determine what the "productive power" of capital means. There are two possible meanings. It may mean that capital aids labor to produce more goods and that such goods have more value than the capital consumed in their production, the increase being interest. There is no denying the fact that labor can produce more goods with the aid of capital than without it, but in order to prove interest, we must show that the value of these goods is greater than the capital consumed in their making. It does not necessarily follow that a greater quantity of goods is more valuable than a smaller quantity. Such a claim would have to be demonstrated. Let us suppose that A can catch 3 fish a day with his bare hands but finally decides to spend a day to make himself a fishing pole which will last the five days of a six-day working week. With this pole he can catch 10 fish a day, so that at the end of the five days when the pole will be worn out, he will have 50 fish and will take the last day to make himself a new pole. Without the pole he could only catch 15 fish and so he has gained an increase of 35. The productivity theorists assume that this increase is interest, and if the 50 fish represent a value greater than that of the 15 fish caught with the bare hands, this would be true. But no more exertion was required of A to catch 50 fish with the pole than to catch 15 with his bare hands. As value is measured by exertion and nothing else, the 50 fish is equivalent in value to the 15 fish and there is nothing left for interest. But it may be said that if A had lent his pole, he could have procured an increase from it. Let us assume then that A lends his pole to B for a week instead of using it himself. At the end of the five days, B will have 50 fish and will take the last day to make a new pole to return to A. Has B gained at the expense of A by this transaction? A in the meantime has taken the first day to make himself another pole which would last five days. At the end of the week he will stand in the same position as though he had not lent his pole—namely, 50 fish and a new pole which he received from B. B, on the other hand, if he had borrowed, could have made a pole for himself. It must be assumed of course that B is able

to make a pole as well as A, for otherwise our illustration would be one of superior skill and not of capital, and the question would be one of wages and not of interest. He would use the pole for the five days it would last and have 50 fish, exactly the same number he would have had if he had borrowed. Thus, B has gained nothing to the loss of A and need not pay any interest and A has gained no increase from lending. Where and how does interest arise then?

The other meaning of the "productive power" of capital is this: Capital possesses a power in itself of producing more value than it has in itself. Capital of course is productive because it enables labor to produce goods more efficiently, but that is a different thing from asserting that capital enables labor to produce more value. Capital in the physical sense, being the product of land and labor, consists of both natural and human powers. What gives rise to the value of capital, however, is not the natural power but the human power therein which manifests itself through actual exertion when the capital is used. For that reason then and despite the fact that George Gunton in his "Wealth and Progress" ridiculed the idea that capital was "stored-up labor" (human energy could only be stored up in a human being, he said), we are safe in saying, in the value sense, that capital formulation is the storing up of labor in concrete form. But by no stretch of the imagination can we say that when this energy is released through the use of the capital a value is created greater than its own value, and, therefore, we cannot explain interest by adopting this particular meaning of "productive capital."

If Henry George had attacked Bastiat's celebrated illustration of the plane in "Progress and Poverty" from the standpoint of natural interest instead of loan interest, he might never have chosen the reproductive forces of nature as constituting the cause of interest, thus avoiding the violation of some of his own fundamental concepts. In the first place, he had insisted time and again that capital was not an independent factor but the product of labor and that labor was the only active factor. Secondly, he had overlooked the fact that he had definitely named labor as the only source of value and that to attribute any value creation to the natural powers was a contradiction. Furthermore, in his illustration of the calf growing into a cow, he appeared to assume that the borrower was not in a position also to avail himself of the natural forces, making the illustration, therefore, one of monopoly and not one of capital. If the borrower had free access to nature, he could have produced a calf as well as the lender and cared for it until it had reached maturity, so that any increase due to nature would have been absorbed and freed him of the necessity of paying interest. His statement that if wine were put away, at the end of the year it would have increased in value because of the improved quality unfortunately confused



economic value with use value. He pointed out in his "The Science of Political Economy" that the value of a thing was not intrinsic—that is, it had nothing to do with its substance—but was due to the amount of exertion that would be required to reproduce it. The increase in the value of the wine was not due to its improved quality but to the labor expended in its production, for if a man makes wine and puts it away, his production has not stopped but continues—for waiting is a part of human exertion—until the end of the year. And even though the natural forces were capable of creating a value, George did not prove that the cow was any more valuable than the calf plus the action of nature, plus the labor expended in caring for it. It was merely an assertion. He was arbitrary also in assuming that the plane in Bastiat's illustration contained no vital force of nature, which helps man to produce. What is the difference between the reproductive force of nature in plant and animal life and the chemical and geologic forces in such things as poles, concrete, planes and machines? Isn't water power, for instance, a force outside of man himself even though it is not reproductive in character?

The error in all of this, however, is akin to the error of the Austrian economists in bringing psychological factors into economics. Economic science is not concerned with how nature helps man to produce wealth, for it has nothing to do with the physical laws of production. It is interested only in the laws of distribution which are based on a fundamental law of human nature, that men seek to satisfy their desires with the least amount of exertion. But while it may be said that this law is psychological and physiological, it is not peculiar to these sciences but is a universal law—the law that motion tends to seek a straight line or the line of least resistance—and is, therefore, common to all of the sciences, such as mathematics, chemistry, physics, geology, and biology.

The various schools of thought regarding interest have attempted to deduce a general law from a relative concept. Capital is not an independent factor like land and labor, for it can be received into both of these. Land and labor are absolute concepts and the returns that they yield must necessarily yield absolute returns. On the other hand, capital, being a relative concept and representing only a use to which wealth is put, must necessarily yield relative returns. As absolute returns and relative returns cannot logically stand on a parity with one another, it is incorrect to say that wealth is distributed into rent, wages and interest. Strictly speaking, wealth is distributed only in two ways, namely, rent and wages, and the only laws with which economic science is concerned then are those of rent and wages. We can no more deduce a general law of interest than we can deduce a general law of particular wages. The phenomenon in economic life that appears to be interest but which economic science is not able to locate is very likely nothing

else but compensation for risk, a relative return to capital analogous to the return that equalizes the hazards and disagreeableness of various kinds of labor. When a man locks his money up, he does so because he fears the risk involved in lending it. When he lends it, he demands not interest in the economic sense but compensation for risk. It is interesting to note that Böhm-Bawerk on page 423 says that "the greater security of the investment, again, and the prospect of future rise in value, keeps the rate of interest in immovables low; and considerations closely akin to this account for the present lower return of interest on state bonds, preferences, etc. payable in gold as compared with those payable in silver or paper," so that it seems in spite of the fact that he believes there is such a thing as interest, he is forced to link it up with the compensation for risk, and that compensation for risk varies according to the different employments of capital appears to support the conclusion that the return to capital is not absolute but relative. The burden of proving that there is such a thing as interest in the economic sense, therefore, and that it is unjust, rests entirely with the Marxist and other opponents of interest.

## Chicago vs. New York in the Henry George School

AT this writing the score of classes seems to favor the Big Town. Considering the time advantage—New York started two years before Chicago—the Windy City should really be given all the hosannahs. This, the New Yorkers are quite willing to do, since in this game of starting and conducting classes, the loser is as much a winner as is the winner.

A full report of the classes started in various parts of the country should be given in this issue of LAND AND FREEDOM, for the school year closes July 1. But the clerical force at headquarters has been so busy planning and doing that the record of things done has suffered. We hope to have a complete report for the next issue.

But a picture of what can be done in every city is seen in the attached lists of classes now operating in our two big cities and environs. Wherever there is a Georgeist who wants to do it a class can be organized. The telephone book is as good a list of possible students as any. Some place can be located for holding the class. The class announcements are furnished by school headquarters. A Teachers Manual, some classroom helps—and away we go. It's just as simple as that.

NEW YORK CLASSES NOW OPERATING AT  
NATIONAL HEADQUARTERS, 211 WEST 79TH  
STREET, NEW YORK

(These are classes in "Progress and Poverty" only.



There are, in addition, three classes in "Protection or Free Trade?" two Teachers Training classes, and one class in the Science of Political Economy.)

1. Mon. 4:30 P. M. Robert Clancy
2. Mon. 7:30 P. M. L. M. Greene
3. Mon. 7:30 P. M. R. V. McNally
4. Mon. 7:30 P. M. Frank Chodorov
5. Tues. 4:30 P. M. Miss T. McCarthy
6. Tues. 7:30 P. M. Charles Jos. Smith
7. Tues. 7:30 P. M. A. P. Christianson
8. Tues. 7:30 P. M. Frank Chodorov
9. Wed. 7:30 P. M. Morris Forkosch
10. Wed. 7:30 P. M. Ezra Cohen
11. Thu. 7:30 P. M. Max Berkowitz
12. Thu. 7:30 P. M. Morris Forkosch
13. Fri. 7:30 P. M. George Quigley
14. Sat. 10:00 A. M. Helen D. Denbigh
15. Sat. 2:00 P. M. Helen D. Denbigh
16. Sat. 2:00 P. M. Arthur N. Seiff

#### EXTENSION CLASSES IN NEW YORK CITY AND VICINITY

1. Wed. 8:00 P. M. Students' residences, Port Washington, L. I. Heman Chase.
2. Mon. 8:00 P. M. Room 106, High School, Tenaflly, N. J. H. A. C. Hellyer
3. Tue. 8:00 P. M. Court House, Clifton, N. J. Stephen Bell.
4. Fri. 5:00 P. M. Y. W. C. A., 179 W. 137th St., N. Y. C. Mrs. E. L. Maxwell.
5. Fri. 7:30 P. M. Northport High School, Northport, L. I. Heman Chase.
6. Fri. 8:00 P. M. Room 22, Newark Univ. Bldg., 40 Rector St., Newark, N. J. Dr. E. E. Bowen.
7. Tue. 8:00 P. M. Y. M. C. A. Bldg., 107 Halsey St., Newark, N. J. Alex. M. Goldfinger.
8. Wed. 2:30 P. M. Y. W. C. A., 179 W. 137th St., N. Y. C. Mrs. E. L. Maxwell.
9. Thu. 7:30 P. M. League for Social Progress, 228 Lenox Ave., N. Y. C. A. P. Christianson.
10. Tue. 8:00 P. M. Sunnyside Community Church, 48th and Skillman Ave., L. I. City. Herbert M. Garn.
11. Mon. 7:30 P. M. 1603 Newkirk Ave., Flatbush, Brooklyn, N. Y. Helen D. Denbigh.
12. Wed. 8:00 P. M. Carteret Club., 83 Duncan Ave., Jersey City, N. J. Chas. Jos. Smith.
13. Mon. 8:00 P. M. Unitarian Parish House, Park Ave. near 7th St., Plainfield, N. J. Mac V. Edds.
14. Tue. 8:00 P. M. Parish House, Union Church of Bay Ridge, Ridge Blvd. and 81st St., Bay Ridge, Brooklyn, N. Y. C. O. Steele.
15. Fri. 8:00 P. M. Y. M. C. A., 17 Riverdale Ave., Yonkers, N. Y. Herbert M. Garn.
16. Mon. 8:15 P. M. Suffern High School, Wash. Ave., Suffern, N. Y. Walter Fairchild.
17. Wed. 8:00 P. M. Y. W. C. A., 391 Main St., Orange, N. J. Wendell Stegner.
18. Wed. 8:00 P. M. Y. W. C. A., 56 Bayard St., New Brunswick, N. J. Herbert M. Garn.
19. Wed. 8:30 P. M. Y. M. C. A., 138-46 Northern Blvd., Flushing, L. I., N. Y. Louis Lawrence.
20. Thur. 7:30 P. M. Zeta Psi Club, 31 East 39th St., New York City. L. M. Greene.

