

1934-1936

FSTC : C. A. Gaston: Scrapbook (2 of 3)

Fairhope

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III



and sent to the job and there revived and put at once to work. When the job was finished, they were again gassed and shipped back (in box cars or even in open gondolas) to the warehouse and stacked away to await another call. So wonderfully perfect had the chemists of the Landlords Foundation made that gas that these stiffes could be transported and stored any where in any climate and any weather, right in the open, like so many logs! Nothing seemed to hurt them and they could be waked up as fresh and vigorous as when they were gassed. Of course they had to be fed before they were put to work, but the work finished, they could be gassed at once and the cost of the next meal saved.

(Note. It must be borne in mind that the restrictions of the NRA do not apply to landlords. Both Labor and Capital are strictly regulated, but there is no restriction upon land speculators.

Here in Stockton, for example, there is nothing to prevent our waterfront sponges from advancing the prices of the waterfront holdings we are developing for them a million per cent, or ten million per cent. Indeed, the Administration looks to the advancing price of land as the evidence of the success of the Recovery drive!

The fruit a man raises, or the hogs he raises or the cotton is not considered his. He may not be permitted to sell this product; he may even be required to destroy it. If not, he is required to pay taxes on it to lighten the taxes on land. He is told how many hours to work and and told, often, what to charge for his wares, and restricted in many other ways.

Not only do none of these restrictions apply to rent and rent-takers, but the restrictions are devised to promote the interests of the landowners. The NRA is a landowners' program. A conspicuous feature of the AAA program is a processing tax on Labor and Capital to provide funds to pay landowners' rent on land held idle!!!

## The I.L.A. Not A Labor Union

This paper has long contended that the labor unions are not labor unions at all, but combinations of a few workers against other workers and the world in general.

The truth of this is now evident from the official statement of the victorious International Longshoreman's Union that it would not admit to membership the members of the defeated Independent Union, **because there are not jobs enough for their own members.**

It may be recalled by readers that when the NRA was launched and Union Labor, encouraged by Sec. 7-A, began a nationwide drive to increase its membership, that the local press carried the news that the local carpenters had been granted a dispensation by their national headquarters **permitting them to take in more members.**

Many have, no doubt, had personal knowledge of the fact that the labor unions are select groups, closed to outsiders, who use coercion, intimidation and, sometimes, as in this waterfront case, violence, to keep non-members from working and yet will not open their membership to these others.

### A Mathematical Demonstration Showing That The Plan Is Less Than 40% Efficient

One of the strangest delusions that ever swept a people off its feet is that of the revolving pension fund—usually associated with the name of a Pasadena Medic.

The idea of the revolving pension fund is that the gov-

ernment can by means of a sales tax get back the money poured out in pensions and so use it over and over again and that the addition of this pension fund to the sum already in the pockets of the people will so increase the purchasing power of the people that prosperity will be assured and that almost immediately.

It is proposed that the fund shall be recovered by levying a sales tax on us. This tax is to be just enough to finance the pensions, but is usually estimated at 10%.

The pensioners must spend every cent of their pension within the month for which it is paid, under penalty of forfeiting the pension.

And they tell us that this load of more than a million a month will not "cost the government a cent" as it will all come back in the sales tax; and the people won't feel that, either, because of the increased prosperity all this new business will engender!

### TWO FALLACIES

This idea involves two fatal fallacies, either one of which would not only defeat the hopes of its advocates, but make the last state of the people worse than their first.

The plan would not work, even if as Townsend claims; the government got the money back. **The laws of economics would defeat it, even then; for, unless we recover our rent, increasing the purchasing power of the people would merely enrich the landowners—leaving the rest of us just where we are.**

But the government would not get its pension money back. **The laws of mathematics would defeat that hope!**

A revolving fund is a fund which is so spent that the sums taken from it return to it, thus keeping it forever intact. For example: Take the funds maintained by certain organizations to provide loans to worthy students, who later repay these loans with interest; so that the funds are constantly replenished—and may even increase in size by reason of the interest payments.

Those are true revolving funds; because the money loaned does find its way back.

But the Townsend pension fund is not a true revolving fund; that money would not find its way back.

### LESS THAN 40% OF THE PENSIONS PAID BACK

Every pensioner must, of course, pay the sales tax on his purchases. The \$200 per month must pay the cost of the pensioner's purchases, plus the sales tax.

As the money paid in sales taxes does not go into the channels of trade to stimulate business, that is lost; so here is a shrinkage of our high hopes, right at the start.

**That means that the receiver of a pension of \$200 per month would really have but \$181.82 for purchases, as the tax would not be included in the price, but would be paid on the price.**

That means that the pensioner himself would return only \$18.18. The fund would be but 9.09% revolving.

But the advocates of this fantastic scheme argue that, as the sales tax would apply to all sales, that the business engendered by one of these pensions would amount to much more than that.

### WE LOSE WHAT PENSIONERS GAIN

If the sales tax is not pyramided, then the purchases financed with each \$200 of pension money would be only \$181.82, on which the sales tax would be \$18.18, leaving \$181.82 of the pension to be made up by other people. That is, the pensioners would turn back the amount of their own sales tax, or \$18.18, and the rest would be added to the cost of living of the unpensioned.

The only escape from that conclusion lies in the as-



sumption that the sales tax would apply to each sale in the series of transactions by which goods are passed on from the primary producer through the buyers, processors, manufacturers, wholesalers, jobbers and retailers to the consumer.

If the tax is pyramided, one of two things must happen. Either the dealers and manufacturers and growers must pay their respective sales taxes out of their wages and interest, or they must add the tax to their costs and pass it on.

The first way, these dealers and manufacturers and growers will have less to spend and, because of that, the public's buying power will be decreased by the amount of their contributions to the pensions of the favored class; or, if they add the tax to their prices, thus running up the cost of living, the buying power of the public will be diminished by the amount which the public is required to contribute (in taxes) to these pensioners.

Either way, the purchasing power of the general public will be diminished by exactly as much as the purchasing power of the pensioners is increased—and the net result of the plan, so far as purchasing power is concerned, will be exactly nothing!—really less than nothing, because the cost of administering the pension fund would be wasted.

#### FALLACY MATHEMATICALLY DEMONSTRATED

As the \$200 paid the pensioner would have to finance his purchases and also the 10% sales tax, each pension must finance not only the pensioner's purchases, but the tax on those purchases.

This means that retailers would sell to pensioners each month goods amounting to \$181.82, and turn in sales taxes amounting to.....\$18.18

If we allow the merchants a mark-up of 20%, permitting them to buy for \$1.00 and sell for \$1.20, paying the sales tax of 10¢ themselves (!) this represents purchases from jobbers amounting to \$165.29, on which the tax would be..... 16.53

The usual jobber's mark-up is 10%, if he were to absorb the tax of 10% and work for nothing and pay his own expenses, each pension check would represent purchases from a jobber that would amount to \$150.26, producing..... 15.03

If the wholesaler also worked for nothing and financed himself, this would represent purchases amounting to \$136.63, on which the tax would be..... 13.67

Assuming that the manufacturer operates on a margin of 20%, and that he absorbs the sales tax, this would represent purchases amounting to \$113.86, on which the tax would be..... 11.39

If the buyer operated on a margin of 10% (just enough to pay the tax) and paid his own expenses, this would cover purchases from the farmer or stock-raiser amounting to \$103.51, on which the sales tax would be..... 10.35

In this case, the gross tax paid on the business financed by the pension would be only.....\$85.15

Even under these impossible terms, the Townsend pension plan is less than 46% effective, less than 46% revolving, and leaves the government short \$114.85 each month on each of the pension, or \$1,378.20 per year per pensioner, a shortage that the unpensioned must make up.

That is the best that we could hope for.

How many do you think the primary producer would get from these pensions? We would have to pay more than

82¢ in taxes.

#### BUT DEALERS COULD NOT POSSIBLY ABSORB THAT TAX

But it would be impossible to do even that well, for retailers could not absorb a 10% on a 20% mark-up and produce buyers and wholesalers and jobbers could not work for nothing and pay their own expenses; therefore it is necessary to figure this business the other way and let these various operators pass their tax along in their prices.

Figured that way, here is what we get:

The pensioner's check would finance new business to the amount of \$181.82, on which the tax of 10% would be.....\$18.18

Allowing the retailer a 20% mark-up and allowing him to put the tax in his price, this business would mean that the jobber had business amounting to \$139.86, on which the tax would be the sum of..... 13.99

This would give the wholesaler business to the amount of \$116.56, on which the tax would amount to the sum of..... 11.66

This would mean that this pension had created new business for manufacturers amounting to \$97.13, on which the tax would be..... 9.71

This would mean that the buyers had had orders for, and had sold raw materials to, manufacturers, amounting to \$74.72, on which the tax would amount to..... 7.47

And this would mean that the farmer or the stock-raiser had sold produce to the amount of \$62.27, on which the tax would be..... 6.27

This would make the total tax.....\$67.24

This shows the Townsend plan only 33.6% effective. The government would get back barely one-third its outlay.

#### AN UNBEARABLE TAX LOAD

For every dollar of new business engendered by the pension taxes to the amount of over 37¢ would be paid; and every dollar of new business created by this plan for our primary producers would cost us \$1.08 in taxes!

Surely that is paying too much for the whistle.

The Townsend advocates claim that the pension money will create new business in all lines that will produce a sales tax revenue and that they are to be credited with this; but they cannot claim credit for any new business except that directly financed with pension money; any more than an educational revolving fund can be credited with any returns except those from its borrowers.

To say that the pensions are self-financing because, all-told, the government collects as much in sales taxes as it spends on the pensions is as absurd as it would be to say that a government bridge pays for itself because, all-told, (cigarette taxes, stamp taxes, and other taxes all counted) the government collects as much money as it put into the bridge!

The only part of that pension sales tax that can be said to be returned from, by, through, or by reason of the pensions is that which is paid on purchases of goods that are made with pension money—that is paid on goods of for which the pensioners themselves pay.

There is no such thing as something for nothing! Any advantage enjoyed by a pensioner as a result of the pension must be paid for by the unpensioned.

The pensioners pay nothing, for they do nothing. They buy nothing with the \$18.18 spent on the sales tax re-



turned to the government. The pensioner gets nothing for it; and the government gets not interest out it. But the unpensioned are out the cost of sending this money out and receiving it again.

More than that, it must be borne in mind that, with a 10% sales tax, it requires \$11 to stimulate trade and production as much as \$10 would do without the tax; for every cent of the tax is lost to the business world.

More than that, anything that these pensioners pay in rent, true rent ("ground" rent is meant, because house "rent" is not rent at all, but interest) must also be deducted, except such part as may be turned in to the tax-collector in payment of taxes on land value; for unless it be turned in to the public collector, anything paid in rent is so much lost to the business world. ...Every dollar of land value is a dollar of public debt. ... (See The Forum, page (Corrected) 2846 and No Taxes 334.)

This deduction would still further reduce the returns to the fund and would certainly carry them below 30%.

**The sales tax does not apply to rent.** Whatever proportion of the \$200 the pensioner pays for rent will be lost to the pension fund. This sum will vary; but the affluence of the pensioners will tend to make this item high.

It is true that New York City has proposed to put a tax on rent, but that tax is to be a tax on what is paid in rent, not on what is collected—it is a tax on the tenant, not on the landlord.

