

## Handouts for All

By CRAIG RALSTON

**N**OW that the G.O.P. has taken over the New Deal and we are all Republicans or New Dealers or both, as we may choose, we can debate without partisan wrangle not only the merits of the New Deal, but our whole system of government handouts.

The switch of our so-called Conservative pundits to New Dealism was not accomplished without heart burning. Recall the onslaught on the New Deal in the 1936 Republican platform;

"America is in peril. The welfare of American men and women is at stake. We dedicate ourselves to the preservation of their political liberty, their industrial opportunity, and their character as free citizens which today for the first time are threatened by the government itself."

The platform went on to proclaim that the New Deal "set up a centralized bureaucracy . . . sent out swarms of inspectors to harass our people . . . destroyed the morale of many of our people and made them dependent upon the government."

So now the once accursed New Deal has become part of our handout economy. It joins even more important handouts than those it bestows—handouts to landholders and the protected interests.

### *Numb With Pain*

Handouts to landholders and protected interests have proceeded for years with no outcry from those who footed the bill. One reason may be that we have become used to them. There is another reason, however, set forth by Henry George in *Protection or Free Trade*.

"If Protection has been preferred to bounties," George wrote, "it is . . . for the same reason that indirect has been preferred to direct taxation—because people do not so readily realize what is going on. Where a grant of a hundred thousand dollars would raise an outcry, the imposition of a duty which will enable the appropriation of millions in high prices excites no comment."

What George said on that score applies with equal force to tax shifts, which by indirection, bestow handouts on landholders.

The horrified din which greeted the New Deal is accounted for by its public nature. People see the bureaucracy it requires to dispense its cash. It levies a tax which the taxpayer knows about. Those who get the handouts know how much they get. The federal budget tells the cost of the whole scheme.

Handouts to landholders and the protected interests do not show in the federal budget. They are visible only to those who pocket them. Because of their concealment we can only guess at their size.

Guesses at landholders' handouts range from \$8,000,000,000 to \$14,000,000,000 annually. An old formula whose reliability is not guaranteed says the protected industries get \$6 for each \$1 the government collects in revenues. According to this the tariff handout runs to about \$3,000,000,000 per year.

(Continued on Page Three, Column One)

## Handouts for All

(Continued from Page One)

New Deal handouts vary. In 1951 various types of social security cost \$1,717,000,000. Not much was spent that year for farm price supports, but in 1950, price supports came to \$1,700,000,000.

### *The Historical Precedent*

On the merits of hidden landholders' and tariff handouts compared to bounties like those of the New Deal, Mr. George thought that under the bounty system, "bad as it is, we can come much nearer to doing what we want to, and knowing what we have done." Probably all will agree that if landholders, and the tariff crowd get handouts, workers and farmers are entitled to the same privilege: The New Deal type of handout is an internal affair. It does not upset world economics or provoke the hostility of other nations as tariff handouts do.

Experience of other nations has shown that landholders' handouts can be carried to the point where they lead to revolution and communism. Tariff handouts abroad have a history of disaster. At this time of great danger, tariffs split Europe into hostile camps. The way for Europe to achieve unity is to substitute for its tariffs the same free trade we have between our states.

That New Deal handouts made people dependent on government and destroyed their morale is also true of landholders' and tariff handouts. Some landholders and tariff fans get too much. This destroys their morale. They quit work, and dwell in private welfare states—life-long governmental dependents.

### *America's Twelve Families*

One great advantage enjoyed by landholders and the tariff crowd, is that their handouts are paid for by others, not by themselves. A consequence of this was exhibited about the year 1900 when the government had been doing big business in these handouts for a half century. James Truslow Adams narrates its climax in the *Epic of America*;

"In an after dinner speech, one of the (Rockefeller-Morgan) group made the tactical mistake of declaring that it had been said that the business of the United States was then controlled by twelve men of whom he was one, and that it was true."

Farmers and workers don't have it as soft as landholders and tariff fans; they are required by law to pay a large share of their own handouts.

Those who don't like an "America in peril" or government that threatens the industrial opportunity and character of free citizens, and destroys their morale, are like the hero in Artemus Ward's romance. For years, Ward wrote, his hero languished in jail. One day a bright thought struck him. He opened the window and got out. Some day a bright thought may strike those who wish to escape their handout economy. They will open the window to which the Henry George philosophy points and get out.