21. Wed. 2:00 P. M. Survey of Real Estate Laws, 264 Madison St., New York City. Herbert M. Garn.

#### CHICAGO CLASSES NOW OPERATING

1. Sun. 6:30 P. M. Great Northern Hotel.
2. Mon. 7:00 P. M. 11 So. LaSalle St., Maurice E. Welty.
3. Tue. 7:30 P. M. 30 No. LaSalle St. Glenn Weist.
4. Wed. 6:30 P. M. 180 W. Washington St. Henry L. T. Tideman.
5. Thu. 6:30 P. M. 180 W. Washington St. W. Raymond Gwin.
6. Fri. 7:30 P. M. 11 So. LaSalle St. Maurice E. Welty.

#### NORTH SIDE CLASSES

7. Tue. 7:30 P. M. Idrott Cafe, 3208 Wilton Ave. Henry L. T. Tideman
8. Wed. 7:30 P. M. Lincoln-Belmont Y. M. C. A., 3333 N. Marshfield Ave. George T. Tideman
9. Thu. 7:30 P. M. Woodruff Arcade, 6355 Broadway. George H. Novland.

#### SOUTH SIDE CLASSES

10. Tue. 8:00 P. M. Roseland Y. M. C. A., 4 E. 111th St. Thomas A. Meyer.
11. Tue. 8:00 P. M. St. Paul's Universalist Church, 6010 S. Dorchester Ave. Boudinot G. Leake.
12. Wed. 8:00 P. M. Englewood Y. M. C. A., 6545 So. Union Ave.
13. Thu. 8:00 P. M. South Side Y. W. C. A., 6614 Blackstone Ave. Boudinot G. Leake.
14. Thu. 8:00 P. M. The Ridge Park Field House, 96th and Longwood Drive. Thomas A. Meyer.
15. Fri. 8:00 P. M. Hyde Park, Y. M. C. A., 1400 East 53d St. Carl W. Nelson.

#### WEST SIDE CLASSES

16. Tue. 8:00 P. M. Austin Y. M. C. A., 501 No. Central Ave. Joseph W. Bauer.
17. Tue. 8:00 P. M. Northwest Fellowship Club., 2220 No. Kodzie Ave. Edward Atlas.
18. Wed. 8:00 P. M. Garfield Park Adm. Bldg., 100 N. Central Park Ave. Myron Goldenberg.
19. Fri. 8:00 P. M. Metropolitan Business College, 9 So. Pulaski Road. Willis E. Shipley.

#### SUBURBAN CLASSES

20. Thu. 8:00 P. M. Wilmette Village Hall, Central and Wilmette Ave., Wilmette, Ill. Benton Schaub.
21. Tue. 8:00 P. M. Subural Met. Business College, 1118 Lake St., Oak Park, Ill. J. Edward Jones.

#### ADVANCE CLASSES

- 7:00 P. M. 11 So. LaSalle St., Teachers Training Course and Review. Maurice E. Welty.
- 7:30 P. M. 180 W. Washington St., Public Speaking Class. Col. V. A. Rule.

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#### THE BIG PUSH IS ON

John Lawrence Monroe has gone militaristic. Even that peaceful soul seems to have been affected by the clash of steel now heard around the world.

For he has just announced a Big Push. At School headquarters there's a bustle and an ado that, in addition to the usual hubub of class teaching, makes that place

an uneasy one for lazy debaters. There's printed matter all over, there's addressing and folding and stamping, there are charts and maps with all kinds of hieroglyphics, there are meetings and discussion of plans.

Yes, the Big Push is on. What's it all about? John says it's all about five hundred classes in at least three hundred cities this Fall. New York has an allotment of fifty, outside of headquarters' classes, where twenty more will be conducted. Of Chicago at least half that number is demanded. And John has mounted his charger (it's black, and its name is H. Ford) and is on his way hither and yon to mobilize the Georgeist forces everywhere in preparation for this Big Push.

The over-the-top date is Monday, September 27. During that week every town, hamlet and village that boasts a true Georgeist should have a class started. Five hundred classes will produce a total of ten thousand students of "Progress and Poverty." In ten weeks—by Thanksgiving—ten thousand will know the real answer to Poverty, Collectivism and all other False Prophcies.

John says there'll be a bigger and better push for next year. But the Big Push for this Fall begins September 27, and the goal is Five Hundred Classes.

Volunteers are wanted. Write Headquarters today that you are really willing to get in on this great adventure. You'll be properly equipped with classroom helps, class announcements—well, John has some really effective ammunition.

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### THE LITTLE RED SCHOOL HOUSE

Have you one? It's the cutest little structure you ever saw. Just like the one you attended in the days when you imbibed knowledge from Guffey's Readers. Red bricks on all four sides, and a nice white roof with a modern posterish effect. The blue window shades are drawn down, perhaps to keep out the glaring sun, perhaps to keep out the glare of incipient penny-snatchers.

For the Little Red School House was devised by the Henry George School of Social Science as a means of carrying on its teaching programme. Every Schoolman is urged to have one of these houses on his desk or in his home. There to be a reminder that his odd pennies will go a long way toward carrying on this programme.

If you haven't a L. R. S. H. send for one to the School headquarters, 211 West 79th Street, New York City.

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A Schoolman is any Georgeist who believes that the way to increase the number of Georgeists is through the teaching of "Progress and Poverty." and who is therefore willing to help the School as a teacher, a class organizer, or a contributor.

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### THE NEW DIRECTOR

Frank Chodorov has been selected by the trustees as

the Director of the Henry George School of Social Science. For a number of years Mr. Chodorov has been active in the movement as a writer and organizer. He has keen business ability and is an admirable teacher. He will guide the destinies of the School and give his entire time to the work.

As a devoted friend of Oscar Geiger he was present at the birth of the School from its humble beginnings. The School is safe in his guiding hand. He has the full confidence of the students and his associates on the Board of Directors.

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### THE CORRESPONDENCE DIVISION

At this writing almost three hundred students have enrolled in the Correspondence Division of the Henry George School of Social Science. The lists that have been circularized for his course have varied in character. The response has been almost a uniform 2 per cent; which indicates that regardless of the type of people approached, a certain fixed number will be interested in learning what Henry George teaches us. School teachers, mechanics, lawyers, accountants, college professors—they all want to know what George has contributed to the science of political economy and to the solution of social problems. All that it is necessary to do is to give them the opportunity to study George in an orderly and reasonable manner.

Ten thousand circulars were sent to teachers of the social sciences in schools and colleges. The response has been most gratifying. A number of these teachers have enrolled students in the course. One wrote that he would like to take the course so that he would know what his students, who had enrolled, were talking about.

Every student who had enrolled in the classes but who had dropped out for one reason or another was sent an invitation to join the correspondence course. Nearly 6 per cent of these took advantage of the offer, which indicates that many who drop out of our classes do not do so because of non-interest in the subject, but because of inability to attend classes.

The most fruitful source of correspondence department enrollments is from recommended names. Many of these names have been received from Single Taxers. It is to be presumed that these people had been "worked on" by the Single Taxers and were glad of the opportunity of studying the subject which they had been told so much about. Then, there are names from correspondence students themselves. They are encouraged to send in these names so that they can discuss the text and the question papers with others who are taking the course. It is planned to organize class groups out of these students later on.

An interesting side-light on this work is the enrollment, through the warden, of seven inmates of a penal institu-



tion. Their answers indicate a deep understanding of the text, which is, of course, "Progress and Poverty."

The question papers are marked and criticised by a number of graduates of the headquarters school, under the supervision of several thorough Georgeists. This is a further training for the teaching of classes. As the number of enrollments increases, new instructors, taken from the advanced or training courses, are enlisted in the work. There are now fifteen correspondence course instructors. It will be necessary to increase this force more rapidly due to the increasing enrollments.

The need of this department now is for more and more names to circularize. Send names—anybody who in your opinion may, should or will be interested in learning what Henry George gave to the world.

## Forty-Niner Found "Pay Dirt" Richer Here than in California

**A**MONG those who joined the gold rush to California in '49 from New York was a forty-four year old real estate man—one Mathew Byrnes.

Realizing the opportunity for trade among the thousands flocking to the gold fields he took a large stock of general merchandise to San Francisco, starting the largest general store in that fast growing community. Byrnes cleared \$100,000 from that venture, incidentally staking Collis P. Huntington in the process. Huntington gained a vast fortune largely through getting great land grants along the rights of way of railroads, the building of which was government-subsidized.

Byrnes, coming back to New York to purchase supplies to restock his store, looked over the possible growth of land value as compared to the gold country. "Why there is more pay dirt in this city than in the whole of California," he declared with the fervor of an inspiration.

Instead of returning to his general store or to the gold-fields, he started building up a fortune that far exceeded most California fortunes and he did it less precariously.

Byrnes bought land, chiefly corner locations in what were known in those days as "uptown areas." He bought more than six hundred lots between 34th street and Central Park before he died in 1888.

Among the hundreds of lots Byrnes purchased were five on the southeast corner of Fifth Avenue and Forty-fifth Street. For the corner lot he paid Frederick H. Cositt \$24,000 in 1867. The two adjoining lots on the avenue he had purchased the year previous for \$16,000 each and the two next to the corner on Forty-fifth for \$22,800. The plot, containing about 12,600 square feet, cost him a total of \$80,000.

Today this land, five lots, is assessed at \$2,500,000.

What did he or his heirs do to bring this increase in value? They simply guessed correctly that this location

would become a center of population; that inventions and improvements in the arts and sciences, would increase the rental value of this land with little or no effort on their part.

More people pass the five lots at the southeast corner of Fifth Avenue and Forty-fifth Street in twenty-four hours than lived in California in '49. It is one of the busiest corners north of Forty-second Street on the avenue today, due to the fact the Forty-fifth street is the first street north of the Grand Central Station extending uninterruptedly from river to river.

Seventy years have elapsed since Mathew Byrnes paid \$80,000 for the five lots "away up town." Panics have come and gone, values have dropped only to return and to exceed their former levels as each crisis passed and justified Byrnes' judgment that under our present system a fortunate land holder may levy tremendous toll on the development of society without producing wealth himself.—LANCASTER GREEN.

## Twelfth Annual Henry George Congress to Meet in Detroit

**T**HE executive committee of the Henry George Foundation has chosen Detroit as the place of meeting for the Twelfth Annual Henry George Congress and has selected a much earlier date than has prevailed for several years. Acting on the advice of the Detroit Single Taxers, the Congress will assemble on Thursday, August 26, and continue through Friday and Saturday, August 27 and 28.

President George E. Evans has appointed A. Laurence Smith, a prominent Detroit manufacturer and President of the Detroit Single Tax organization, as Chairman of the Convention Committee. It will be recalled that Mr. Smith presented at Cincinnati last fall a very urgent invitation to American Single Taxers to go to Detroit this year and he has in mind a convention of a different type to be devoted largely to the consideration and discussion of methods of promotion and salesmanship with a number of our ablest leaders participating in the programme.