Such a tax would come out of the pension, just as the sales tax on the pensioner's own purchases and would reduce by that much the expected benefits of the pension, because it would reduce the purchasing power of the pensioners.

But that is not all. The affluence of these pensioners and their tendency to occupy good quarters and pay high rent would tend to raise rents for all of us. Indeed, if the pension plan has the effect its advocates promise us, the increased prosperity of the country would greatly raise rents.

The result of that would be to greatly increase the cost of living for all of us.

The advocates of this pension plan tell us that the pensions will remove those over sixty from the labor market and so make available more jobs for the young.

But what is there so wonderful in that! How much does a man gain who gets a job by agreeing to support in idleness the man who now has that job?

That is exactly what the Townsend pension plan proposes. It proposes to withdraw several million persons from useful labor and to load the rest of us with the burden of their support.

Even that is not all. The editor has already heard men say that if the plan is adopted they would stop work at the earliest possible moment and live on their savings until they reached sixty and let the rest of us support them after that.

This means that the world would lose, not only the labor power of those of pension age, but of all those others who would "shut off their gas and coast in" to the haven of pensiondom.

#### PRODUCTION BY SPENDING IS AS IMPOSSIBLE FILLING A CISTERN BY PUMPING WATER OUT OF IT

But there is still another way to test the Townsend plan and to expose the unsoundness of the proposition.

The advocates of this plan make much of the fact that they create a market for labor.

They do this, they say, in two ways:

First, they must each spend \$200 per month! and, second, they themselves withdraw from productive activity and so open up that many new jobs.

Clearly if this is a good thing and would create prosperity, more of it would be a better thing and create more prosperity.

Let us see, then, what would happen if everyone withdrew from productive activities and contented themselves with spending.

Under such conditions there would be no plowing, no sowing, no harvesting, no grinding, no baking, no merchandising, no deliveries, no mails, no public utilities, no building, no manufacturing, no transportation, no writing, no teaching, no preaching, no fire department, no policing, no—

But why go on?

No amount of spending could possibly keep business going under such conditions; for there would be nothing to buy, nothing sold, nothing delivered, and no matter how great one's pension might be, he would perish of hunger—or go back to barbarism and live like the lowest and most bestial of primitive savages.

The Townsend plan would be too absurd and ridiculous for discussion if it were not that we are so fearfully ignorant of things economic that we are likely to take up with anything, no matter how fantastic.

Surely we cannot credit the pensions with producing something when that something is first off-set by a deduction. We must remember that taxes are a drain, a liability, not an asset. Every dollar of taxes added to the cost of living of the general public off-sets a dollar added to the purchasing power of the pensioners, so these added tax funds of which they speak and for which they ask credit really cancel the claims made for the purchasing power of the pensioners—and if, as they claim, the total of these taxes paid by the general public is greater than the taxes paid back by the pensioners, then, according to their own claims, the benefits of the pension plan are more than wiped out and the plan would run us in the red, and our last state would be worse than our first.

In any event, those who do the producing would bear the burden. Only in an asylum would it (ordinarily) be expected that any one would propose that the producers should undertake to pension the spenders.

However, truth is stranger than fiction ever dares to be!

Certainly the modern world never before witnessed such a spectacle as this which is now presented by the wide-spread sweep of this pension delusion!

### Upton Sinclair Pays The Penalty

Sinclair is fighting for economic justice; but, in his ignorance of the science of economics, he imagines that economic injustice is caused by the imperfections of human nature, particularly by the selfishness of men.

Proceeding on that mistaken theory, he has savagely criticised many groups, and so antagonized them.

In his ignorance of economics, he has criticised church people. He has been particularly severe on Christian Scientists and Catholics.

### Gaston Corrects Post

E. B. Gaston, editor of *The Fairhope Courier*, and for many years the secretary of the Fairhope Colony in Alabama, has written *The Birmingham Post*, in part as follows:

"Please permit me to correct the statement made editorially in *The Post* that Upton Sinclair, the Democratic candidate for governor of California, was 'once a prominent member of the single tax colony at Fairhope, Alabama'."

"The nearest Mr. Sinclair ever came to 'being a member of the single tax colony' was in spending the winter of 1909 and 1910 here."

"Nor should Mr. Sinclair be called a singletaxer, though he has chosen from time to time to align himself with singletaxers in support of pro-



gressive measures upon which they agreed. He frankly calls himself a Socialist."

## OUR READERS SAY

"Dear Sir: Was surely glad to receive your paper. When I read the book, 'Progress and Poverty', it meant a lot to me. Since, I have wanted to find out what is holding us back. You put your finger on it in the last issue (No Taxes, No. 84, the issue explaining why the paper will not endorse Upton Sinclair). Many people think that 'Progress and Poverty' is out of date. Can science be out of date? . . . . . Imagine a preacher teaching religion and superstition, or a high school teacher teaching chemistry and alchemy. Still political economy is taught along with human law (politics)."—W. VANDER MAATEN, Washington.

"Dear Mr. Beckwith, my dear fellow-laborer in the Cause of Enlightenment: I see that you want to bring together those who live on wages and interest and to organize them against the rent-takers. Fine! Every body wants business—we spend millions in advertising to get business, etc. So enroll those who want business, the business people, against the rent-takers. Point out to the business people that all the land 'round about them that is held idle is an injury to business—that it prevents business coming to the business places, as no business comes from idle land. See! The use of land is what brings business to them. Holding land idle prevents business—is a positive injury. Show the business people what Easy Marks they are to allow land to be held idle. They will fight when they see this point, to get their own business untaxed. See!"—W. D. LAMB

## YOU SHOULD KNOW THIS!

Support of the subscription fund of No Taxes has been so little recently that it has been all used in renewing the subscriptions of colleges and universities that were expiring.

For this reason it has been impossible for us to list certain subscriptions to very important key positions, in the editorial world. In addition, you should know that certain supplemental income of this plant will be interrupted for the next two months. Your help is needed.

L. D. BECKWITH

## What Communists Say Of Upton Sinclair

The principle difference between Socialists like Sinclair and the Communists is that the Socialists would

put to a vote the question of despoiling those whose substance they intend to give to those who are less thrifty. Those to whom the wealth would be given would be permitted to vote upon the question.

The Communists would seize this wealth without waiting to vote.

Except for Sinclair's concession in this matter to what they would call our reactionary tendencies, the Communists do not find any serious fault with Sinclair.

### WHAT THE COMMUNISTS SAY

Below are excerpts from a Communist circular on Sinclair and his EPIC:

"But decades of experience and the most elementary principles of economics and methods of capitalism are disregarded."

"Sinclair, logically following the program of the Socialist Party, is an ardent 'New Dealer'."

"Whether Sinclair sincerely opposes fascism or not is of little importance. The fact is that as the European Social-Democrats, he is helping to pave the way for it."

"Upton Sinclair claims he will secure a loan from the SERA, to initiate a barter system with. If, however, after Sinclair takes office, and we are told that relief funds must be spent only according to rules prescribed by relief authorities in Washington, we will be told that this was an unforeseen error. . . . Anyone who knows anything of economics will realize that the State is far from being self-sufficient. Sinclair admits that some things will have to be obtained for cash. . . ."

"Within California, railroad transportation, shipping, power, light, water and many other important utilities are controlled by large corporations, who would rather take cash than Sinclair's scrip."

"So if Sinclair wants to induce a capitalist to rent his plant to the unemployed, the rent will have to be somewhere around what the owner figures he can make by operating it. In fact more, as any capitalist would rather try his luck for more than mere rent. Only factories completely without hope will yield to the State. Needless to point out that such factories usually suffer from strong competition outside the State as well. They will certainly not be the best for a cash business."

"Of course we are given a ready answer. In time the factories needed could be either bought or built. Yes, but on what? The most enthusiastic EPIC advocates admit that it will take years before the system could be put on a normal minimum scale. Building of new projects is only a distant hope. In the meantime, a buyer comes into a store and finds only a few items which he could buy with scrip, while cash is required for most wants. But the workers in the State system are never to see any cash."

"The State farms will have to base themselves on much land that is now unused. This for a time will not make for very profitable farm-

ing. Workers will have to work long hours to derive a decent standard out of them or to be able to compete with the big ranchers."

"He speaks of organizing farm colonies on a modern basis. But machines, trucks, and chemicals cost money—not scrip. . . ."

"In all of Sinclair's ready answers, there is nothing on the effect of competition with the rest of the country. Sinclair says that if the unemployed now within the State system are satisfied, they will not compete with those on jobs, who would, therefore, be able to win higher wages. But that will mean an increase in production costs for most industries which would be still in private hands, and they will not be able to meet their competitors outside of California, whose workers have not yet been blessed with Sinclair's socialism. 'Well,' says Sinclair, 'let the workers who are thrown out of work join our State system. Or the closing of the factory will force the owner to sell to the State,' (if the State has the money). The trend would inevitably be not for promoting more work in the factories now working, but for closing them. Corporations having plants in California, would still find it most convenient to close them, but not sell them to the State. This would include the steel, auto, tire, shipbuilding and such industries. At least, most orders would be transferred to eastern plants."

"The same in the agricultural industry. We assume, granting that the EPIC is applied according to Hoyle, that the agricultural workers on the private ranches would likewise win higher wages, as they would have no unemployed to compete with. We further assume, as Sinclair promises, that those on the farm colonies would have a decent standard. But the agricultural workers on Florida citrus, Arizona melons, Colorado beets, or Jersey vegetables would not yet have the 'benefits' of the EPIC. California products would not be able to compete with them very effectively. Not unless Sinclair has in mind that California field workers will live like peons."

"For the past period, greater and greater centralization has been introduced. The NRA and its system of codes, is especially a means of placing the control of industries in the hands of monopolies. Prices, market relations, working conditions, and production quotas are dictated."

"But separating his imagination from the only thing that is real in his plan, there remains nothing but the barter and self-help systems. And who in California doesn't know what that entails? Tens of thousands will remember that barter was a 'little help' during the days when relief was either non-existent or less than the present amount. The only ones who really benefited were a large number of barter racketeers and fakers. Investigate in your town and see if nine out of

ten of the barter racketeers are not active campaigners for Sinclair. The barter idea was advanced as a cheap form of relief. Many people who considered it humiliating to apply for charity flocked to it. It substituted self-sacrifice for struggle, and took the burden of relief off the shoulders of the taxpayers, especially of big wealth. Hitler's name for this is 'Do Without'."

"It will be remembered that the barter system meant: adjust your diet to what you can obtain for your scrip; do without many necessities which may not be produced in the organization. It may be argued that a state organized plan could be more efficient, but essentially such state of affairs will prevail, because even if all of California were organized we would still lack many necessities."

"Donald Richberg reports that 15,000,000 made work applications through federal and state agencies, during 1934."

"So unbearable are working conditions under the NRA that the strike wave now embraces millions. The buying power of the masses has been reduced. In September, prices of the most essential food products stood 25% above those of a year ago (Dunn & Bradstreet). The steel industry at the same time stood at 19% of capacity (Iron Age). The general decline in industry is again nearing the low point of the crisis. The Times Index stands at 76.5, compared with 84.9 in September, 1933."

"On the other hand, profits of corporations are the highest since the big crash.\* Reports for the first six months of 1934 show a 220% increase in the profits of 250 corporations, to the amount of \$276,000,000, compared with the same period in 1933 (National City Bank report, July 1)."

