

wealth are rent for the use of land, interest for the use of capital, and wages to the laborers. In a forward-looking society some of the wealth produced will be put back into production in the form of new capital which increases the production of wealth and the net return to labor. Until recently there have been very few instances of this being done in any of the under privileged countries.

Where rental value of land is not used for public purposes, the natural cycles of high and low demand are differentiated as periods of "boom and bust." These have been interrupted in the United States by inflation which will apparently end only through the collapse of the Soviet Union, the collapse of the free nations, or the annihilation of man.

The Sputniks have influenced Congress to raise the limit of the national debt, so we continue to play into the hands of the sabre-rattling Communists who are waiting for us to destroy ourselves. Much of our 275 billion national debt represents an attempt to transfer back into our capital account the savings which, through the years have been diverted into the purchase of land. The artificial control of interest rates by Federal law is one proof of this trend.

For example two REA (Rural Electrification Authority) lends money at two percent interest which it borrowed from the Federal treasury at three percent interest—the taxpayers paying the difference. It is also true that under the income tax law, the capital gains regulations have encouraged financial manipulators to raid American business.

The law of supply and demand acts just as inexorably in the matter of capital as it does in land, goods, services and labor. If the supply is ample the interest is low, if the supply is short the interest is high. If the supply of capital is kept short long enough, the capitalist will dictate to any economy, he will run the government.

The only sure cure of the problem is to stop the diversion of savings into the purchase of land, and the use of the rental value of land as taxes. The methods for doing so are well established and understood by the informed. Salvation is an individual matter, however, and freedom of politics, religion and economics must be preserved first of all on the individual level. This calls for an immediate infusion of courage, intelligence and power. *Apathy is the greatest foe.*

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## THE COLD WAR

by GEORGE T. TIDEMAN

It is commonly understood that economic chaos sets the stage for Communist supremacy, but what is not commonly understood is that economic chaos results from land monopoly. Every advance in production is soon absorbed by advancing rent, and this rent escalator is our "Trojan horse." Unless we put a stop to this age-old scourge we shall remain vulnerable by attrition to the vigilant Communists at home and abroad who take advantage of every occasion when the economy is strained by rising rent pressures.

We can see two human forces in their favor, namely: the resistance of the landed interest to land value taxation, and the inertia of the majority of people who submit to evils because that is easier than trying to correct them.

Wherever the Communist "wolves of chaos" take over they immediately set about liquidating the landlords. If governments would take a lesson from Henry George, the champion of a free economy, instead of Karl Marx, the architect of a controlled economy, there would be no need to upset the entire social, economic and political structure. The public appropriation of economic rent would be the simplest device for ridding ourselves of the debilitating Trojan horse.