It is confidently expected that the choice of a late August date for this year's gathering will strongly appeal to many who have not heretofore or recently been able to attend our annual gatherings, particularly many of the young people who are active in the Henry George School and Fellowship. Plan your vacation this summer so that you can be in Detroit, August 26 to 28.

Friends of the movement having definite suggestions to offer with reference to this year's programme should communicate promptly with Secretary P. R. Williams, 809 Keystone Building, Pittsburgh, Pa.; or with Chairman A. Laurence Smith, 2460 East Grand Boulevard, Detroit, Mich.

## Death of Viscount Snowden

WORD received yesterday of the death of Philip Snowden must have been a shock to countless thousands who had been his admirers and supporters during his long, dauntless fight—although his years of invalidism should have been preparation for the suddenness of his passing.

Sad that it took place before he reinstated himself in the faith of those who felt he had failed in the taxation of land values and the free trade fights, when his courage and tenacity were most needed. Sad that his devoted companion and champion, his wife, was not with him at the end.

It is deeply to be regretted that the articles telling of his death and giving a thumbnail sketch of his life—those articles at least printed here in New York—stress his adherence to the Socialists and completely ignore his unswerving support of the taxation of land values. It is part, no doubt, of the injustice we Georgeists have to bear in being considered “outmoded,” and “out of date” and “unimportant.” But Philip Snowden, I believe, did not fail to show his belief in the truth, as enunciated by Henry George, in *real* free trade—the freedom of trade in production as well as in exchange—and he knew that the taxation of land values, or Single Tax as we call it here, was the only way to bring it about.

I had the pleasure of meeting him three times. While he was Chancellor of the Exchequer I visited him in Downing Street. I was not prepared to find him the fragile, ill-looking man who greeted me standing, supporting himself against his desk, holding his other hand out to me as I crossed the wide room to him. I was not prepared for the pain in his white face; pain deeper than physical pain—that I at the time designated to myself as “*weltschmerz*.”

The second time I met him was at a big public luncheon given, if I remember correctly, by a group of free traders. Just as previously he had told me of his belief in the need for taxing land values, so at this free trade gathering Philip Snowden openly espoused our cause and shortly thereafter brought it to the forefront of political discussion when he fathered the fight to reappraise the land of Great Britain and to raise the tax on its value. That he was beaten in this fight added to the world's tragedy. Later came the protection or free trade fight, in which he compromised unfortunately, and thereby lost many who had been his staunch friends.

He retired from political life and moved through a simple but capacious house set on an English lawn and shadowed by fine trees, in the country near Aldershot, and there, on September 10 of last year I was taken to call on him by that faithful Georgean—Andrew MacLaren, M. P. Our visit was very brief as we had to make a train back to London, and the chief impression I carried

away of Viscount Snowden, was of his gratitude that a fellow Member of Parliament should have taken the trouble to go so far to see him.

For my own part I shall always find it difficult to believe that the courteous gentleman I found him to be, was reputed, on occasion, to have shown such bitterness toward his political opponents. I shall always feel gratitude for his strength and courage and dedication to the Truth.—ANNA GEORGE DE MILLE.

## Activities of the Manhattan Single Tax Club

PRESIDENT Charles H. Ingersoll addressed a meeting at the Y. M. C. A., Waterbury, Conn., on Sunday, April 25, at 3:00 P. M.

Mr. Ingersoll, having originated the watch which not only made the dollar famous, but which has had a sale of some three hundred millions, largely produced in this Connecticut town, was inspired to a very interesting and somewhat reminiscent talk.

Dr. Royal E. S. Hayes was present with several friends who assisted in making the quiz following Mr. Ingersoll's talk exceptionally interesting. Especially was the point of economic rent discussed in all of its phases.

Dr. Hayes asked whether monopoly rent and speculative rent should not have separate consideration. To this the speaker confessed lack of enlightenment; and it is here mentioned for possible discussion among your readers. It is referred to in detail in a tract published by the H. G. Tract Society of Endwell, N. Y.

### THE WOV PUBLIC SERVICE FORUM

The 1937 broadcasting series of the WOV Public Service Forum has been announced with Mr. Ingersoll as its chairman. Last season this forum comprised twenty-five forum hours including as guest speakers, Whidden Graham, Benj. W. Burger, Marietta Johnson, and many others on economic subjects, selected and developed by the chairman.

This year, the first two forums are 100 per cent Single Tax. The first had as its guest speaker, Anna George de Mille, her subject being “Henry George and the Problem of Poverty.” Her talk occupied about half the time, and the balance comprising prepared questions by the chairman, and the answers by the guest speaker. This broadcast was pronounced one of the most successful ever put on the air, by friends of the movement, and broadcasting professionals.

The Forum of May 16 will have Benjamin C. Marsh, Secretary of the Peoples Lobby, as the speaker on the subject of “Natural Resources in their relation to Peace.” Mr. Marsh will present a 100 per cent Georgeist statement which with Mr. Ingersoll's help will make this a



powerful contribution to the cause of peace and economic freedom.

LAND AND FREEDOM readers are urged to tune in to this series on WOV station; 1130 kilocycles, 6:30 to 7:00 P. M. every Sunday.

Mr. Ingersoll's current events broadcasts are proceeding as usual on Long Island, Manhattan, and in Philadelphia and Wilmington.

Following are some of his most recent talks:

DORIS ANGEL, Office Secretary.

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The iteration and reiteration of one powerful economic truth is not all there is to "teaching economics;" nor is the teaching of a complete economic philosophy necessarily the most profitable form of teaching economics; nor should either of these methods be depreciated, by the development of other good methods of teaching economics.

If it were possible to assemble a hundred million youths and grown ups of this country in "a class" and give to them an average does of 1/100 of a complete knowledge of economics, who can say that would not serve the cause as greatly as the complete education of 1 million, or 50 per cent education of 50 million?

"Determinists" will violently dispute this as ridiculous to talk of—teaching economics to the masses; but I refuse to guess on how we are to get the majority action we must have—or when. I know the way I would choose if I were made dictator; but I refuse (any longer) to rely on our educators, key men, leaders, literate or intelligentsia.

Then shall I be a "know nothing," pessimist or fatalist? No, until shown otherwise, I shall reduce economics to their simplest form, put them into plainest terms, associate them with the best known events, facts, and persons; and then give them widest circulation.

My theory, being first, that in going after simplicity, doubtless the fullest truth will be reached, and that this may, contrary to prevailing modes, after all, be the best method also for all the hithers.

I suspect that our aim at the mass mind may just about hit the powerful university, captains of industry mind.

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The Jones and Laughlin Strike has been quite quickly settled, which quickness seems to be a habit in the steel business, and perhaps I should say it has also developed in the automobile business; and I expect to see it strongly out-crop in the coal business. We might call these settlements the "grand conspiracy" between union labor and its employer, to pass to the consumer all the tragic cost of their economic ignorance, or duplicity. To protect monopoly, that now directly and indirectly takes about half of the wages of both capital and labor, they mutually agree to charge monopoly's stealings to that patient packhorse, the mass of American consumers. The increased wage is immediately put into increased steel prices.

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Many residents of Greater New York have forgotten the existence of the Third Avenue Railway, which the papers now tell them has 4,500 employees, that are just now the entering wedge in a labor movement that will affect about 50,000 transport workers of the metropolis. That trolley cars are soon to be a thing of the past is

proven everywhere except in Brooklyn and Philadelphia where, I imagine, they are being sustained by a bad combination of politics and frenzied finance. "Good riddance," we say; and yet these remnants of the past including the "L" roads, if they could be dehydrated, would give us cheap transportation.

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Governor Murphy of Michigan is supposed to have won great laurels in settlement of perhaps the greatest strike of history, and now he is in search of other laurels, for example, Presidency (yes, of the U. S. A.) or anyway, laurels as an economist and publicist. Speaking to the Consumers League, a socialistic "group," he makes some very profound statements about the rights of labor, the like of which I have never read in the works of great economists such as Adam Smith or Henry George. For example, he does not hesitate to mix such elements as property and jobs and apply the same man-made laws of control to them.

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The Young Republicans of New York State are meeting in Syracuse full of hope for a comeback; and I have scanned the report of the proceedings for encouraging signs of a real appraisal of their situation and application of remedies. Doubtless some of these young men remember when New York State was the Republican stronghold of the nation, and some of them should be able to figure out why New York Republicanism had lost the confidence of the voters, to a bag of tricks like the New Deal. And if a few of them would agree to stand by their discoveries and throw over the old man of the sea, monopoly, they might win.

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The delirium of the Coronation seems to have been sufficiently exploited even in this land of freedom from both monarchy and snobbery, 3,000 miles away. So I will only comment on one or two "side issues." I wonder how many, the world over, and especially of the London crowds thought more of Duke Edward and his Wally, than they did of all the rest of it. And I wonder how much the hold these two have upon the popular imagination had to do with the Duke's visit to the East Side slums of London and his frank statement that something ought to be done about it. And how much it is fair to contrast this with the new King's fealty to the English traditional favor for the landlords of England, to the exclusion of the masses, from their own soil. This cynicism was voiced by Lloyd George twenty years ago, by Viscount Snowden recently, and many other great English statesmen.

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Henry Ford has 150,000 "hired men;" and he has the right idea of their relationship to him and their jobs. Ford also has the independence and fighting quality, essential to making new history on the labor problem, if associated with his "right idea" he also had some of the same quality of science, that he has always relied on in every department of his business, other than the labor department. Ford is now up against what he very properly calls the "labor monopoly," and he is so far fighting it with a very persuasive statement of "Fordism." Now if he will mount this statement on the solid background of scientific economics, he can stand on it; otherwise New Deal unionism will undoubtedly lick him as they have his competitors, who have settled on the opportunist basis.

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The President, after using the Gulf of Mexico for a new fishing hole for several weeks, has accumulated new confidence, if not new wisdom; and he proposes to hold the New Deal line and not back down—on the Court, Labor Law, power, AAA, or anything else. Is the President to be blamed for this confidence and determination? What, otherwise, did 27 million votes mean. The President's position here seems as strong as it was in sending to the universities for his brain trust. Now in both cases we, the people, are betrayed, not by our President, nor by the Administration, or the brain trust members, nor by Congress; nor, in fact, by the voters. We are betrayed by our system of education. First that system betrayed us in sending to the President people like Tugwell, Moley, and Wallace, fully educated in Marxism and ignorant of sound Jeffersonian economics. And now that system gives us the "public sentiment" that justifies the President in all his brain trust, socialistic plans.

## Economics as Taught by the Professors

OR

### CONFUSION WORSE CONFOUNDED

IN a recent number of *Harper's Magazine* Professor Edward L. Thorndike of Columbia University had an article entitled "The Psychology of the Profit Motive," Professor Henry Pratt Fairchild of New York University wrote a reply to this article and it appeared in the December number of the magazine in the Personal and Otherwise Department.

The burden of Prof. Fairchild's complaint is that Prof. Thorndike has not been careful in his use of words. He has not defined his terms—in short, he has used the term "profit motive" in a manner that does not meet the approval of Prof. Fairchild.

Prof. Fairchild says that Prof. Thorndike uses the term with a "breadth and vagueness" that no leader of importance in any movement to abolish profits would recognize or accept. He himself claims that the term as used in significant and active discussions of today has a definite and restrictive meaning, but that Prof. Thorndike confuses it with two entirely distinct motives—the acquisitive motive and the pecuniary motive.