"Yet the amount given to direct relief is small change compared with the huge sums given to these very same corporations, through the RFC and government orders."

"The NRA has given birth to gigantic monopolies in most industries.\* In the meantime, Fascism has made its greatest advance in the period since Roosevelt took power. Scores of workers have been killed in the fight for a living wage and the right to organize. The National Guard is being called out more frequently than ever before."

\*The NRA is destroying the smaller operators and throwing business more and more to a few; so that the individual prosperity of the favored few increases even while the prosperity of the country as a whole is failing.—L.D.B.



all go to the same person, who may not even take the trouble to speculate regarding the proportion of each that is in the total product.

He then proceeds to explain that when industry becomes specialized, the product is divided and that, then, **opportunities do arise for a dislocation of exchange and unemployment results from that.**

Graham thus confesses the fact that he knows that the cause of unemployment is that **men are denied access to land**; for he has said above that men "set down empty-handed in a fertile continent" would provide for their own wants. **That means that they would provide their own capital and that, having labor in their own persons and being able to provide their own capital, they lack only access to this empire of undeveloped acreage and lots which confronts them wherever they turn!**

**That, it is plain, is exactly what has happened. And in this division, the rent is claimed by people who produce nothing themselves, but live on this unearned increment by the sweat of other men's faces.**

Graham certainly knows this; he can't be so dumb that he does not know it. Then why does he ignore it?

Yet he devotes 97 of his 98 pages to a cumbersome and futile plan to do the impossible; for, even if his barter (EPIC) plan would work, it would raise rent and compel his dupes to pay more for the use of the land, so that their last state would be no better than their first and might be even worse.

## Stephens Criticises Bastida's Letter

Editor NO TAXES:

The letter of our good friend Antonio Bastida in your issue of 24th September, finding fault with the conferences called by the Henry George Foundation, seems to me so far wrong that I wish to record my emphatic dissent therefrom.

It is idle to ask a question that cannot possibly be answered—"What good has come out of these meetings?" It would be idle to ask that as to any of our efforts to promote Single Tax. We cannot measure results. We can but be certain no honest effort fails of good.

It is not true that the resolutions of such conferences amount to nothing; like every word spoken or written in behalf of our cause, they are factors in the slow process of forming public opinion.

It is not true that the Conferences gathered together by labor and self-sacrifice of the officers of the Henry George Foundation are called simply to advertise it and that care is taken to use up all the time by subsidized speakers and that no one is allowed to propose work aside from that sponsored by the Foundation. I have had the pleasure and the benefit of attending several of these Conferences and never found a freer platform or a more friendly hearing for all sides.

Surely, when our friend reads his statements in plain print he will find himself forced to admit that they are as untrue as they are unkind.

FRANK STEPHENS

Arden, Delaware, October 1.

It is to be hoped that this discussion will be continued. If we are wasting time, this should be known; if these criticisms are both untrue and unkind, that should be demonstrated and they should be suppressed.

The editor met Bastida at the Baltimore Conference

and sat in committee with him. Bastida has been at other Conferences. That he did not act impulsively in this case is proven by the fact that he sent this letter for publication on the eve of the Conference a year ago and was much disappointed that, in the pressure of outside work incident to the things the editor has to do to get money to keep the doors of this plant open for business, it was overlooked until too late to get it to Chicago. This year, after a full year for second thought, Bastida renewed his request that the letter be published.

There is one thing the uninitiated should understand about these conferences. They are just that; they are not congresses. The Henry George movement is so weak and unorganized that it cannot function through conventions or congresses or conclaves. The only way it has been able to function is through **privately incorporated foundations.**

These foundations are invaluable; for they can keep the movement alive until it can do for itself; but it is essential that the reader understand this if he is to reconcile the statements of Stephens and Bastida. Stephens is right in his claims for the friendliness of the conferences; and Bastida is right in saying that the delegates have no control, for, unless the Foundation wishes to accept the suggestion, nothing that a Conference might vote would have any effect. Any one may vote, no credentials are required; because there are scarcely any organizations in the country from which credentials could be got and most communities can be represented, if represented at all, by free lances who belong to no organization, and second, the conferences are not voting bodies at all, but unorganized gatherings called together that the Foundation may confer with as many as possible—and develop as much publicity as possible.

**It has been the contention of this paper that, until we can agree as to what we believe, there is no sense in organizing. We must know what we want, before we go after it.**

How silly the followers of Henry George would appear now, if in our present present state of vagueness concerning our own beliefs, we had clubs all over the country and these endorsed the motley array of movements in which professed followers of Henry George are so conspicuous, such as the Townsend Pension plan and Sinclair's EPIC, or the NRA.

It is to be hoped that there will be no organizing until we decide what we believe!

It is bad enough to have professed Georgists wandering off after strange gods; it would be infinitely worse to have Georgist organizations doing this!

**There is no way of knowing, at present, who are qualified to join us; we have no way of deciding whom to accept. As a matter of fact, not even the foundations make the least distinction between Marxists and anti-Marxists, free-traders and protectionists. All sorts of ism are set forth by our invited speakers, and there is about as much disagreement among our members as there is on the outside among non-members. Even our literature shares this non-descript character; not even our press has a definite creed. So far as it may be said that any of our pronouncements are official, it has to be admitted that even our "official" pronouncements contradict each other on basic principles and any body and anything is likely to get our official endorsement.**

PLEASE RE-READ THE STEPHENS LETTER

To get the full significance of the issue that is involved here, the reader should re-read Stephens' letter.

Imagine a chemist writing in that strain regarding the



issues of that science, or a mathematician, or a physicist!

Would a scientist say: "We can but be certain no honest effort fails of good"—meaning by good the accomplishment of any scientific purpose?

Either economics is a science or it is a matter of opinion to be worked out, as Stephens says, "by the slow process of changing public opinion".

The Wrights at Kitty Hawk were not interested in public opinion; neither was Marconi in his laboratory. They knew that public opinion would swing into line promptly enough **once they demonstrated the truth they worked on.**

It is true that we Georgists cannot set up a model civilization to demonstrate our truth; but working models are not always necessary to the demonstration of scientific truth. That is not a requirement of demonstrations in mathematics, not always necessary in physics; certainly not in astronomy.

**One thing, however, is necessary, absolutely necessary. That is the scientific attitude.**

And that is something that has been lacking in our movement. Economics either is or is not a science. If it is, our procedure must be completely changed; and yet, **that question is not even hinted at by any of the thirty topics announced for the conference just held in Chicago.**

The Stephens letter is completely lacking in this respect. It appeals, not to scientific principles, but to the spirit of good neighborhood, not to natural law but to the moral law.

## Ten Years Of Consistent Teaching

"The day of the Great American Farce"—The Forum, of November 6, 1924, page 4, last column. This is a reference to the presidential election and to the fact that the contest meant nothing and would settle nothing.

"The country is learning what Republican and Democrat stand for and what wonderful twins the two parties are. The older they grow, the harder it is to tell them apart."—The Forum, November 13, 1924. Last page, Column 6.

"The Progressives of Wisconsin recognize the new political line-up which The Forum **has repeatedly predicted** for years. In this line-up the power question is the issue **and LANDlords of all parties and sections unite for government ownership.**"—The Forum, August 16, 1928, page 4, Column 5.

"The contention has been maintained in these columns for years that our parties are not organized on the line of any economic cleavage. . . . There are three and only three economic classes . . . . These three classes are the wage-takers, the interest-takers and the rent-takers . . . . This is why we must have a completely new line-up."—The Forum, March 31, 1932, page 1, under Significant News of the Week.

"After many dull and uninteresting years, we are again to have a real issue separating the Republicans and Democrats. The Democrats under the leadership of Roosevelt will line up as the landlords' party. This will force the Republican party to be a business man's party . . . . If this works out this way, the Democratic party will become the landlords' party and the Republican party will become the party of those who live on wages and interest."—The Forum, July 7, 1932, under Significant News.

"The exodus of landlords from the Republican party

is being speeded up, if one may judge by the conduct of the landlords' scouts. Senators Norris and LaFollette have both announced that they will support Roosevelt. These two have been especially prominent in attempting to commit the Republican party to the policies of the rent racketeers. The conclusion that the Republican party is becoming a business man's party is strengthened by the charge of Judson King that Hoover is, as always, a staunch friend of the Power trust. King is the executive secretary of an organization which is fighting to shift the landowners' taxes to their tenants in their utility bills by committing the country to public ownership. It cannot be claimed that Hoover understands economics, but he is being forced into the position of a business man's candi-

date, as against the landlords' candidates, Roosevelt and Thomas. If this goes on, the G. O. P. will become a real people's party. (Editorial Note. Since the above was put in type, a request has come by mail for the editor's advice as to how Georgists should vote. For the first time in his life the editor will vote the Republican ticket. He will do this, not because he likes Hoover or trusts his leadership. He does not. He does it because the Republican party is becoming a people's party **by reason of the secession of the landlords who are going over to Roosevelt and Thomas.**)—The Forum, October 20, 1932, page 4, Significant News. Also in No Taxes, page 140, the issue of October 31, 1932.

"On the assumption that this movement will continue, the editor is predicting that the G.O.P. will become a real people's party. This has not happened yet; but it is happening. If this is to go on to completion, it were better to keep the Republicans in power than to permit them to lose their hold and have a battle to return them to power. **Lest you forget! The point is that public ownership for revenue, as proposed by the Progressives, by the Democrats and by the Socialists shifts the landlords' taxes to the utility bills of their tenants. That is why the landlords want public ownership. And that is why The Forum does not want it.**"—The Forum, November 3, 1932, page 3.

"The defeat of the Republican party is the direct result of the issues that underlay the spectacular debate over the Muscle Shoals power dam . . . . However the issue may have been disguised, and ignorant as the people may be of the true situation, **rent has always been the prize for which the Progressives have contended.** The rent racketeers have always been the secret backers of the Progressives; **because the financial benefits of their program would be absorbed in rent. And it was the fact that the rent racketeers swung to their new leader, Franklin Roosevelt, that elected him.**"—The Forum, November 10, 1932, and No Taxes, November 27.

"Is the Republican party big enough to seize its opportunity? The NRA is a landlords' program. Only those who live on unearned increment by the sweat of other men's faces escape regulation. The NRA is spending billions of tax money to develop land values . . . . No wonder the landlords are drifting to the Democratic party. **This is leaving the Republican party more and more in the control of business and professional men . . . . Will the Republicans seize their golden opportunity? Are we to have a scientific line-up, with the producers (Labor and Capital) in the Republican party and the leeches in the Democratic party? If so, the Republican party will return to power.**"—The Forum, November 9, 1933, No Taxes, November 27, 1933.



"The fate of the NRA depends upon the question whether those mainly interested in wages and interest will consent to be sacrificed for the benefit of those interested in the unearned increment. Will the landlords triumph, or will Labor and Capital assert themselves?"—The Forum, November 16, 1933, No Taxes Nov. 27, 1933.

"Because I saw that the Roosevelt policies help rent-takers at the expense of both Labor and Capital and were drawing the rent-takers out of the Republican party into the Democratic party and so bringing on a scientific line-up, I voted for Hoover in 1932, although I had voted against the Republicans in nine presidential elections. Because I saw that this development was at that time still further advanced . . . . . and because this new line-up is rapidly becoming an actuality and I want to help it along, I shall vote for Merriam in November. . . . I want to see a party of Labor AND Capital and see an end to Labor strife and put a quietus on all class agitators, whether openly Communistic, or whether their Communism is labeled EPIC or Socialism—whether they advocate the taking of property by forcible seizure, by authority of a Socialist majority, or by a presidential order."—The editor's letter to *The Record*, announcing his support of the Republican party in the present state campaign.

"I changed my registration because I could see a new line-up in process of formation . . . . I could see that this new line-up is destined to give us a Republican party that will be the champion of Labor AND Capital. . . . The time is ripe for such a party. . . . Governor Merriam has the greatest opportunity that has come to any man in California."—From the remarks of the editor, when as a result of his letter to *The Record* he was invited to speak at a Republican meeting, September 21, 1934. See *The Forum*, September 27, 1934, page 1.

#### BECKWITH'S TEACHING THE SAME, 1924-1934

These quotations cover a range of ten years.

Throughout that period one note is sounded over and over again; namely, the need of a political line-up that will join Labor AND Capital against those who live on unearned increment by the sweat of other men's faces;

Gradually, as the new Democratic policies took shape, this changed into insistence that the Roosevelt policies, by drawing the landlords into the Democratic party and leaving the Republican party to the control of business and professional men is bringing about just such a line-up.

And throughout it all, the editor of this paper has stood staunchly for the recovery of our rent, for the use of that rent to finance our public need, and for the abolition of all taxes that Labor and Capital may be secure in the fruits of their enterprise.

The editor has not changed; he has not shifted.

From first to last, he has been fighting to to recover our rent.

## Profitable Investments Beyond NRA

An inside tip being passed around to business men is that there is still "one field where the NRA plays no part whatever".

It is explained that there are some companies whose business "is carried on outside the U.S.A., in countries where business recovery is proceeding under its own power", that is, beyond the reach of the NRA.

This tip is found in a recent issue of a well-known service sold to business men.

## Land Value Is A Public Debt

W. D. Lamb, Chicago, makes a good point in urging the editor to keep before the readers the fact that every dollar of our land value is a dollar of debt on which we must pay interest.

He is right.

### THE CASE OF THE KRESS STORE

A few years ago the Kress Company, a national chain store organization, built a fine building here in Stockton on land leased of people who live in San Francisco. Presumably the Kress people had an option to buy; for they have recently purchased the land, paying it is understood \$200,000 for it.

Now land is worth what it will produce. In a case like this, the land produced the gross rent less the taxes. In other words, the value of land is found by capitalizing the net rent.

The fact that the San Francisco owners of the Stockton lots on which the Kress building stands were getting a sum, net, which when capitalized becomes \$200,000, determined the price that Kress had to pay for the site.

### A DEBT OF \$200,000

To continue in business, the Kress people had to make their expenses, which included a rental charge that paid the San Francisco owners of these Stockton lots interest on \$200,000.

In other words, the claims of these San Francisco owners amounted to a debt burden of \$200,000 on the Kress people.

For their rent, the Kress people got fire protection, sewer connection, police protection, the service of the traffic cops, the advantages of the schools to bring people here and to keep them satisfied to live here, also the advantages of the parks, highways, bridges, subways, deep-water harbor, etc. All these things are provided by the taxpayers.

In addition to what the taxpayers furnish, the Kress people had the advantage of the presence here of churches, theaters, markets, doctors, surgeons, dentists, lawyers, and many other advantages too numerous to mention.

The rent paid by Kress is the compensation that Kress pays for all this. . . . And, as this rental was fixed in the a market in which other landowners were bidding, it is fair to assume that the rental is a fair return for the advantages that go with that site; or, differently stated, that these advantages are worth the amount of the rent.

If this is true, then it costs the public that much to service that site.

### THE NET RENT MEASURES PUBLIC'S LOSS

That being established, it is clear that unless the public which finances the servicing of that lot gets the rent, all of it, then the public loses money on the transaction.

But, as we have seen above, the owners of that lot did not turn in to the public in taxes all they received for the sale of the location advantages going with that site.

Manifestly the public lost on the servicing of the lot whatever these owners made on the turnover of that service, or the difference between what they paid in taxes for the service and what they got for it when they sold it to Kress.

This is the identical sum that is referred to above as the net rent which when capitalized gives us the \$200,000 which we are told is the value of the Kress site.



**KRESS STILL HAS TO PAY THAT INTEREST**

Kress has now acquired the title to this lot by paying these San Francisco people \$200,000; but that does not mean that Kress has got from under that burden of interest; for the Kress people had to surrender \$200,000 to consummate that transfer. They are now out that much money and, of course losing the interest on it.

The only difference made in the situation by this purchase of that site is that, whereas Kress formerly paid in monthly rental, a sum equal to the interest on that \$200,000, he is now out the sum of \$200,000 on which the interest is as much as these alien owners realized, net, from the rent. And Kress still has the taxes to pay, as he did under the lease.

Nor will this situation be changed if the lot goes up in value; for, whenever the lot increases \$1,000 in value, Kress must either sell to recover his money, or consent to do without interest on an additional \$1,000, say \$60. Kress pays rent now, just as truly as he did before; and his rent will still rise as the city grows, just as surely as it would if he had continued to hold the site subject to the uncertainties of a lease. All he has gained is the certainty that his landlord will not order him out.

But the interest on that \$200,000 is still an item of expense that Kress must meet.

And the money to meet it must be raised as before by being charged into the selling price of the goods Kress sells. The public must continue in that way to pay interest on that \$200,000. And if, because of our deep water, or other local advantages, this city grows and that lot becomes worth a million, the people must then pay interest on the million.

And what is true of this Kress lot is true of every lot and acre. Every dollar of land value is a dollar of debt on which the people are compelled to pay interest.

**WHERE THE SHOE PINCHES**

The reader must keep in mind the fact that the public loses a dollar every time a landowner collects a dollar of rent in excess of taxes; for it costs the amount of the rent to service the site and, if this is not paid into the treasury, taxes must be imposed to make up the shortage.

Because of this, the Kress company, which had already paid in rent for the advantages of that location, had to pay in addition taxes on its fixtures, its stock, its gasoline, its checks, and upon its income, its freight and express and telephone bills, its gas and electricity bills, etc.

It is of course true that it would under the Georgist system still pay rent; but, because that rent would all go into the public treasury, the government would have revenue sufficient without taxes and there would be no taxes

**Is The Government Your Agent Or Your Master—Is The Citizen Sovereign Or Is He A Ward Of The Party In Power? That Is The Issue In The State Election**

"Mr. Beckwith, you say you find no fault with Upton Sinclair, the man, whom you say you know personally, yet you call him a dangerous leader and are hard on us for supporting him. Just what is wrong with his program?—A Stockton supporter of Sinclair.

Sinclair is like a ship without a rudder, an automobile without a steering wheel, a man without a conscience—he has no guiding principle, no standard of conduct, no straight edge or plumb line, by which he can know right from wrong, politically.

He proposes, and you approve, a system of income

and inheritance taxes. He proposes, and you approve, that a certain proportion be taken by the State.

You do not say that you will take from these people all that they have secured unjustly; nor do you propose to let them keep all that they have secured justly.

You do not even consider the matter of justice! That is no part of your program! You are not interested in justice!

You ask no questions about the way your victims intend to use their money; you are not interested in the right or wrong use of wealth!

You ask no questions to determine whether the collection of these amounts from these people imposes equal sacrifice upon these people; you are not interested in equity!

You do not ask whether earning money is easy for the victims of your exactions; you are not interested. You do not ask whether their future may be jeopardized by requiring these payments of them now; you are not interested.

You do not ask whether, their situations and obligations considered, and their station in life, their health, their age and all these things considered, it is just to ask these particular payments from these particular victims. You are not interested!

You do not take into consideration the fact that some of these people operated at a loss last year and the year before; you are not interested.

It would make no difference under your plan that a man had lost \$100,000 last year, if you could under your schedule take \$100,000 from him this year, you would.

You have no guiding principle, no standard of rectitude, no plumb line of justice, nor any rule of mercy by which you even attempt to govern your course!

You take from the owner as ruthlessly as you take from the thief; from the robbed as mercilessly as you take from the robber; from the angel of mercy as heartlessly as from those that prey on society. You are without principle.

**You are dangerous, because you are irresponsible.**

**No man can predict what you will do; no man is safe whose future depends upon you.**

**You yourselves do not know what you will try next; for you have no guiding principle, no standard of conduct. You are likely to do anything! There is nothing in your political creed that would bar your way, no matter which way your impulsiveness might drive you!**

You say you are governed by the principle of majority rule; but that means that what the majority wants is right! There is nothing in your political creed by which voters know what is right and what wrong.

With you what the majority votes has to be legal.

What the majority approve is law; what the law says is legal—and right and just and virtuous. That has to be because you have nothing but the rule of the majority to guide you.

With you and Sinclair, what is legal is moral and just and right and virtuous; and legality and justice and patriotism are merely synonyms for legality.

That is your only test and that is no test at all!

And if, through any whim, or by reason of carelessness or stupidity or panic or drunkenness or bribery, the legislature reverses itself, what was just becomes unjust and what was unjust becomes just; vice becomes virtue and virtue becomes vice, right becomes wrong and wrong becomes right; treason becomes patriotism and patriotism becomes treason.

You dare not admit that men have rights that antedate your majority vote and that cannot be over-ridden



by that vote; for, if you admit that, you admit that these rights are superior to your majority mandate and that it is powerless to function except when, if and as it is in accordance with these rights.

To maintain your position, you have to contend that a man's rights are only such as have been voted him by society; and that, instead of governments deriving their just powers from the consent of the governed, the subjects of government derive their rights from that government!

I can understand how simple-hearted people can be fooled into endorsing Sinclair by sentimental appeals to their feelings, but I cannot understand how intelligent people who give any attention to the implications of his Socialist sophistries can be permanently misled by his EPIC.

I am old enough to have got my schooling in the old days when men were still loyal to the basic truths of our Colonial Americanism, before the poisonous heresies of Karl Marx had got in their deadly work. I did suffer from Socialist infection at one period in my life; but the old schooling had been too thorough. My Americanism was able to withstand the infection. I recovered.

## Sinclair Vs. Inalienable Rights

R. G. POLSON. "Beckwith, didn't you vote for Herbert Hoover to make matters worse, so that things would get better?... How can you find fault with people who vote for Sinclair with that same purpose?"

LDB. "Look at the statement I made at the time; You will find that I have explained very carefully that I voted for Hoover, not to make matters worse, but to promote a split in the Republican party that has been forced on it by Roosevelt's policies. He is a landlords' president and he is drawing the landlords out of the Republican party into the Democratic party. This is making the Republican party just the kind of party we need; for it is making it a party of Labor AND Capital. I want to help along that movement; for that would help us to recover our rent. It would give us not only a major party, but the strongest party of them all; for the wage-earners and the interest-takers outnumber the rent-takers ten or twenty to one.

RGP. "But how can you stomach Merriam?"

LDB. "The same as I did Hoover—for the principle of the thing; this is not a matter of men, but a matter of principle. The doctrine of human rights is at stake. We have to look now to the Republican party to defend our rights."

RGP. "We haven't had many rights under the Republicans."

LDB. "True enough! But, at any rate, the Republican party is still committed to the good old American doctrine that there are such rights. The Republican party does not deny that we have such rights.