The definite and restrictive meaning to which Prof. Fairchild refers is the income from the mere ownership of business. He says that even "the fuzziest-minded economist" would not admit that profits include wages, salaries, revenues—in fact money income of all sorts. So he proceeds to make the whole matter clear as follows:

All income may be divided into two great categories, (1) income that is derived from doing something and (2) income that is derived from owning something.

Ownership income in a modern capitalistic society has three forms, land rent, interest, and returns from the

ownership of business. (Returns from the ownership of business is an obsession with Prof. Fairchild.) He says that this is an idea "still so inadequately comprehended by economists that we have no standard word for it."

The income that is derived from doing something includes wages, salaries, and the earnings of professionals and purveyors of various services that are socially valued. Of course Georgeists call all of these incomes wages and that is what Prof. Fairchild evidently means, but to so designate them would be unprofessorial. He contents himself with declaring that there is not one single important social movement that proposes to abolish doership income, that is, wages, or any important section of it.

In regard to income derived from ownership Prof. Fairchild says that some social uplifters would allow various kinds and degrees of rent, and that some would even allow interest, but that all would wipe out, root and branch, the income that is derived from the ownership of business, for that is the "only true profit."

A profitless economy, the result of wiping out Prof. Fairchild's "only true profit," would intensify the stimulus to industry, the supposition being that the receipt of an income for mere ownership if large enough makes all economic activity unnecessary—it completely destroys the incentive to industry.

Then Prof. Fairchild makes a statement that is unassailable from our standpoint: "In a society where the only normal basis for receiving an income was rendering some socially valuable service, the stimulus to economic effort would be raised to the maximum."

But he has forgotten that he made his own definition of profit, "the only true profit" the income derived from the ownership of business. So a profitless economy that would intensify the stimulus to industry would be an economy devoid of income received for the mere ownership of business but since rent would still go into the pockets of the owner of land an income could still be obtained for the rendering of no socially valuable service, so the stimulus to industry would not be intensified very much, if any. All that would be necessary for a suitable income would be to get hold of land that industry could not do without and collect from those compelled to use it in order to live.

So what boots it for a so-called authority on economics to criticise a professor of psychology for not restricting himself to the narrow meaning of a term when he himself speaks with breadth and vagueness of profitless economics and income from ownership of business?

Professor Thorndike makes the retort courteous in the same number of *Harper's* by agreeing that Prof. Fairchild is correct in saying that he has used the term profit in a much broader sense than income from the ownership of business, that in as much as the idea of this sort of income is so inadequately comprehended by economists that we have no standard word for it; it would not have been wise to have written an article on the psychology



of it for the general reader. He then denies that he was careless or unfair to certain economists, and asserts that he used the word to mean that profit about which readers of *Harper's* did problems in school and which business men and others hope to make. He denies that his profit referred to income derived from the ownership of business, or *The Wages of Foresight in Dynamic Economic Situations*, or the reward for certain sorts of risk taking, or any other refined economic conception.

I wonder whether he is poking fun at Prof. Fairchild with that *Wages of Foresight*, but when he mentions the reward for certain sorts of risk taking and later on says that he is ready to relate what is known about the psychology of the derivation of income from ownership of business if any considerable number of persons demand such an article, I know that he is as much in the dark about true political economy as Prof. Fairchild.

It is very nice of Prof. Fairchild to group all income into two categories, income from doing and income from owning. It relieves him of the obligation of explaining the laws of production and distribution of wealth, without which no study of economics can be made. But to stick to his method of grouping I should like to show that his two categories make no provision for placing the incomes of thieves, racketeers, and plain parasites, all of whom receive without giving any service of social value. And such incomes run into millions, are a drain upon the national wealth, and cause the real producers to undergo greater economic activity in order to live with a minimum of comfort. The professor should not do this because he sees clearly the justice of a society where the normal basis for receiving an income is rendering some socially valuable service.

Let us examine this claim of an income for the mere ownership of business. Has it a leg to stand on? Where is there an owner of a business who receives an income for the mere owning of it? Because he has received a surplus after taking out his legal interest, his land rent if any, his wages, shall we call that surplus true profit? If we do we are ignoring the laws of production and distribution of wealth. At any time production is 100 per cent. The factors of this production are land, labor and capital. Land is the passive factor, labor the active factor, and capital a subsidiary of labor, owing its origin to labor and impotent without labor. Production is to be divided among these three, as wages, rent and interest. What part does the mere ownership of a business contribute to the production of wealth? Then what part may it receive because of its socially valuable service? Without the services of labor, and capital what part of the product could be attributed to ownership of the business? Then why speak of an income received by an owner of a business because of such ownership as profit? If it can not be attributed to personal services, use of capital invested, or of land used, then is it not wages that belong to the laborers but which have

been appropriated or taken as a tribute for the opportunity to work? But are these so-called profits not often rent withheld from the community? In the distribution of wealth the three factors mentioned receive the entire product, their combined income is 100 per cent. If some of this 100 per cent goes to a recipient not in the categories mentioned it means that justice has not been done, and there is less than 100 per cent to divide among the three factors. If an owner of a business receives an income it is not for mere ownership. The term profit is a fallacy. It is either wages, interest or rent, any two, or all three. Prof. Fairchild will find upon examination that the income he has in mind is a stolen income as much as the take of a racketeer, the swag of a burglar, the loot of a bank robber or hijacker or pirate. It is stolen from those to whom it rightly belongs and as such should have no place in a discussion of the incomes from service. It is not what is commonly known as profit. Furthermore profit is not an economic term and has no place in an economic discussion as such. It is this throwing of ambiguous terms into the study of economics which keeps it the Dismal Science. It also gives ammunition to those groups who prate of production for use and not for profit, and who denounce the capitalistic system. It takes the attention of the people from the only form of monopoly that can affect their daily lives, the private ownership of natural forces and the private appropriation of publically created values.

But in looking back over *LAND AND FREEDOM* I find that in February, 1932, Prof. Fairchild listed five factors of production, namely, land, labor, capital, organization, and ownership. Perhaps he still believes in the five though the form of his reply to Prof. Thorndike allowed him to sidestep that fallacy. It is regrettable that a man capable of speaking of a society where the only normal basis for receiving an income was rendering some socially valuable service can be so befuddled in his thinking.

When two saurians battle the river is stirred to its depths with mud through which no man can see. These two professors have so muddled the topic that one wonders why they wasted so much energy for so little return. But let us be thankful for that spicy bit of humor, *Wages of foresight in dynamic economic situations*, and let us gladly and cheerfully pay our life's blood to those whose forebears had the foresight to gobble up all of the sites for dynamic situations.—JOHN LUXTON.

THE poverty and misery, the vice and degradation, that spring from the unequal distribution of wealth, are not the results of natural law; they spring from our defiance of natural law.

HENRY GEORGE, in "The Land Question."

WE are becoming so civilized that we can't bear the sight of cruelty to any animal except man.

—From the Smithville, Missouri, *Democrat-Herald*.



## The Economic Ideal

**W**HAT is meant by the term, "The Economic Ideal?" Not alone the ideal economic principles which we think should prevail, but also the social and economic conditions which can be shown to be the necessary result of the supremacy of those principles.

The important and far-reaching nature of the great change that will result from the new and just economic set-up that is possible can only be realized if we thoroughly understand some things that are generally overlooked.

The nature of land, that is, its monopolistic nature, is recognized by practically all economists, but the man in the street, the average business man, and probably a great majority of writers, public speakers and public officials wholly fail to understand this significant fact. And a further fact of great practical importance is largely overlooked by economists as well, and even by many who thoroughly understand the nature of land and also accept the teachings of Henry George regarding the proper legislative attitude on this subject.

This largely unrecognized truth is the steady and inevitable growth and accelerated rate of growth of land values as compared with all other values. There is no way of interpreting wisely the tendencies that will control the future except by correctly understanding the tendencies that have existed in the past. When we truly appreciate the fact that land values have this inevitable tendency, we cannot fail to see the continued acceleration of the rate of growth of these values which must follow the future increase of population and wealth. We find that during the time in which our population has doubled, our land values, after making all allowance for changes in value of the dollar, have quadrupled. The same result must follow in the future.

When our population is 250 million, our land values will equal 600 billion, with a rental value of 50 billion annually. With our population again doubled, reaching 500 million, our land values will aggregate 2,500 billion, the annual rental value being 200 billion.

It may be argued that our population will never reach that figure. Some have claimed that it will not go beyond 200,000. If this proves true, it will be because economic conditions prevent the natural increase. There can be no question that this country is fully capable of the production of wealth sufficient to support in universal comfort a half billion people.

If we follow the same path as in the past, long before we reach that figure rent will absorb so great a share of the national income and labor will have so small a share that the increase of population and wealth production will cease, while our periodic depressions will become one continuous depression, hard times ever becoming harder, such as Europe has endured most of the time for centuries, except during the period when the European land monopoly was partially relieved by the discovery of America.

The operation of the law of diminishing returns may hasten this result. During the past century the effect of this law has been counteracted by our increased productivity. This increase is hardly likely to continue, at least at the same rate. Consider now the law of rent. As the margin of production, the wealth which may be produced on the best land to be obtained free, begins to fall, the share going to rent increases more and more rapidly, while labor's share declines with equal rapidity.

If we continue our present policies, is the prospect for America's future a bright one? What can long postpone the worst crash in history, quite probably bringing about the downfall and destruction of civilization?

But this need not happen. There is a possible alternative.

If we change our policy, and take for the community what the community creates, these stupendous land values will belong legally, as they do morally, to the people instead of to a few. That 200 billions of land rent will be no longer a burden but a blessing. This amount will provide about \$1,500 worth of government service per family. What does this mean? That just as government revenue now provides free education, police and fire protection, etc., so, in this ideal future, it will provide a great variety of such services—transportation of all kinds, water, light, power, communication by mail, telephone, telegraph, television, or radio, medical, legal and other services, perhaps some we do not now dream of, also cultural and recreational advantages of greater variety than wealth can now buy, as well as insurance, annuities and pensions,—and most of these either almost or absolutely free.

And with every hindrance to production removed, the cost of the necessities of life and other tangible commodities, even though still privately produced, will be much less than at present. The age promised by the technocrats will then be here, without control or planning, simply as the result of natural evolution. Eight hundred to one thousand hours of work per year will probably provide the average family with all the comforts and many of the luxuries of life. Few will work more than this, when not driven by necessity, except as they may want to work still less some other year. With no regulation of wages or hours, with absolute freedom for all to labor as and when they please, some will work 20 hours per week for 40 or 50 weeks, others 40 hours per week for 20 or 25 weeks, or by such other schedule as may be desired. With want and the fear of want removed, each worker would balance work and recreation to suit himself, doing the least work possible consistent with the securing of the greatest degree of satisfaction during the remainder of the time.

Is it a fanciful picture? Only if with our little faith we fail to make it real. Every feature of it is based on the soundest fundamental economic principles and the most inevitable of economic tendencies.—RAY ROBSON.



## Miscellany

### PRESENT SLUM SCHEMES FOREDOOMED

The slum problem, then, is part and parcel of the larger economic problem. It cannot be dealt with as an isolated question. The appalling facts emphasized by the federal information agencies forebode to failure all federal housing schemes while the present fiscal system continues.