RGP. "Yes, but try to get them!"

LDB. "We do not enjoy many, I admit; but that is no reason we should sign them away by voting for the EPIC plan. I may be robbed; but if I am it will not be with my consent. It is certain that I am not going to vote Sinclair or any one else a commission to rob me."

RGB. "No one has ever charged Sinclair with anything as crooked as some of the Republican papers, *The Record* among them, charged against Merriam before the primary. I do not see how you can vote for Merriam, after all that."

LDB. "Merriam is only a man; he can't last more than a hundred years, and human rights will continue to be

vital after he is dead and gone! Principles are eternal."

RGP. "But, if you believe in principle, what do you say about the graft and crookedness of the Republican administration? Surely you cannot endorse that?"

LDB. "Of course I do not approve crooked politics or graft; but there is at least this to be said for the Republicans: They will let a man keep what he has got—"

RGP. "Even if he steals it?"

LDB. (Laughing.) "Yes, even if he steals it—at least, so far as their platform goes. They are still committed to the doctrine of individual rights."

RGP. "But isn't Sinclair and isn't Roosevelt; aren't both the Democrats and the Socialists (if you call Sinclair a Socialist? Aren't they also committed to a defense of these rights? What's Socialism, if not a demand for our rights?"

## SINCLAIR DENIES THAT WE HAVE RIGHTS

LDB. No! They are not! That is just the point; for Sinclair and Roosevelt are both committed to policies that are the exact opposite; that deny our individual rights.

"I have Colonial blood in my veins. I was taught that we have inalienable rights, among which are the right to life, liberty and the pursuit of happiness.

"Roosevelt's NRA and Sinclair's EPIC deny these. For that reason I cannot vote for either of them! They may take my rights from me, but that will never be done by my consent. I will never vote my rights away by endorsing either the NRA or EPIC!"

RGP. "What makes you think they deny your rights?"

LDB. "Because they claim the right to take from me to give to others; because they claim the right to impose forced levies on me to provide for others they think entitled to assistance. It may be true that they might consider me the forgotten man and take from others to give to me; but, I won't steal. I am opposed to it on principle. I won't consent at the ballot box that the government steal for me.

"You laughed when I agreed that the Republicans will let a man keep the property he has even though he stole it! But it is better that a few guilty men be permitted to keep their stolen wealth than that millions who have come honestly by their wealth should have that wealth, or any part of it taken from them. For the sake of millions who come honestly by what little they have, I refuse to vote my consent to an NRA or an EPIC program that authorizes the government to take anything from any one one to give to others less thrifty!

"We still have policemen and courts! And, that being true, I would vote for thieves running on an American platform, before I would vote for honest men on a program that denies me my American right to life, liberty and the pursuit of happiness!

"I would do this on the theory that there would still be a chance to impeach (or to convict) the thieves, if our rights were still acknowledged; whereas, if our rights were not recognized, there would be no hope—not even with honest officials and any number of police sworn to enforce the law.

"I would much prefer any candidate that can be elected on an American platform, to the finest type of man elected on a Socialist platform such as EPIC or NRA.

"I believe in the sovereignty of the citizen and that governments derive their just powers from the consent of the governed; I believe that the government is the agent of the citizen, not his master. I shall never vote for any program or candidate that denies that doctrine; I refuse to sign away my American birthright, either at the ballot box, or anywhere else.



"I voted against the Republicans in nine presidential elections; and then registered Republican that I might vote against the Socialism of Roosevelt. I shall, naturally, vote against Sinclair, although I know him personally and like him and trust him as a man. A vote for Haight is a vote for Sinclair; hence I am compelled to vote for Mirriam."

**LEST YOU FORGET!** Relieving real estate increases the net rent, or what landowners make by buying our public service at the tax rate and selling it at the market rental rate. Increasing their unearned increment—which means that we must earn more that we do not get.

## We Cannot Be Wrong Forever

Gradually, almost in spite of ourselves, we are being forced to turn our attention to fundamentals.

Immense sums of money have been donated by well-intentioned people to all sorts of foundations for all sorts of research.

In the main the money is wasted; but all of these organizations cannot be always wrong.

In the end some of them will pick up the trail of the truth they have really in mind.

The Falk Foundation of Pittsburgh has a large fund at its disposal and it has been wasting it on a lot of needless investigations; and yet something of value has come, even from that.

Among the conclusions just announced is:

That even in the heyday of our great prosperity, just prior to the beginning of this depression, we could have easily consumed 20% more goods than we did consume.

Here is further evidence, submitted at great expense by experts hired with the Falk money, that over-production is not the cause of the trouble.

It seems a pity, though, that money that could be so much better used should have been used to discover what almost any one could discover for himself, if he would only look about him and consider how few of the great majority of those whom we see about us have two suits of clothes, two pairs of shoes, or a proper supply of innumerable other articles which silly "brain trust" propagandists say are over-produced.

The Falk Foundation researches at least have this value—they confirm the statements on that subject made in these columns.

## Why Socialists Gain

"Interest is the earnings of Capital and men have not a thing to say as to how much or how little it is, or should be. The thought that, when rent goes into the public treasury and all wages goes to the producer, interest will decline or disappear is the same as to think that capital would then disappear. So long as capital is used, interest will exist and the rate cannot be changed by law, save as fool and unjust laws hamper the use of capital and thereby reduce its earnings.

"Socialists gain because they find ignorance and feed it, they find stupidity and feed it. They capitalize and appropriate to themselves and their 'cause' any popular fallacy."—J. F., Pennsylvania.

# A Henry George Book Corner

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What Sort of Man Are You.....	1¢



## With Exception Of Georgist Movement

Here is a very significant statement that appeared in a recent confidential business report sent its subscribers by **The United Business Service**, of Boston, which describes itself as a "weekly forecast based on the united opinion of Recognized Business and Economic Authorities".

Under the heading,

**COMMON FALLACIES OF "SOCIAL REFORM"**  
appeared this sentence:

**An outstanding common denominator in all "social reform" (with the single exception of the Henry George "Single Tax" program) is the active championship of the wage-labor class against the employer or the business enterpriser.**

This is correct. The Georgists are the only people in the field that do not join in the chorus that is urging Labor to fight Capital. On the contrary, the Georgists are vigorously teaching that anything, anywhere, that helps any one, any where, that lives on wages and (or) interest, tends to help every one, everywhere, who lives on wages and (or) interest; that the interests of Labor and Capital are identical.

**United Business Service** has performed a service by calling the attention of business men to this fact.

The importance of that statement is greatly emphasized

ed by the next sentence in this report. That sentence is:

**Many seem to view industry not as a co-operative process for the production of goods and services, but rather as a catch-as-catch-can contest between the class of wage-workers and . . . .**

**United Business Service** is correct in calling industry a co-operative process.

It is the only truly co-operative system; because it is a voluntary co-operation of independent minds, each acting upon its own initiative. Socialist and Communist co-operation is a forced and unnatural co-operation, directed from without.

Industry is a co-operation of brain and brawn, whereas Socialist and Communist co-operation is a co-operation of brawn directed by one mind. It is for that reason a waste of brain power.

Those who would pursue this thought further should turn to Chapter x, of Book III, of "The Science of Political Economy" by Henry George, and note there the contrast between the co-operation of the crew sailing a ship and the co-operation of those who, widely scattered over the face of the earth, contributed to the building of that ship.

From this the reader will perceive that Socialist co-operation is a low form, suitable for ox-teams, dog-teams and savages; whereas the co-operation of the industrial world is a much higher type.

## Drops Beckwith's Name From Book

According to all the rules, Upton Sinclair did the proper thing when he dropped the editor's name out of his "I, Governor of California".

Shortly before the appearance of the book, the editor received an air-mail letter from Sinclair, then in New York, asking the correct name of this paper. Sinclair said he intended to make reference to it, and wished to have the name correct.

The information was sent him by air mail.

### Sinclair Lists Three Editors

Then came the first edition of the book. On page 34 of this account of a campaign that had not yet taken place, and which (according to the book) resulted in Sinclair's election is the following statement:

The candidate made a tour of the state . . . . Many clergymen endorsed the plan and opened their churches to meetings . . . .

In Los Angeles, Manchester Body had committed his paper, "The Illustrated Daily News" to a program of public enlightenment which had changed the intellectual tone of the city . . . .

In San Francisco, his friend (he means Sinclair's friend) Fremont Older, hero of many an old-time battle, could not commit his paper, owned by Hearst, to EPIC, but Older frequently published the news. . . . In Stockton, L. D. Beckwith, single-taxer, had a little weekly called "No Taxes", which had kept public spirit alive in that community. Other small papers came forward; the labor

press opened its columns . . .

This was no trifling compliment. It means that of all the editors in California, Upton Sinclair names these three as champions of people's rights and most to be depended on in a great battle for human liberty.

### With Appreciation And Regret

The compliment was acknowledged in an article entitled, "With Appreciation and Regret"—appreciation of the compliment and regret that it could not be repaid by support.

When a subscriber wrote that he saw no reason why Sinclair should not get every Georgist vote in California, the editor replied that he could see no reason why he should get any!

This was followed up by an article in which the twelve planks of the EPIC program were analyzed and all but one were marked 0; this gave Sinclair a grade of 8 1-3%.

Naturally, and properly, Sinclair dropped Beckwith's name out of the later editions of his campaign book. It is to be found only in the first edition. There it will be found on page 34.

## Editor Gaston For Sinclair

Actions speak louder than words.

The Townsend plan and the EPIC program of Sinclair are helping to sort out those who can be trusted to teach the truth for which Henry George stood from those who merely imagine that they understand it.

Editor Gaston of **The Fairhope Courier** announces editorially that, if he were in California, he would

support Upton Sinclair's EPIC program.

Students should not miss the significance of the fact that it is the single taxers (as opposed to Georgists) who oppose interest that are taking this stand.

This is perfectly natural.

The single taxers use the same arguments against interest that Sinclair uses in his campaign—and attack bankers and the "Money Power" just as he does.

And they, like Sinclair, deny our natural right to life, liberty and the pursuit of happiness!

Some of them probably do this unconsciously, not realizing that, if society has the right, as they think, to take any part of our income or of our inheritance, it is because we have no right to our own!

They do not see that there can be only one right; and that any opposing claim is necessarily unjust.

A man's income is either his, or it isn't. If it is, the state cannot take it. If the state may rightfully take it, then it does not belong to him.

Men must choose whom they will follow, whether Henry George or Upton Sinclair. They cannot go in two opposite directions at one and the same time; nor follow Sinclair at election time and expect to be considered Henry George men at other times.

It is not strange that the Georgist movement has got nowhere and is utterly disorganized. It takes Georgists, not Marxists, to make a Georgist movement.

## Cash For A Few Words

A supporter of the Henry George School of Social Science offers fifteen dollars for a statement of the Henry George plan of taking the rent of land instead of taxes.

The statement should not exceed 200 words, so that it could easily be put on a card.

The merits will be judged as follows:

Likelihood of attracting attention and being passed on	50%
Comprehensiveness	25%
Clearness	25%
	100%

First prize, \$10; second prize, \$5.

Mr. Fowles, the new president of the School, has kindly consented to act as judge. Contest closes January 1, 1935.

All contestants should write clearly on one side of the paper or postal card only and send it either under their own name or a pen name to Bolton Hall, 17 West 28th Street, New York City. All rights in the prize attempts shall belong to the School.

If no statement is deemed worth printing for general circulation, only one prize will be awarded.



## Hail, 'Scientist', Hail!

What little liberty is left the mass  
Have delegated to the "better  
class"!

Friendly and unemployed, his coat  
a rag,

Your free-born citizen is but a  
vag.

Hit him again! His rights are at  
an end,

Whose pass-book cannot show a  
dividend!

Hail, Scientist, hail! Thou sorcer-  
ess supreme!

Whose marvels dwarf the necro-  
mancer's dream.

And yet, alas! I say it with a sob—  
Thou can'st not show the unem-  
ployed a job!

Forsake thy foolish atom-splitting  
forge,

And learn worth-while research  
from Henry George.

—HORATIO

## OUR READERS SAY

"Dear Mr. Beckwith: Your col-  
umn entitled, 'What's A Single Tax-  
er, and Why?', page 267 of No Tax-  
es (3090 of The Forum) is bully!  
You are a man after my own heart.  
Give them more of it! Let's separ-  
ate the sheep from the goats and  
get going! Either they should learn  
the science of George, or give up  
their credentials to appear as Georg-  
ists."—A. W. FALVEY, Nebraska.

"My dear Beckwith: Of course I  
disapprove almost everything in Up-  
ton Sinclair's program. He is a  
long acquaintance and correspon-  
dent of mine; but I am heartily  
glad to see how he is rattling the  
dry bones of reactionary society in  
California.

"I should not regard it a misfor-  
tune if he were elected, as it seems  
to me he will be, although I do not  
think my guess is worth much.

"I think the people are bound to  
try out some form of Socialism in  
their wild effort to escape the rule  
of monopoly. Just as with Prohi-  
bition, I was strongly against it, but  
equally in favor of enforcement, be-  
cause the people are slaves and they  
cannot find out unless they try it,  
that compulsion will not bring or-  
der."—BOLTON HALL, N.Y.C.

This is too much like letting the  
children burn the house down in the  
belief that the loss of their toys in  
the conflagration will teach them to  
be cautious with fire!

The almost fanatical rally of mil-  
lions of people behind the crazy  
Townsend pension plan shows what  
the people will do when they are  
offered something they want.

If the science of economics had  
been properly taught by those who  
imagine themselves followers of  
Henry George, the people would see  
that the Georgist plan offers them  
vastly more than the Townsend plan  
and offers it in an easier way. Had  
the truth been taught them, the  
people would be now far more en-  
thusiastic and determined in behalf  
of the Georgist plan the misguided

group that is backing the Townsend  
plan.

"Dear LDB: Just a word to tell  
you that I think your last issue (The  
Forum of August the 30th, 1934) is  
the best you have ever got out. One  
after another of the articles are  
straight to the point, and there is a  
humor in a couple of them that any-  
body ought to get. The explana-  
tion of why you do not engage in  
political scraps (Article on the Ral-  
ston amendment, The Forum page  
(Corrected) 2813 and No Taxes p.  
321. See also a second article, The  
Forum (corrected) 2833 and No  
Taxes 329) is a blast of both bar-  
rels—one at the futility of taking  
your time for such exploits and the  
other at the futility of trying to win  
Georgists votes sneaking in some  
supposedly popular vote-catcher to  
the platform. Why are Georgists  
so timid as to shy clear of the irref-  
utable truth which is their best wea-  
pon?"—From a private letter.

"Dear Mr. Beckwith: I cannot  
tell you how greatly I enjoy the re-  
cent issues of your papers . . . To  
my mind, the further we keep the  
Georgist cause from Socialism and  
all its ways, the greater our chance  
of appealing to productive interests.  
. . . The last issue of The Forum  
with its analysis of the EPIC pro-  
gram (The Forum page (Corrected)  
2811, see also 2836 and No Taxes  
329) got here Monday, as usual.  
Next day, Sinclair swept over Cali-  
fornia and Wednesday our leading  
daily devoted the most of its edi-  
torial space to the menace of the

man . . . As soon as I saw that  
EPIC article, I hurried through the  
paper and then took it to this edi-  
tor. That analysis is just exactly  
what he wanted and he he surely  
did reach for it. Briefly and clearly  
you took care of each of the twelve  
EPIC threats, or promises, in a  
manner that is most satisfying. . .  
I am mighty glad I got it."—A. G.  
CHAPMAN, Nebraska.

"Dear Mr. Beckwith. I have tried  
to keep a complet file of No Taxes.  
Your paper has taught me more in  
the last three years than I had  
learned in all my life. . . . In  
time to come it is your teachings  
that will guide men; they will train  
generations yet to come. All credit  
must go to you for having so pains-  
takingly figured all sides of the  
question. Am I right in believing  
you are compiling subject matter  
for a text-book? You must not put  
it off. Your grasp of the subject is  
complete; your examination and  
explanations show a full understand-  
ing of the subject. You cannot be  
caught, nor trapped into side-step-  
ping—oh you must not be discour-

was able to withstand the inf  
old schooling had been too t  
from Socialist infection at or  
Karl Marx had got in their  
Colonial Americanism, before  
days when men were still joy  
I am old enough to have  
EPIC.  
Socialist sophistries can be  
people who give any attentio  
can be

# Significant News of the Week

## GIVING MEN PIE TO KEEP THEM FROM STEALING PIE

A tough-looking customer was about to snatch a pie.  
Said the owner of the pie, "My man, I will give you a cut  
of that pie, if you won't do that!"

The tough customer agreed. The owner of the pie gave him  
a cut of pie—one-sixth of the pie. Then the tough-looking  
customer reached for the rest of the pie. He was about to  
snatch the other five cuts of pie, when the owner saw him and  
said:

"Don't do that! If you won't do that, I'll give you a cut  
of the pie."

The tough customer agreed. The owner of the pie gave  
him another cut—making one-third in an all that he had given  
the tough customer in order to protect that pie.

The tough customer ate that second cut and reached for the  
rest of the pie.

Again the owner of the pie said:

"Don't do that! If you won't steal that pie, I will give you  
a cut."

The tough customer agreed and ate the third cut of pie—  
he had then eaten half of the pie. He started to snatch the  
other half of the pie and was given the fourth cut.

In the same way he got the fifth cut.

Then, in the same way, he got the last cut—he had eaten  
the whole pie.

That is the way the Republicans and old-line Democrats of  
California think they can protect their property from Sin-  
clair's EPIC crowd. And the tough customer is running true

to form—reaching for the rest of the pie!

And that is the way Franklin Roosevelt and his Brain Trust  
are attempting to protect our property—and the tough cus-  
tomer is reaching, ever reaching for more—and for more and  
more!

You haven't seen anything yet!

If you want to know the full story, read Bellamy's "Look-  
ing Backward" and his "Equality" written in 1887 and 1890,  
respectively, fortelling the events you are now witnessing—  
and showing how you are to be reduced to slaves of the state,  
unless you gather your wits and take up the study of econom-  
ics.

## UNFORTUNATELY, SENATOR BORAH DOES NOT KNOW WHAT CARD IS TRUMPS

Senator Borah is attacking the inefficiency in the adminis-  
tration of relief. He says that in two mid-western cities there  
are 2312 employees in the two central offices. He cites six  
cases of comparison between the relief given and the cost of  
administering it, showing that it cost \$3,089.07 to administer  
relief amounting to \$2,503.58.

Relief has become a racket; and this for three reasons:

1. So long as rent goes into private pockets, the finan-  
cial benefits of relief will be absorbed in rent.

2. As most states do not tax land and the federal govern-  
ment never taxes land, the rent-takers are tax-exempt so far  
as federal and state aid is concerned. With nothing to pay,  
they nevertheless get all the financial benefit—and the more  
federal and state money spent where they collect rent, the  
more they make.



3. As all this is politically handled under conditions that force politicians to respect the hand that feeds them, there is every incentive to build up a machine. (And of course the rent-takers encourage this, for they profit by it.)

But Borah is as ignorant of things economic as other men in Washington. All he sees is the waste of money and that is what he is criticising.

**Borah does not understand that he is playing right into the hands of the relief racketeers! He lacks the understanding of economics that would enable him to see that the more he reforms the administration of this racket the more profit there is in it for those who are getting the rent rake-off. He cannot see that this wasteful administration means that the permanent improvements resulting from the relief appropriations are reduced; and that, if he is successful in forcing efficiency and economy into the administration, more of the money will go into permanent improvements and more land value will be created by the relief!**

If the reader is in doubt on this point, let him observe the next relief crew he sees and consider how much more Mr. Leading Citizen would benefit (in increased land value) if that crew really worked, instead of just leaning on their shovels and visiting.

#### WHY IS THE KINGFISH?

Huey Long is the absolute dictator of Louisiana. Nothing like it has ever been seen in this country; there is nothing more complete in its line in Italy, Germany, or Russia.

**Huey Long is doing in Louisiana what Upton Sinclair sought to do in California. Gov. Olson of Minnesota, Mayor Doan of Milwaukee, Mayor La Guardia of New York and the La-Follette brothers of Wisconsin will try to do the same thing in their bailiwicks.**

They all have the same political philosophy, the same program and will all bear watching. Also Upton Sinclair, for California has not heard the last of Sinclair. Long's success will give Sinclair courage. Watch them all!

Fortunately, Louisiana is the only state in the Union where the Huey Long stunt could be put over—at least under present conditions.

It was possible there because that state has but one large city and its economic interests are different from the rest of the state and **all the rest of the state has the same interest.**

Other states have but one large city, but the rest of the state is not all interested in the same opportunities.

In Minnesota the waterfront interests, instead of being centered in one city, are scattered from Stillwater to Duluth; and the Duluth region is interested in iron, and is thus sharply distinguished from agrarian Minnesota.

In any state, the government will be run by the rent crowd. If the state's interests are varied, the rent crowd is divided. If it is seriously divided, there is some chance for Labor and Capital, although not much.

In Louisiana, there are but two interest; namely, the New Orleans waterfront and the interior. The latter is homogeneous in the economic sense; hence it was possible to unite it in a powerful machine that has proven more than a match for the waterfront.

## A New Stockton Contribution

The greatest IF in the world is the IF in the following sentences:

**IF economics is a science, it contains the answers to all the serious problems that today are distressing the country, or the world.**

**IF economics is a science, Stockton has the leadership of the world within her grasp.**

Readers are familiar with the claim made by this paper that the mantle of Henry George fell on G. McM. Ross of Stockton; and that the largest and most militant Georgist paper in the world is published in this city, which has had more coaching in this matter than any other city in the world.

Several important contributions to the world's comprehension of this most important science have been made in Stockton, but this is the first time that one of these contributions has been completed within a 24-hour period.

#### ROY HAMMA QUESTIONS A STATEMENT BY MAX HIRSCH

Among the young student friends of the Beckwith boys are Charles Learned and Roy Hamma. These boys have been frequent callers at the office and home. Learned has just completed a smoke "corral" of his invention and construction which he saw was needed to eliminate the annoyance of the fumes arising from the melting down of the used type in the Beckwith basement. It was just being tried out when a volume arrived from Chicago, sent by Mr. Pernod.

This volume contains four addresses delivered by Max Hirsch in Melbourne, Australia, and a verbatim report of a debate held there between Hirsch and a Socialist champion selected by the Socialists of Melbourne.