Taxation must be transferred—in whole, or in large part—from improvements, industrial machinery and other forms of productive capital, and concentrated upon the value of both improved and vacant land, in city and country, throughout the nation. Whether an exclusive, or "single," tax would be sufficient must be left to experience. But speculation in land can be broken up; the tax penalty upon productive capital can be largely, or wholly, abolished; the ground rent now drained into private pockets can be siphoned into the coffers of government.

Only in this way can our tense economic situation be loosened up so as to encourage the flow of private capital into needed housing activities and other forms of industry, augmenting opportunities for employment in suburban and rural areas; increasing the demand for labor, and compelling readjustment of overvalued property holdings in the big cities. Only by courageously facing our economic crisis in a comprehensive way, and attacking the roots of special privilege, can we ever hope to make sound progress through this maze of difficulties.—LOUIS WALLIS in *Christian Century*.

### BUT HENRY GEORGE'S REMEDY WAS NOT SOCIAL CONTROL

Now let us turn to a second manifestation of our delinquency in effective social controls. All those in modern times who have talked and written about the ideal State have regarded it as a concomitant of the plenty of the machine age. They have looked forward to the end of back-breaking toil and the emergence of standards of comfort and leisure commensurate with the rise in national wealth. But today, while we would not agree completely with Henry George's claim, made almost sixty years ago, that "invention upon invention have neither lessened the toil of those who most need respite, nor brought plenty to the poor," we must certainly admit that our mighty mechanical advances have accentuated the paradox of "Progress and Poverty."

SENATOR ROBERT F. WAGNER in *New York Times*.

### THE IRISH FAMINE (?)

During the famine of 1846 and 1847, although the potato crop had failed, enough food was raised in Ireland to sustain the entire population, but this had to be sold to pay the rent. One history of these times states that loads of food supplies sent in by European countries to feed the starving Irish, passed carts loaded with grain and other produce grown in the Island, which was being shipped out of the country. People died by the hundreds of starvation and resulting fever, some estimates placing the number of deaths at over one million; while, stunned by the catastrophe and the hopelessness of the situation thousands fled from the land of their birth, never to return. Before the famine the population of Ireland was estimated at eight millions, but famine and emigration reduced this number by one half.

"The Kennedy Clan," by ALICE CLARE LYNCH.

### TOO OLD AT FORTY

A letter appeared in a newspaper in Passaic, N. J., signed by Vincent Lombardo and asking what good social security pensions would do him at 65 when everywhere he went he was told he was too old at 40 to get a job. Next day Mrs. Lombardo reported her husband missing, and a few days later his body was found in the Passaic River.

Vincent Lombardo's tragedy will be understood by millions of American men cast adrift in their prime by the machines. Some of them can pick up jobs enough to keep them until social security comes to their aid; others, like Vincent Lombardo, cannot wait 25 years.

When America answers the problem posed by this man's suicide it can boast of achieving a humane and socially adequate civilization.

NEWS NOTE.

### A GREAT COMBINATION

Rev. Dr. Edward McGlynn, pastor of one of New York's largest Catholic Churches, and Tom L. Johnson, participated. With Henry George, this formed the greatest combination of religious eloquence, financial and literary ability, ever to crusade for righteousness in America. Henry George died in the fight. Dr. McGlynn was temporarily excommunicated and later reinstated and received the blessing of Pope Leo XIII. In the "Life of Henry George," written by his son, he states: "Never again could any man say that the teachings of the Catholic Church were opposed to the Single Tax."

GEO. CARTWRIGHT in *Farmers Labor News*, Modesto, Calif.

### A LANDLORD ON LANDLORDS

Lord Bledisloe has more than once written and spoken strongly about the way in which land is dealt with by those who claim to own it. In the House of Lords on March 17, he said that the time was coming, if it had not already come, when it would be desirable for the leaders of all political parties to agree as to what was expected of the landowners of this country and what was their economic utility. When he returned from New Zealand two years ago what struck him most was the appalling condition of the pasture land of Great Britain, ill-growing and full of weeds. In the interests of security they had to produce a larger quantity of foodstuffs.

Some years ago, Lord Bledisloe, landlord and farmer, suggested in Tory papers that we should follow the example of Denmark and rate land values. Soon afterwards the Government sent him out of the country by appointing him Governor-General of New Zealand. What will they do with him now that he is asking what is the use (if any) of landlords?

The speech was reported by the *Daily Herald*, headed in large capitals. The *Times* merely mentioned Lord Bledisloe among those who "continued the debate." One of these was Lord Amulree (National Liberal) who "felt that one thing that ought to be done was that where land was sold for speculative purposes it should be heavily taxed and the proceeds used for the development of the countryside and its amenities."

*Bulletin of English League for the Taxation of Land Values.*

### DIVISION OF LABOR

The hunter needs a woman along to have his igloo warm, his food hot, his boots dry and mended. She can scrape and dry the skins, so that he can return with three times as many as if alone.

"Arctic Adventure," by PETER FREUCHEN.

WHEN the idea of individual ownership, which so justly and naturally attaches to things of human production, is extended to land, all the rest is a mere matter of development. The strongest and most cunning easily acquire a superior share in this species of property, which is to be had, not by production, but by appropriation, and in becoming lords of the land they become necessarily lords of their fellow-men.

PROGRESS AND POVERTY.

## Dinner to Judge Ralston

ON the evening of April 14, a dinner at the Town Hall in New York was given to Jackson H. Ralston, leader of the Single Tax amendment campaign in California.

There was little time to arrange for a general attendance to do honor to this veteran of the movement since he was on his way to visit Boston, Washington, and other centers, but hasty invitations were issued by an improvised committee of which Charles H. Ingersoll was chairman, and twenty of the local Georgeists gathered.

On motion of Mr. Miller, Mr. James G. Blauvelt of Ridgewood, N. J., was made Chairman. He introduced Judge Ralston, whom all were anxious to hear.

Among those present were Anna George deMille, John Lawrence Monroe, Bolton Hall, Clifford Kendal, Hon. Edward Polak, Whidden Graham, and others.

Judge Ralston prefaced his remarks about the situation in California with a brief description of his earlier activities in the State of Maryland. He said that he and his associates had been responsible for the Maryland constitution being amended so that now, when the people in that state get around to it, there is no constitutional barrier to the enactment of the Single Tax.

The Judge stated that most persons outside the State of California were quite unfamiliar with the real reasons for the defeat of the so-called "Sales Tax Repealer." In order to understand this situation, and to appreciate the future course planned by the Judge and his associates, it must be borne in mind that the California procedure for initiative legislature requires petitions signed by a certain percentage of the voters participating in the previous gubernatorial election. In 1924 the necessary number of signatures were secured—approximately 100,000,—but many signatures were challenged and a sufficient number of unacceptable ones were found to disqualify the petition.

Again in 1936 adequate signatures were secured, and the opposition was unable to disqualify enough of them to cancel the petition. Accordingly resort was had to a very technical provision of the California law. The law requires that each petition must carry on the first page the complete act which is proposed, and a one-hundred word digest of that act, usually issued by the attorney general. Subsequent pages must contain a twenty-word digest prepared by the sponsor of the petition. The opposition proved in court that Judge Ralston and his friends had omitted in this twenty-word digest to state from whence the revenue would be derived to replace the sales tax. It was common knowledge that the revenue would be obtained from land value taxation, but the court disqualified the petition. The Judge said that a bill is now pending in the California legislature which will safeguard future initiators against such tactics.

A fact which will have serious effect on the policies of

the Judge and his associates is, that 1936 was a phenomenal election year, with the gubernatorial vote increasing in proportion to the presidential vote. This will greatly increase the number of signatures which must be secured on the petition in 1938. However, the Judge is optimistic.

Judge Ralston said they have a number of labor papers favorable, together with the labor organizations, and that the socialists were friendly. Judge Ralston said he had talked with the socialists, and that he had said to them, "Go along with us now, and if we cannot always agree on everything, we can settle that later." A paper in San Francisco on which they can rely for friendly comment has on its staff one of the old *New Republic* editors.

The Judge described the difficulties that were encountered in securing such a tremendous volume of signatures, and pointed out how impossible it is to do this work with volunteer help. If it is to be done and done successfully, funds must be raised to carry on the work.

During the last campaign, two friends of the Judge in Washington—one of whom is Congressman Byron N. Scott of Los Angeles, had two documents written into the Congressional Record, and these were franked through the State of California with practically no cost. The opposition accused the Judge and his Committee of many things, but, said the Judge, "Somehow we are not contrite."

Judge Ralston, in his closing remarks, urgently requested that Single Taxers everywhere who are interested in the California situation bear in mind the needs of his Committee, and make such contributions as they can afford.

## New York Chapter Henry George Fellowship

ON March 30 the New York Chapter of the Henry George Fellowship held its annual meeting for the purpose of electing officers to fill the vacancies created by the resignations of Arthur H. Vetterman, President, and Will Lissner, Vice President.

Mr. Sidney Tobias, Certified Public Accountant and Treasurer of the Young Men's Board of Trade of New York City, was unanimously elected President. Mr. C. O. Steele and Miss Claudia Pearlman were elected Vice Presidents and Mr. John Munson was re-elected Secretary and Treasurer.

Mr. Arthur H. Vetterman was elected honorary chairman in recognition of his work in behalf of the Fellowship for the past year.

The President and Committee Chairmen are now formulating interesting plans for increasing the activities of the Chapter and enlarging the sphere of its influence. The members of the Fellowship feel that under the able leadership of Mr. Tobias, the New York Chapter of the Henry George Fellowship will be in position to assume an important role in furthering the philosophy of Henry George.



## Washington Letter

**F**ORTY guests gathered at the banquet held in the dining room of the old historic Cosmos Club building, known for many years as the "Little White House," on April 17, by the Woman's Single Tax Club of Washington, D. C., in honor of the four Single Tax Congressmen. The president of the club, Mrs. Helene McEvoy, acting as toastmistress, introduced the speakers.

Honorable Charles R. Eckert of Pennsylvania, opened his address with a quotation from the aviatrix, Ruth Nichols, expressing the awe and admiration inspired in her during her night trips, by contemplation of the heavenly bodies all moving in harmony with natural law, and her thought of what a wonderful thing it would be if human beings could arrange their national affairs in such a way as to move in the same order and harmony that prevail in the heavens. Mr. Eckert declared there are certain natural laws which govern our economic life, and if we would regulate our social affairs in accordance with these natural laws, we might abolish poverty and secure prosperity. Followers of Henry George believe this philosophy to be sound, and that the declaration of that great economist fifty years ago is true, that there are certain natural laws governing our economic life, and he held that it is the duty of statesmen to discover these laws and then adjust our economic affairs in accordance with them.

Our people seem more "government conscious" than ever before, but it seems that the trend is in the opposite direction from the great central truth, but if a proper appeal were made, he believed that greater progress could be made. It is not enough merely to say that we must collect the economic rent and by doing so, solve all our economic problems. In the first place, it would not do that. As Henry George said, the Single Tax is not a panacea for all our ills, but freedom is. The first thing that should be done is to formulate in plain terms, a governmental policy based on sound economic principles, that would meet the present situation. If that were done, we could point the way out to those who are shaping present policies. There is a great deal being said these days about the inability of certain branches of government to carry into effect the programme they have in mind, and one of the things the Administration has in mind as being necessary in order to reap the benefits of the so-called New Deal is legislation to regulate labor and industry in the hope that hours of labor might be shortened and wages maintained at a certain level. Mr. Eckert favored this as an emergency measure but declared that some other method would have to be resorted to in order to effect a permanent cure for present-day ills, and in carrying that out, it would be necessary to be as wise as serpents and as gentle as doves. Even Supreme Court interpretations of laws may be influenced by public opinion, and the trend of legislation in the uttermost parts of the country, and if Single Taxers could get sufficient pressure to bear, both in the halls of Congress and out on the street, he believed we could take this New Deal, which is now in the process of development, and bring so much pressure to bear upon it that we could divert it from the course it is now taking and direct it toward those eternal laws that govern our economic life. The Single Tax philosophy is based upon eternal principles and the order that prevails in the universe also prevails in our social life, and until we adjust our social affairs in harmony with those principles, we are going to be afflicted with the ills and wrongs and hardship and misery that come with violation of law.

Speaking in place of Honorable Herbert S. Bigelow of Ohio, who had to address a mass meeting in Cincinnati, Congressman Henry George Teigan of Minnesota explained that the fact that he had been elected on the Farmer-Labor ticket did not prevent his still believing in the principles of Socialism, even though no longer a member of the party, and that as a Socialist, he believed in working with the Single Taxers to abolish the evil of land monopoly as the first great step to economic freedom. In fact, he said, it was from Henry George's "Protection or Free Trade?" that he had gained his best understanding of the basic principles involved, and he declared the

author to be without question, one of the greatest economists this country has produced, and a writer who stated his ideas in language that ordinary human beings can understand.

Mr. Teigan told the Congressman who just preceded him that Single Taxers had reason to be elated rather than discouraged in this fight. As an instance of their accomplishment, he cited their aid in the growth of the Non-Partisan League which was organized in North Dakota and spread through the adjoining states. In agricultural sections, the Single Tax should be explained, he said, in phrases that will appeal to the farmers. As soon as the state had been captured, a law had been enacted exempting farm improvements from taxation. The law could not go as far as Single Taxers would wish, due to constitutional difficulties, and it is very difficult to amend the constitution there, and their Supreme Court is more reactionary than the Supreme Court of the United States. While other taxes may have their weaknesses, some are worse than others, and one of the worst is the sales tax. In Minnesota two years ago, the Republicans in their legislature had tried to put through a sales tax, but the Governor vetoed it and the state escaped. It became an issue in the campaign of 1936, Mr. Teigan's party of course taking a decided stand against it and the sales tax became so unpopular that its opponents won their greatest victory at the election. While Single Taxers are not, as a class, enthusiastic over income and inheritance taxes, the speaker believed these to be less obnoxious than the sales tax, and he closed by saying he was always happy to be in the company of those who had high ideals, and he wished the Single Taxers every success.

Mrs. Dora Ogle, an invited honor guest, widow of Charles Ogle, who had been a member of the Maryland State Legislature, responding to an invitation from Mrs. McEvoy to say a few words, spoke in favor of the minimum wage law and equal rights for men and women. There was nothing the matter with the Single Tax programme, she said, but there were not enough women working for it, and she expressed the hope that the Woman's Single Tax Club of Washington, D. C., would be a branch of a national organization with headquarters in Washington.

Mrs. Elizabeth M. Phillips, whose "Landlord's Game," originally designed to teach the principles of the Single Tax, had formed the basis of the game of Monopoly which is sweeping the country, recited "The Man with the Hoe," and as an encore, a humorous selection, "Labor vs. Art."

Honorable Robert Crosser of Ohio, the next speaker, treated the Single Tax from the religious angle, declaring that those who were not fundamental democrats were essentially atheists at heart. A man who is not a Democrat is a despot even if a benevolent one. It is necessary to go into an analysis of human psychology to understand why the Socialist programme is making more progress among the masses than the Henry George philosophy. It is a fact that the human race is not given to thinking for itself much. It is easier for the ordinary person to grasp what is meant if told that if he will allow a certain group to manage his affairs for him, they will see that he is taken care of, than it is to study economic principles. There are two essentially different philosophies involved—the divine right of men to govern themselves, and the right of a few to lay out the programme for the rest. But with the Single Tax in force, what need or right would we have, after collecting the economic rent from him, to tell a man what kind of food he should eat or how to run his house, or take from him to help another man?

No human being could create a single idea in the universe, the speaker declared—it was already there, and he quoted the Christian Science maxim, "There is only one Cause." Henry George did not create any truth, he only discovered a great law of the universe and we should strive to conform ourselves to it. There is already a perfect government, and all that men can do is to give manifestation to that truth. The sooner we realize that fact, the better for humanity. That is why Henry George's philosophy has not made more progress. Some benevolent despot comes along and wants good things for



humanity but wants them to come from him. When he reaches the point where he begins to see there is infinite good, which religionists call God (the Saxon word for "good"), he finds there the perfect answer. The speaker closed by quoting Ernest Crosby's poem ending with the line "Then we'll talk of the life that he lived—never mind how he died."

Jackson Ralston of California, who happened to be in Washington on a visit, was a welcome guest at the banquet and spoke in place of Honorable David John Lewis, who had found it to be impracticable to be present. Mr. Ralston recounted the fight which he and other Single Taxers, including Mr. Mooney and Mr. and Mrs. Ogle, waged years ago to give the people of Maryland the right to exempt improvements and tangible personal property from taxation whenever they had the sense to take advantage of it, and several of the towns had already done so. Mr. Ralston then reviewed the campaign in California where he had been in the forefront of the battle for the Single Tax amendment, whose enemies had appealed to the Supreme Court of the State to prevent the measure from being submitted to the people, thereby confessing their fear that it would succeed. He believed, however, that this amendment stood a somewhat better chance of passage now that the sales tax had been tried out and proved so unpopular.

Mr. Mooney of Baltimore, Mrs. Adelaide Johnson, the sculptress of the marble busts of suffrage leaders in the Capital, and Mr. Charles E. Fairman, Art Curator at the Capital, also spoke briefly in response to requests from the toastmistress.

—GERTRUDE E. MACKENZIE.

## Correspondence

### SINGLE TAX AND MACHINERY

EDITOR LAND AND FREEDOM:

The letter from Rev. John Haynes Holmes to Mr. Burger, which is quoted in Mar.-Apr. "Comment and Reflection," holds that "Single Tax handles the land question—Socialism handles the machine question."

Mr. Holmes is a very outstanding example of the great mass of earnest and intelligent thinkers who see that Single Tax will free workers from the burden of supporting idle owners of land but insist that they must also be freed from supporting idle owners of wealth (machinery). They naturally condemn Single Tax as a *complete remedy* because its advocates themselves allege that it will continue this latter "burden" as actual "earnings of capital."

Evidently "thinking through" on the matter of machinery is important to Single Tax progress, notwithstanding that the actual (natural law) outcome cannot be affected by beliefs about it.\* And to this end your "Comment" clearly notes that "machines can be multiplied many fold"—that the owner "cannot charge more for their use than his competitor demands"—that with labor free to apply itself to natural resources wages "cannot be less than what a laborer could earn if he owned the machinery."

This should help Mr. Holmes to "think through"; and *Single Taxers also*. For does it not apply equally to *all* tools helpful to labor? Does the fact that certain capital tools (animal and vegetable) carry God-given aid to production, affect the fact that *they also* can be multiplied and competitively owned just as other machinery is,—or the fact that output from *their* use (as calves and wheat) must be sold competitively just as output from other machinery is?

If Single Taxers "think through" on this matter,—and on the naturalness of workers agreeing with the dictionaries that *only human beings* can really "earn"—then the present harmful antagonizing of honest and able thinkers like Mr. Holmes may be avoided. The fair assumption that their honesty and intelligence about equal ours seems clearly essential to our successfully passing on the blessing of "seeing the cat."

Reading, Pa.

WALTER G. STEWART.

### RENT AND PRICES

EDITOR LAND AND FREEDOM:

Both sides are right.

If rent did not enter into wages and prices, there would be no use for any one wasting time with Political Economy.

But, generally, there is no higher price of commodities where the land-value is higher.

Wages and Prices are the Siamese twins of Political Economy. A person with a scientific mind cannot think of one without thinking of the other.

An interesting study: Note the prices for parking in the downtown area of big cities. There the prices are higher where the land-value is higher.\*

Let us all re-affirm and continue to re-affirm: No taxes, but the collection of ground rent in lieu of taxes.

Peoria, Ill.

ALBERT HENNIGES.

### RECALLS DR. BRAUN AND ALEXANDER HÖRR

EDITOR LAND AND FREEDOM:

Sorry to hear of the passing of Dr. Robert Braun, of Budapest at such an early age. In 1893 I had an intimate acquaintanceship with a young Hungarian Jew, Alexander Hörr (Hörr Sandor). He was eighteen and descended from a long line of Rabbis. I can see him now, when he jumped up from the floor in my store in Waco, Texas, and exclaimed: "I see it now!" (the cat). He later aided me in establishing a dozen or so of the boiler-plate SingleTax papers published in as many Texas cities, at the instigation of Percy Pepon and Sheridan Webster, of Western Newspaper Union, St. Louis. Also with the lecture tour of Louis F. Post in the State in April, 1894, and of Dr. Longstreet's lectures (about 6 months in Texas and a couple of weeks in New Mexico) in 1895. When I bought the circus tent, to which Tom Johnson contributed \$100, and gave it to Dr. Longstreet and paid its expressage to Delaware for the long campaign there, young Hörr followed. After the campaign there ended in autumn of 1896, Hörr returned to Hungary and entered the National University of Budapest. He organized a Henry George Club with a membership of sixty students. His most promising member was a young medical student, Braun Robert (Robert Braun) of Vasachely, Eastern Hungary—afterward Dr. Robert Braun of Budapest, who later translated some of George's works. Hörr thought that the faculty of the University were impeding him in his studies—holding him back, and, not knowing but that more severe punishment awaited him for his activity in our cause, he thought to play safe by returning to America—which he did, foregoing his educational ambitions.

Early this month Hon. John C. Stevenson, recently County Commissioner and candidate for governor, spoke nightly for a week or so over station KOL on Single Tax, at the conclusion of each talk urging his auditors to read "Progress and Poverty!" As Stevenson is the most dominating personality in the state and also its best radio speaker, having had years of experience, daily; his final acquisition, after years of uncertainty, is appreciated. I did not have the pleasure of hearing him, but heard of the talks from many who did hear them.

Seattle, Washington.

A. FREELAND.

### SOCIALISTIC MISCONCEPTIONS

EDITOR LAND AND FREEDOM:

Thus, the fact that wages are low, that the laborer does not receive the full value of the product he has created, sent George in search of the cause of low wages, whereas, according to the followers of George, the same phenomenon sent the socialists hurtling against the very concept of wages. This was the prime fallacy of socialism—the habit of seeking no further than the obvious.

Wages are paid by the capitalist to the laborer; they are there-

\*But this is pure rent—not the price of a commodity produced on the location.  
—Editor LAND AND FREEDOM.



fore the chain of bondage that fetters the laborer to the machine. Laborers compete with each other and drive wages down, therefore competition is the cause of poverty.