In this debate were references to other writings by Hirsch. One of these was secured from the public library and was in the home on Friday evening, September 12. The editor had read a few pages of it.

Hamma picked it up and, looking beyond the page the editor had reached, found this statement regarding the cause of interest:

All production consists of a series of acts following upon each other, and all production therefore requires more or less time. The production of bread, for instance, requires the successive accomplishment at different intervals of sowing, reaping, grinding, and baking . . . . Every increase in the length of the productive process postpones the time when their fruits will be available for the satisfaction of human

wants, while as has already been shown, it increases the number of wants that can be satisfied. . . . Apart from the element of risk, our present valuation of future goods is, therefore, made on the same principle as that of present goods, i.e. goods available at the present time. As these two sets of goods, however, become available at different times, under different circumstances, and serve a different set of wants, it is inevitable that a different valuation should be placed upon them at the present time. With a few unimportant exceptions this difference shows itself in a higher present value being placed on goods which are available at present than on goods of like quantity and kind which only become available at some future time. This difference in value is the cause of interest, which, therefore, arises from the extension of man's labor in time.

This appeared to indicate a conflict of opinion between Hirsch and Henry George, who traces interest to the natural forces of **growth and reproduction**. This possibility was doubly disturbing; first because it is desirable to establish an agreement of opinion on this matter and to have an end to the contention that has raged over this point; second, because Max Hirsch was a prominent and active champion of Henry George and a disagreement between them would be especially unfortunate.

A disagreement, however, seemed to be established by the very fact that Hirsch was wholly silent regarding the view of George. He could not be in ignorance of the fact that he was offering an explanation of interest that would be accepted by many as a complete repudiation of the explanation George offered. His silence was a



be the result of his desire to avoid advertising the fact that he disagreed with George. It was as though Hirsch regretted the necessity of differing from his Chief and felt that the best thing to do was to pass the disagreement in silence. A day passed.

By that time this matter had undergone nearly twenty-four hours of sub-conscious review in the mind of the editor who had not had time give the matter any conscious study. However, as soon as Hamma came in, the editor called his attention to an earlier chapter in the work by Hirsch which Hamma said he had passed over to get to the subject of interest in which he was more immediately interested.

#### THE EDITOR FINDS THE SOLUTION

Accordingly, the editor briefly outlined that chapter for Hamma, explaining how Hirsch refers, as does Henry George in Book III, Chapter X, of **The Science of Political Economy**, to the two kinds of co-operation; namely, cooperation compelled from without and cooperation which is instinctive and is prompted from within.

Hirsch sets forth in considerable detail and with manifest enthusiasm the beauties of the instinctive cooperation resulting from the competitive system and shows how instinctively men who are apparently thinking only of their own individual and selfish interests are, in reality, engaged in the most harmonious and beautiful cooperation. It is in this connection that he says:

This chapter is on instinctive cooperation of the competitive system, in the course of which Hirsch says:

Man lives in a world in which nothing is ever at rest . . . As a result of these ceaseless activities, there appear energies, such as motion, gravitation, heat, electricity, etc. . . . The sum of these energies which nature pours out in ceaseless flow and inexhaustible quantity, without any assistance from man is the productive endowment of man. From it he draws as much as his knowledge enables him and his wants necessitate, to assist him in satisfying his desires. Where man confines himself to production for immediate consumption, he makes use of a minimum only of nature's energies, and as a consequence the product of his labor is small; as he lengthens the process of production, enlisting more and more of nature's energies, and at more frequent intervals, the produce of his labor increases.

In elaborating this idea that by this cooperation man uses more of the forces of nature and so speeds up his production, Hirsch says that primitive man undoubtedly was limited at first to the water he could raise with his cupped hand; later he secured a shell in which he could carry water; still later, with the aid of mire he hollowed out a block of wood and made himself a pail; still later he went into the mountains, mined ore, smelted it, made axes and saws and with these made boards from which he built a flume that carried water to his very door without any direct effort on his part and supplied him with water in a vastly increased quantity. Hirsch offers this as an illustration of the manner in which man, by the round-about, indirect method resulting from the cooperating of independent men increases his output, in proportion to the indirectness and round-aboutness of the method.

The editor pointed out the fact that this cooperation is instinctive, in accordance with the law of gregarious natures, that men seek to gratify their desires with the least effort; therefore, **this instinctive impulse is properly listed as a natural force**, just as the osmosis, or capi-

lary attraction taking place within the physiological structure of the human body, or the sex function common throughout animate nature—all of which are general as contrasted with personal, and belong to nature as distinct from the person and the personality. Hence increment in production resulting from this cooperation is as much the result of the forces of nature as the increment resulting from the forces of natural growth and reproduction.

This disposed at once of the apparent conflict between Hirsch and George and showed that, instead of their being in conflict, they really support each other.

All that is needed to accomplish complete harmony between them is to broaden the reference by George to natural forces so that it will cover, not only the forces of growth and reproduction, but such other natural forces as the instinctive impulse to cooperation which marks gregarious creatures.

#### HAMMA SHOWS THAT THIS "MAKES IT UNANIMOUS"

Hamma at once pointed out the fact that this change in the statement of the cause of interest makes it cover the entire field of activity; that the statement as originally phrased by George covers all cases involving wealth in animate forms; that this covers all cases involving wealth in inanimate forms; so that the new formula covers all possible cases.

Interest is now established as a provision of Nature as much as anything else in nature.

#### A STOCKTON CONTRIBUTION

A careful examination of the work by Hirsch and of **Progress and Poverty** by Henry George reveal no evidence that either of them saw the truth that is here announced.

The language of Henry George is:

I am inclined to think that if all wealth consisted of such things as planes, and all production was such as that of carpenters—that is to say, if wealth consisted but of the **inert matters** of the universe, and production of working up this inert matter into different shapes, that interest would be but the robbery of industry, and could not long exist.

And then, after referring again to the fact that some wealth is animate and does increase naturally, or multiply, or both, he says:

Thus interest springs from the power of increase which the reproductive forces of nature, and the in effect analogous capacity for exchange, give capital. It is not an arbitrary, but a natural thing; it is not the result of a particular social organization, but of the laws of the universe which underlie society. It is, therefore, just.

However, it is clear that George does not mean by the effect of exchange which he mentions here the same thing that Hirsch means by his reference to the "round about process of production", which "requires the cooperation of many producers through exchange". On the other hand, George refers to the fact that the owner of cordwood, which does not grow or multiply, may exchange it for bees or shoats that do.

It is clear, especially in the light of what George is "inclined to think", in the quotation above, that George did not include inanimate wealth within the scope of his statement. **He expressly rules that out**, although he is cautious enough to do so by saying that he was "inclined to think" it should be excluded. He did not make a positive statement ruling it out; but he did expressly



say that he was inclined to think it could not be included.

In the case of Hirsch, it seems safe to say, if he had seen that these two positions could be harmonized as they were harmonized here last week, he would have called attention to the fact. He publicly espoused and defended the Goregist system, his book was written to demonstrate the fact that this rational solution of the problems with which we are struggling. He was intensely loyal to Henry George. Had he seen that their positions could be harmonized, he would certainly have said so—for the sake of George and the Georgist cause and for the sake of his own prestige.

The conclusion is inescapable that neither man realized the completeness of the case for interest.

Stockton has the credit of having demonstrated this truth.

## Guilty On These Three Counts

"Mr. Beckwith: I cannot understand why you speak in a slighting manner of the President's recovery efforts. Have you no sympathy for the victims of this depression?—A Reader.

It is because the editor **has** sympathy for the victims of this depression that he holds in contempt the theory upon which these recovery measures are based.

1. He believes in **actual relief**, not in doing things that will impoverish the rest of us and make us a nation of indigents. He does not consider that the Administration is rendering real, constructive aid, when it adopts a system that tends to pull others down to the level of those needing help.

2. Even if it be assumed that, in an emergency, it is proper for the government to take from them that have to give to them that have not, **it is certain that the Administration is not justified to adopting measures that enrich a favored minority—and enriches that minority by giving it an unearned increment engendered by the very sacrifices of those from whom the relief funds are taken!**

3. Nor is the Administration justified in adopting measures that needlessly lower the morale of those it undertakes to help—impairing them in matters pertaining to the higher planes of existence in order to aid them on the lower, physical, plane.

**The Administration is guilty as charged on the first count; because its plan does not correct the conditions that brought on the depression and because the aid given those most in need is secured at the expense of those not yet so seriously impoverished—thus tending to establish not a higher measure of general prosperity, but a lower average of prosperity. This is a dangerous tendency and will, if continued, inevitably lead us back to barbarism.**

The administration is guilty under the second count; because no one can get the benefit of the public improvements inaugurated at the expense of relief funds unless he either buy land or pay rent in the areas benefitted, so that those who control the land are actually enabled to charge the public for the benefits financed with relief funds and to charge for these all the traffic will bear. Under the AAA, these public relief funds have actually been drawn upon to pay landowners to withhold land from use, thereby making the Government a bidder in the rent market and running up by that much the rent that others must pay and, of course, this enriches the

landowners at the expense of the landless, by making both the taxpayers and the indigent pay more rent.

The Administration is guilty under the third count; because, by encouraging the mistaken notion that there is a conflict between the wage-class and the capitalists, the Administration has brought about the feeling that the amount of relief money going into materials should be kept down, so that the share going into wages may be larger. This has resulted in the belief that it is a public duty to stretch the job to make the materials cover the largest possible volume of wages. This has led to "soldiering" on the job. Not only this, but this attitude on the part of those who are given this relief employment is actually encouraged by their superiors.

Increasing complaint is heard that the morale of the workers is being destroyed; that men who have been good workers are getting so that they won't work.

If any are in doubt on this score, let them observe the relief crews working in their own neighborhoods and note the comparatively small number who actually work and the relatively large number who just kill time. Note that a picture taken at the moment of your observation will seldom show that much more than half the crew is actually working. The rest will be leaning on their shovels in idle talk.

An out-of-town man recently reported to the editor that the morale of workers has been so impaired in his section of the state that **even men who could formerly be trusted to do an honest day's work have become unreliable, so that it is difficult there to get dependable help.**

Another report made to this office is that of a man who recently came back from a fairly extensive automobile trip. His report is that he could spot these relief crews wherever he encountered them, as the men would be leaning on their shovels or hoes, standing and talking, or lounging in the shade.

Two cases reported to this office concern the killing of time by men who walked a considerable distance for drinking water. Under an efficient administration, provision would be made to supply drinking water on the job. But that appears to be contrary to the Administration's relief theory. In this case, men would saunter off in twos or threes, walk three blocks for water, drink liesurely, enjoy a smoke, and walk liesurely back to the job. In the other case, a crew working for the city, was observed to be doing the same thing. This is particularly significant, as it shows that this loss of morale is infectious and that other public work is already suffering from the example of these relief projects.

Another case reported to this office concerns a rebuke administered to two relief workers because they were racing to see which man could finish his quota in the least time. The fault found with them was not that they were not doing good work, but that they should be wiser and make their jobs last longer and so get more relief out of the project.

Another report concerns a worker who complained that he could not do effective work with the tool furnished him. He asked repeatedly to be given a better tool or else that the tool assigned him be repaired.