The worker is dependent upon capital; he does not own it and he is poor. The capitalist controls the tools of production; he therefore employs the worker and he is rich. Therefore, the ownership of capital is the source of industrial exploitation.

Such propositions, the Georgeist argues, are the essence of traditional socialism, and they illustrate the refusal to dip beneath the superficial.

Columbia, Mo.

GEORGE RAYMOND GEIGER.

### PUBLIC OWNERSHIP

EDITOR LAND AND FREEDOM:

Will you kindly permit a few remarks upon the much mooted problem of public ownership of public utilities? The orthodox position of Single Taxers has, I believe, always been that while the force of competition automatically provides minimum prices to the consumer in ordinary business transactions, this protection is absent with natural monopolies, and that therefore public ownership and operation of public utilities is the only alternative. But the enormous growth of governmental activities in the direction of State Socialism during the past few years combined as this has been with unprecedented use of the spoils system has given us a far greater evil to contend with than could possibly result from private ownership and operation of these utilities. In such an emergency it becomes the part of wisdom to favor the lesser of the two evils and to reduce that evil to the minimum.

There is no doubt whatsoever as to the greater efficiency and economy of administration of private operation as compared to public operation of public utilities or any other business enterprises. The waste and the inefficiency in the public service and particularly in the newer branches filled with political appointees and all too often regardless of fitness or qualification is everywhere recognized, but fair minded criticism will give credit to intelligent effort of conscientious men in both private and public service. Volumes of testimony are available to support both sides of the dispute.

In view of recent events in our nation's history above referred to, I am constrained to state that were I to publish a second edition of my book, "Prosperity," I would omit entirely chapter VI, Public Utilities.

Wichita, Kas.

HENRY WARE ALLEN.

### THE CALIFORNIA CAMPAIGN

EDITOR LAND AND FREEDOM:

For this number California has little to report. We are, as it were, between hay and grass. The legislature is in session and until its adjournment we cannot announce the details of the constitutional amendment covering taxation which will be submitted at the next general election. In substance it will run along the lines of the amendment taken from the ballot last summer by the State Supreme Court. And in saying this much we have to thank the State Senate. While the lower house voted about five to one to remove sales taxation from food stuffs sold in restaurants, the position of the Senate has been hostile to such action. Thus we are given the same wide appeal we would have been able to make at the last election.

This leads me to remark that in any except the Initiative and Referendum States (and for various reasons not all of these) the Single Taxer who desires his ideas adopted in any substantial degree must wait probably scores of years. Legislatures are not democratic. In practically every state they are representative not of the people, but of the real estate interests which in truth control our politics. This is ordinarily true in larger degree of State Senates than of the lower house, but their veto is very effective. We can to a certain extent educate numbers in cities, but the areas in the country dis-

tricts are another thing. And this remark as above illustrated holds good of California as of any other state. Here our only chance of progress rests in the fact that we have the initiative.

In LAND AND FREEDOM some four years ago I pointed out that the three states offering the best opportunities for progress in the United States were Massachusetts, Michigan and California, and in about the order named. Today, of course, the best is California, and this because we have taken the lead—not because we were theoretically the best, by that meaning the easiest. Now we want again to point out, as we have in the past, that progress in California means progress all along the line and the moving of a new spirit upon the face of the waters. We expect to succeed but we want the help of every dollar and every influence our friends all over the United States can bring to our aid.

Our friends throughout the Union have not yet thoroughly waked up to the situation, although I am hopeful that light is coming. In the east they do not yet realize that they are bound hand and foot through not having the initiative and that in California they can do more for the cause than they can hope to accomplish at home. We on the battle line are looking for better things from them in the future.

Our Henry George Schools of Social Science are growing, but of course more slowly than our impatience would dictate. Good as they are, we may remember that people are being born and coming of age more rapidly than education can inform them. We need to make the wide appeal to the masses offered by elections. These are addressed to the imagination and emotions as well as to the intellect.

Having made a recent trip east, meeting sympathizers in Boston, New York, Washington, Detroit, Baltimore and Chicago, I have to thank them for fine courtesies.

Palo Alto, California.

JACKSON H. RALSTON.

### INTEREST AND RATE OF INTEREST

EDITOR LAND AND FREEDOM:

There is but one interest and that is the increase which labor produces when it uses capital over the same labor not using capital. We confuse interest with interest rate, with rent, with risk elements in loans, etc. To more clearly understand interest we must keep to our formula, viz., that wealth is produced by the application of labor to land or by labor assisted by capital.

For brevity I use two illustrations. One: Consider ten men of equal productivity applying labor to land of the same desirability and fertility, and the product (x) is wealth. Of these ten men five (group A) use tools (capital) and for my purpose each uses the same kind of tool or tool equipment. The other five (group B) have the tool equipment but do not use it.

At the end of any working time, an eight-hour day or a forty-hour week, the product of group B (without tools) is 10 x per man, that of group A, 40 x per man. The difference 30 x is the extra productivity obtained by labor using the tool, capital. This is *interest*, qualify it if necessary, call it economic interest, commercial interest, gross or net interest, or miscall it money interest, it is a quantity or volume of production as above and nothing else.

The wages of group A are the entire product 10 x per man. The wages of group B are 10 x plus 30 x per man less the mortality of the capital, viz., the tool.

For illustration two: Consider the same conditions as in one except all now use their tool equipment. The product is now 40 x per man for both groups. Each user gets 30 x (interest) by having used tools (capital) as each owns the tools he uses, there is no borrowing demand and no lending supply. Therefore the rate of interest is and must be zero. One man becomes ill and can't use his tools, the supply of capital now exceeds the demand which is zero, and the rate of interest is still zero. But another worker breaks his tool. He must now replace or borrow or return to the 10 x product if he works, or lose time and wages. The unused tool of the sick man, a labor product,



is available and assuming a lender and borrower, equity demands compensation for its use (legally enjoyment in time), plus "capital writ-offs," viz., mortality items—wear and tear, etc. A free lending would be charity, not equity. This will be especially evident if it is considered as a principle and not one illustrative incident. Now assume another set of tools is broken, the ratio of demand increases to 2 to supply 1—or assume the reverse, two more workers are incapacitated and we get an increase or decrease in the interest ratio or rate of interest on capital. It is therefore evident that interest is a quantitative thing and any rate of interest is absolutely dependent on supply and demand of capital. Under equitable conditions interest is inevitable and while under such conditions equity would demand a rate of interest on borrowings, the supply of capital would be such that, in all probability, the rate would approximate zero.

Summit, N. J. C. H. KENDAL.

### TAKES ISSUE MILDLY WITH TOM ASHTON

EDITOR LAND AND FREEDOM:

In providing its readers with sound intellectual fare, LAND AND FREEDOM does not neglect the lighter side—as witness the articles entitled "Causerie," abounding in humor equal to that in New York's best humorous weekly. Their serious content also is of excellent quality, as a rule, but there was something in the January-February installment which seemed to be not quite up to standard. One may hold no brief for the Supreme Court, the other courts, and the legal profession, and still find it not easy to see why these groups should be blamed so much as they are in the above article for the miseries of the "down-trodden" toilers, which condition your contributor correctly associates with our system of "private wealth for public use and public wealth for private use."

Of course, if the people had ever desired to have that basic economic evil abolished, and been opposed by the courts and the law profession, then the latter groups would justly stand condemned. But when, in the history of this or any other country, have the masses had the slightest desire for real emancipation, or knowledge of its possibility, or willingness to accept enlightenment concerning it? And if the judges and lawyers were to become thoroughly convinced of the justice and expediency of our Single Tax programme, and ardently desirous of its fulfillment, from whom would they encounter the most stubborn opposition? From the landowners, bankers, industrialists? Or from the masses?

If it is true, as the article states, that the legal profession has the power to correct conditions in the economic field, when, may one ask, has the right been conferred upon it to establish this enormous change? What mandate, indeed what permission, have the lawyers or anyone else received from the people to establish a reign of justice, or anything even looking in that direction?

One wonders, sometimes, whether the attitude of people so enlightened that they read such a publication as yours, should be one of sympathy toward the mass man, or one of resentment. Were we in the majority, how long would we tolerate the injustice, disorder and misery he not only chooses to maintain for himself, but also to impose upon those who would prefer justice and order?

Norfolk, Connecticut. JOSEPH R. CARROLL.

### AN INTERESTING SUGGESTION

EDITOR LAND AND FREEDOM:

Once upon a time, when municipalities of sub-calibre size were unacquainted with the present New Deal system of spending billions to coddle the farmer and stowing away hundreds of millions of gold in a cache down in Kentucky; the town of Westfield, Union County, N. J., acquired 79 acres of farm land on the outskirts for use as a sewage disposal plant. The town grew and is now a thriving suburban place of residence for New York City business men, their families

and others. Like all other towns of its kind adjacent to the metropolis, the taxpayers are laboring under the usual handicap of heavy taxes on improvements and lighter imports on owners of vacant land. In time the town outgrew the limited facilities of the disposal plant and Westfield, at considerable expense, joined up with other towns in the vicinity, and their combined resources built a large sewer for drainage into the Rahway river. Now the town possesses 79 acres of idle land on which enterprising realty operators have cast covetous eyes, from time to time. At one time they sought to buy the property from the town but happily the Woman's Club of Westfield and others, including a few Single Taxers, entered a vigorous protest. The women folk argued that the land should be reserved as a bird sanctuary or as a children's playground, while the Single Taxers put forth a plan for use of half the land for the building of homes, since it was a well known fact, as frequently pointed out in *The Leader*, the town's leading weekly, that many young couples, on getting married, were unable to secure housing accommodations within their means, and had been forced to move to towns where living costs and property were not so high as in Westfield. The Single Tax proposal, as set forth by one of the local Georgeists in an open letter printed in *The Leader*:

"... would establish the policy of leasing the land in perpetuity, with the right of transfer by the lessees, instead of outright sale, the leasehold providing that the rent be paid annually as taxes. The annual rental would be arrived at according to the advantages of location of each particular plot for residential purposes. The lessee would be required to assume the cost of the home he intended to build. The leasing plan would aid the home builder in making his venture in that he would not be compelled to make a heavy down payment for the plot, as is the case now when land is bought outright. The tenant would, of course, have to pay additional taxes on his improvements, a form of our taxation policy which is both unjust and archaic and contrary to all modern views with respect to just taxation but which, under present laws, cannot be avoided.

"Yet it would be possible for the town to obtain enactment of special legislation empowering the authorities here to exempt these improvements for a term of years as was done in the County of Queens, in the city of Greater New York, following the Great War, when there was such a scarcity of housing facilities. That wise measure covered a period of ten years, during which a building boom took place in Queens that was unmatched in any other part of New York City.

"The abandoned site is well located, not over a mile and a half from the town center, and half of it could be used to every advantage as a park, or bird sanctuary, since the building up of the other half would give the town a steadily growing income, which could be devoted to improvement of the park, and as the section grew the rentals for the land would rise as additional building went on. Indeed, there are now far-sighted private realty interests who already have obtained adjoining property and which is to be improved by the erection of homes of modern construction."

In closing his letter the writer of the Single Tax suggestion stated that in the making of leases it would have to be provided that only bona fide homeseekers could obtain leases. This safeguard being necessary to prevent abuses by wholesale leasing by speculators. There the matter rests at present but it still remains a fact that here is an opportunity, enjoyed by few towns of Westfield's size to test a proposal which all Single Taxers are confident would work to the advantage of the town and finally result in the town fathers, not only in Westfield, but everywhere, awaking to the folly of our present unjust tax system.

Westfield, N. J. EDWIN J. JONES.

### NEWS NOTES AND PERSONALS

WE have received a pleasant letter from Walter A. Lantz, of Luck, Wisconsin, a friend of Henry George and John Z. White. In 1931 Mr. Lantz published serially in a number of Wisconsin weeklies in his part of the state a work on our philosophy entitled "The Sins of the Fathers." He was an active member of the Chicago Single Tax Club while a resident of that city and has been for many years active in promoting



our doctrines. He is the editor and publisher of a weekly paper in a town twenty-five miles from Luck where he lives and practises law.

OLIVER R. TROWBRIDGE died at Bloomington, Ill., in April of this year. He was the author of the well-known work "Bi-Socialism." He was also the author of a civic text book, "Illinois and the Nation," in use at the State University of Illinois and many schools and universities. It is interesting to note that he anticipated Oscar Geiger in the class method of teaching our philosophy which he conducted for a number of years. This class was attended by Governor J. W. Fifer and many lawyers, doctors and professional men. "Bi-Socialism" is not an easy book to read, as we recall it, and it takes some hard thinking to master, but is regarded as a useful work and an important part of the growing literature of our movement. Through the kindness of Mrs. Post we have received the memorial brochure containing the address given at the funeral of Oliver R. Trowbridge by Everett W. Oglevee.

W. A. DOVE, of Lakemba, Australia, writes to our friend Walter Fairchild of this city: "One of the most important advantages of the Torrens system from the Georgeist point of view is that it emphasizes more strongly the fact that all land titles are held from the crown and that the greatest estate that the subject can hold is the fee simple."

"SWIFTY" is the signature appended to many enlightening contribution on our philosophy in the Waterbury, Conn. *Republican*.

A VERY flattering review of Connor D. Ross' "The Sphere of Individualism" appears in *United India and the Indian States* from Delhi, India, issue of December 12, 1936.

H. C. MOIR of Milk River, Alberta, lectured at the Roxy Theatre, in Lethbridge, Alberta, on April 4. The *Lethbridge Herald* gave a column report of the address and said: "The many questions asked revealed the intense interest shown in the subject. 'The task that lies before us,' said Mr. Moir, 'is to demolish the walls around Nature's storehouse.'"

A TESTIMONIAL dinner was given to Walter Fairchild on April 3, at the Pennsylvania Hotel, in recognition of thirty years service devoted to the Torrens system of land title registration. One hundred and twenty-five sat down and speeches were made by a number of well known civic leaders.

ARTHUR SALTER who died in Denver March 4, was a good friend of LAND AND FREEDOM, and an earnest disciple of Henry George. He was an indefatigable propagandist for theosophy, and devoted his propaganda efforts to that faith and the economic teachings of "Progress and Poverty." Mr. Salter was born in England and came to this country as a youth. He first heard of Henry George while living in Colorado Springs. J. B. McGauran of Denver writes of him: "No one in our local group has been more faithful or more persistent in winning converts. He leaves a devoted wife and two sons, to whom their father's memory will be a rich inheritance."

J. C. LINCOLN in his recent visit to Arizona contributed a "guest editorial" to the *Phoenix Gazette*, and chose for his subject, "A Great Book." "Progress and Poverty," of course.

GEORGE CARTWRIGHT, of Modesto, California, under the general heading "Our Groundhog World," contributes interesting comments to the *North Bay Labor Journal*, the *Farmer Labor News* of Modesto, and other papers of California. Many of Mr. Cartwright's articles are worthy of a place in LAND AND FREEDOM but space will not permit. Mr. Cartwright is a tower of strength to Judge Ralston in his fight for the amendment he is sponsoring.

THE Theodore Roosevelt Medal for 1937 has been awarded to our friend Dr. James Hardy Dillard, president of the Jeannes Fund, in recognition of his sixty years of service in the interests of Negro education in the South. Dr. Dillard will receive the medal in New York on October 27, the seventy-ninth birthday of Theodore Roosevelt.

CLAYTON J. EWING, of Chicago, writes: "I enjoy Causerie, by Thomas N. Ashton, very much." Mr. Ewing has changed his address to 1305 South Eleventh Avenue, Maywood, Ill.

OUR attention has been called to Bill 6748 introduced in the House of Representatives by Mr. Peterson of Georgia, entitled "A Bill to Establish a National Land Policy and to provide Homesteads free of debts to actual Farm Settlers." The Act is of no particular value except as its intention is excellent and to some extent draws attention to the land question. As we read the Act, it provides public money to purchase foreclosed real estate and provides a market not over par for such real estate including farms—the titles to be in the name of the government. Thereafter, such lands or real estate are to be given to individuals under the Homestead Law and when the individual takes title the property will be subject to taxation according to the tax laws of the locality.

The *Henry George News Service* (Mrs. Madeleine Swarte, editor, 211 West 79th Street, this city) reports that an appeal has been made to Georgeists of France to follow the example of their comrades in Great Britain to establish a branch of the Henry George School in their country. The appeal comes from Miss Frances R. Levy, hon. Secretary of the Henry George School in Great Britain, and is published in *Terre et Liberte*, the quarterly journal of the French League for Land Reform.

WE learn of the death of Dr. W. G. Eggleston who served in the Oregon and California campaigns for the Single Tax, and who was active to the last. He was a vigorous writer with a fighting style, in startling contrast to his mild personal presence and bearing. He was associated with Joseph Fels, Barry, Leggett, Todd, Troy, and a host of others in the work of agitation of a generation ago. He was a graduate of the Columbia University Medical School.

WE tried to secure from Warden Lewis E. Lawes an article on the progress of the Correspondence Course of the Henry George School now being conducted among some of the inmates of Sing Sing prison. As only a few lessons have been completed Mr. Lawes thinks it would be better to wait until they are further advanced before securing their reaction.

LO, the poor Indian! John Stink was left for dead of small pox many years ago on the mountain side. Recovering consciousness he returned to camp but was shunned as a ghost by the members of his tribe. His wealth from tribal headrights is estimated at \$200,000. So even a ghost may thrive on rent.

MRS. ELIZABETH M. PHILLIPS has sent us reports of the Works Progress Administration which states that as part of their work they have discovered much land of value which paid no taxes whatsoever. In one state they estimated that fifteen per cent of the land was not on the assessors books at all. They cite one case in which a 129 acre lot which stood on the records as waste land and paid no taxes was found to have on it a mill and commercial improvements valued at over half a million dollars. This is good work, but in varying degrees it is universal and may be found in the large and small cities in all parts of the country.

We have received a Memorial Brochure containing a full account of the proceedings connected with the ceremony of laying the ashes of Sir George Fowlds, Henry George disciple and distinguished New Zealand statesman, in his native parish of Fenwick. A portrait of Sir George Fowlds adorns the brochure. It contains the fine tribute by Rev. James Barr, M. P. and also tributes from the Prime Minister of New Zealand, Hon. P. J. O'Regan, Arthur Madsen of *Land and Liberty* of London. A Christmas Card sent by Sir George Fowlds, one of which we recall having received, was read at the ceremonies and was as follows: "The Hon. George Fowlds wishes for you and yours every blessing for the New Year and invites your assistance in the fight for the establishment of social justice, so that all God's children may find room at their Father's table." He was Minister of Education for New Zealand, and was active in the temperance movement, but his whole soul was given to the advancement of the great truths which he had derived from Henry George. In this he never wavered and never trimmed.

THE death of Viscount Snowden at the age of 72 on May 15 deprives the movement for the taxation of land values and real free trade of its outstanding political protagonist. It is to be noted that the newspapers here in America made no mention of his brave fight for these principles, but featured him as a socialist. Of this omission Mrs. Anna George deMille makes mention on another page of this issue.

THE April Bulletin of the National Tax Association contains an article from Thomas J. Reynolds of Columbia University, on "The Present Status of the Single Tax Controversy in the United States." It is an excellent article, neither favorable nor unfavorable, but summing up the recommendations for and objections to the Single Tax, all written fairly and impartially, though purely from the fiscal angle. On the whole an admirable study. Harold S. Buttenheim, Professor Arthur Nichols Young, John Lawrence Monroe, George C. Olcott, Prof. George R. Geiger, and Joseph Dana Miller are some of those quoted at much length.

F. SKIRROW, Tanfield Buildings, 129 Skipton Road, Keighley, England, is in want of a copy of Ernest Crosby's "Earth for All Calendar." Can any of our readers supply his want?

A BRANCH of the Commonwealth Land Party was recently effected in Auckland after considerable debate. It was also decided to establish a college of Social Science to be known as the Henry George College of New Zealand. The officers are C. D. McLean, president; G. M. Fowlds and E. G. Rhodes, vice presidents; C. H. Nightingale, treasurer; H. Middleton, secretary and D. H. Stewart, field director. It was decided to form classes in fundamental economics at once.

E. J. CRAIGIE, M. P., of Adelaide, Australia, sends us the following bit of important news:

"We have just had a referendum of the electors throughout the Commonwealth on the question of granting further powers to the Federal Government in regard to aviation and marketing. The main fight centered round the marketing question. You will have noticed in the January and February issues of *The Peoples Advocate* I devoted considerable space to the marketing question, and gave the reasons why a NO vote should be recorded. It is pleasing to know that throughout Australia a heavy vote was cast in opposition to control. It indicates that the people are not prepared to sacrifice the measure of free trade obtained when Federation was established, and electors made it clear to the Federal Government that they had no desire for further interference on the part of the government with marketing of commodities. We are naturally delighted with the vote given.

I have just returned from a 1,300 miles motoring tour through my vast electorate where I have been addressing meetings. These meet-

ings were well attended, and the outlook for returning two Henry George candidates at the elections in April next year appears good.

I read with interest the reports of the fine work being done in America and trust that as a result of the School many fighters will be added to our list."

IN another part of this issue appears an extract from "The Kennedy Clan" by Alice Clare Lynch, who came from County Meath, Ireland, to San Francisco in 1856. A school in the Noe Valley bears the name of the Kate Kennedy School. She believed that the Single Tax was the solution of all our economic difficulties, and when the Land League was organized, with Judge Maguire, Joseph Leggett, Henry George, and William H. Hinton among the members, she worked unceasingly for its advancement. To Judge Maguire she left ten thousand dollars to be devoted to the promotion of the Henry George cause.

A COPY of a letter addressed to President Roosevelt by Amos Pinchot has reached this office through the kindness of Mr. Pinchot. It is a vigorous protest against the "Court packing" scheme of the President and his policy in creating scarcity through an artificial set up. The letter covers 23 type written pages. It concludes as follows:

"Mr. President, I do not doubt that your ultimate aims are of a nature that you can justify in your own heart. But I cannot believe that you realize, to the full, the significance of the means you are taking to reach them. No illusion has brought to credulous peoples so much disappointment, and suffering and sorrow, as the illusion that a man clothed with great power will or can use it for the common good. And nothing is revealed more clearly by history than the fact that, with all its faults, democracy is the one hopeful form of government that has been devised by men.

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