At last the man in charge of the crew said to him:

See here! Would you rather have money spent on that tool, or have the money in wages? Why don't you use your head! You don't get the money that is spent on tools.

The man said no more about good tools; but went "through the motions of working" with what he had.

Another case reported to this office concerns another project, but the point is the same. In this case the one



December 3,

large of the crew said:

The longer this material lasts, the more work you get. It's the money that is spent in wages that helps you. Make this material last just as long as you can.

Another report made to this office concerns the relief employment given musicians and it is to the effect that relief musicians get paid for practicing! They can sit at home and "toot their horns" and draw 75¢ per hour.

Another report coming to this office is that on one project, the man in charge of the crew told his men that the government is not primarily interested in getting the work done, that the men should not work too hard, **and that they might just as well make themselves comfortable "over there in the shade" until the sun got lower in the afternoon.** Needless to say the men took his advice. Of course this foreman's job lasted longer, if he succeeded in stretching the job.

The reader should not overlook the fact that this situation completely reverses the psychology of the job; it creates a condition that puts a premium on loafing and a penalty on honesty, for workers who do an honest day's work "get in bad with the crew". Here is organized treason, whether or not those responsible for it are conscious of their perfidy.

Another thing that has contributed to this psychology is the current idea, everywhere encouraged, that it is to our advantage to get outside money spent among us—even if it is tax money. Economy in the expenditure of local tax funds is encouraged as a virtue; but we are taught that the more state or federal money expended locally the better. Even extravagance in the expenditure of this "outside" money is looked upon by many as a virtue. This is really an unintentional admission of the truth taught in these columns; namely, that no one can get the benefit of any public improvement, or other condition, except by buying or renting land within reach of that benefit—that, is, without paying the home landlords for these advantages. Naturally the home landlords are very much interested; and to the extent that they control public thought, they see to it that the public is taught the proper attitude. Hence the clamor to shift tax burdens from the local tax roll to the state and federal rolls, and the disposition to pinch pennies in spending local money and to waste state and federal money. The reason for this is that the benefits of all public expenditures are absorbed in rent; and the local landlords are eager to have these advantages financed by outsiders, as then their rent collections syphon that outside money into their own pockets. The wider the area covered by their suction pump, the more they are enriched.

Even if some of these reports are inaccurate and exaggeration, still the editor has seen enough to convince him that the present system of relief is destroying the morale of the workers.

It will be recalled that in The Forum, page 3075 and (Corrected) 2813 and in No Taxes, page 317, the editor ran a "despatch", dated Christmas 1940, in which it was reported from Washington that, after seven years experience with these recovery measures, official Washington had been brought to the verge of despair by this **progressive break-down in the morale of the people!**

Not only were they disturbed by the fact that the people had learned to depend upon the government and would not work; but they discovered that their plan of taking from those not yet bankrupted to relieve those who were had brought on another difficulty; **for there were no longer any rich who could be taxed to support the relief work!**

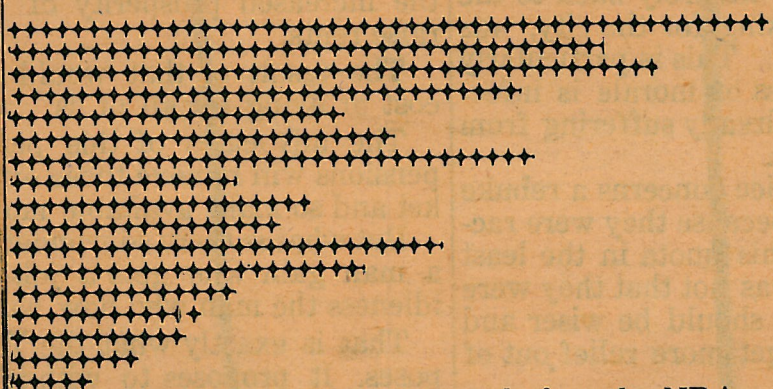
The landlords were in a panic; for it began to look as

though would themselves be compelled to relieve the victims of their exploitation.

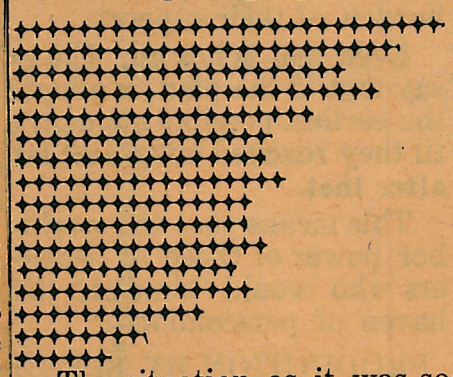
Fortunately for them, their Brain Trust succeeded just at that critical moment in their efforts to perfect a gas with which workers could be put into a state of suspended animation and kept indefinitely **without food.**

The following lines represent the progressive stages of this process of robbing the impoverished to relieve those been (by that time) reduced by the exactions of the landed class to a nation of paupers and near paupers.

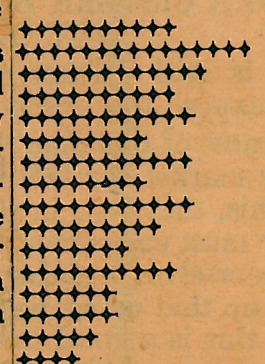
These lines show three successive stages in this process of leveling down the people's incomes by making those who still had something left relieve the necessities of those who had been robbed of all they had.



Showing the people's incomes before the NRA.



The situation as it was soon after.



The situation in 1940.

This futuristic account of the demoralizing effect of the Administration's fatal recovery measures explained that the landlords would lure workers into halls under one pretext or another and spray them with this invisible, odorless gas, rendering them unconscious. They would then be finger-printed and stacked up in great warehouses where different sections were reserved for the different classes of workers.

That solved the problem of the unemployed, as these "stiffs" would keep indefinitely, without food or heat.

There was then no further need for soup kitchens, or doles, nor pensions. There was no more trouble with Sec. 7-A with its troublesome provisions for collective bargaining. There were no more labor unions—only labor warehouses.

If workers were wanted for any project, enough of the proper class were pulled out of the nearest warehouse



The easy way would have been to join Ralston!

But the editor would not turn aside!

The difference between Judge Ralston and the editor is, of course, a matter of opinion. The editor holds that economics is a science as exact as any, and the Judge does not.

If the Judge is right, then one man's opinion is as good as another's and there is no standard or straight-edge or plumb line by which we must be guided; and we shall get out of our difficulties whenever we agree upon any policy that we can support—or when some "man on horseback" takes the situation in hand and decides it for us.

But if the editor is right and economics is not a matter of opinion, but a matter of science, then what men think about it has nothing whatever to do with the case... On the contrary, we have in this case only the task of discovering and adopting Nature's plans and specifications, as we did in the case of the airplane and radio.

In that case, political campaigns are a waste of time and of money, **quite aside from the embarrassment that arises as a result of the strange bed-fellows we take in in our efforts to win votes.**

It is impossible to obey the rules of mathematics on the instalment plan. Two and two are four. It is not possible to compromise on  $3\frac{1}{2}$  and then, when we get more votes, to agree that it shall be 4.

The law of gravity has to be accepted "as is". It is not possible to accept it in five steps spread over five years, under a plan that leads us through successive degrees of obedience up to full compliance. No matter how many of us might think that the political approach would be preferable in respect to gravity, or the multiplication tables, or in chemistry. **Nature gives us no choice! We have to accept Nature's decree "as is" or suffer the penalty.**

But there are compensating advantages in this philosophy; for if this is not a matter of opinion, but is a matter of science, then it is not necessary to work any change in men to bring about the solution we desire; for it can be secured instantly by obedience to the laws of Nature.

Judge Ralston argues that it must in any event be accomplished by means of votes.

Suppose it be so; there's still a vast difference between asking men to vote for man-made plan and asking them to vote for Nature's own plan; for no one doubts Nature.

In fact, discussion ceases at once when men understand that they are committing themselves to the dependability of natural law.

Men are reluctant to surrender their own opinions to accept, instead, the opinions of other men; but they are quick to surrender their own opinions to accept, instead, the decrees of Nature.

Judge Ralston will find that men who refuse to admit that Henry George was wiser than they are will be quick to admit that Nature is wiser than any of us. Satisfy them that economics is a science and that it is the decree of Nature that the rent belongs to society and that it is to her pledge that they are committing themselves and see how quickly men will line up with us!

Another thing! Show men that it is Nature's law that prosperity depends upon the collection of the rent instead of taxes and see how their selfishness will move them to line up with us to put over the Georgist program!

Judge Ralston says men are moved by political issues. Be that as it may, they are more profoundly moved by their selfish interests! Show them that it is, not the opinion of men like themselves, but the decree of Nature herself that all who depend upon wages and (or) interest would be benefitted by the adoption of the Georgist pro-

gram and all the politicians and propagandists in the world could not keep the people from voting for our program.

### THE TRAGEDY IN THE LIFE OF GEORGE

Judge Ralston asks if Henry George is to be condemned for the part he played in politics.

Most emphatically yes! That judgment has been repeatedly published in these columns.

That blunder on his part is the tragedy of his life and of our Movement. Had he stuck to his teaching, instead of turning aside to pull political chestnuts for the Knights of Labor and the Labor Party of New York City, there would have been no world war!

Here is what happened:

1. Just as Columbus died without knowing what he had discovered; so did Henry George die without knowing what he had accomplished. He did not comprehend the full significance of his own philosophy. Had he comprehended it, he would not have turned aside to fritter away those precious years running as a candidate on other people's tickets and platforms.

2. He failed to raise up a leader to continue his work.

3. When he dropped out, the leadership of the Cause fell to politicians who had been attracted to him because there they could bask in the reflected light of his genius, which they could not appreciate except at its political worth. They comprehended his philosophy much less, of course, than he did. They have not been leaders, for they have gone about "with their ears to the ground", always interested in knowing how many votes they could catch by diluting the truth and trading with this or that political group!

4. The result was inevitable. We have been for forty years in the Wilderness of Lost Opportunities.

And from Henry George to Jackson Ralston they have, invariably, got the worst of the trading.

This is because there is but one way to enter the Kingdom; and they that climb up some other way are dangerous counsellors!

If one will consider that, in all this trading for votes, these men have made concessions to the followers of Karl Marx, it will be easy to see why it is that they have been gaining during the very years that we have been running 'round in in circles in the political wilderness.

At this moment, the Socialists have captured one of the major parties of California and have shown a voting strength that has kept the old-line leaders awake nights for two months!

And Jackson Ralston, following the initial blunder of Henry George has tied up with the American Federation of Labor and, so far as his influence goes, sacrificed the proud position that is rightfully ours as the **ONLY** group in the field that is able to **KEEP OUT** of the devastating class war that Labor Unionists, Socialists, Communists and other Marxians preach.

He depended this time, and must depend in the next campaign on the Labor press chiefly. If this does not double-cross him by keeping silent, it will by its activity strengthen the impression that we Georgists are, like his allies, participants in the class struggle—although this is the thing above all others that we should avoid; for the disproof of this is our most valuable political card.

In other words, it is the contention of this office that we cannot adopt the political method without sacrificing our most important asset.

Instead of playing politics ourselves, it should be our task to teach the politicians how **THEY** should play **THEIR** cards!



5. But, happily, there are signs that our sojourn in the Wilderness is coming near its end; and that we are to resume our march to the promised land.

### OUR PROPER PLACE IN THE BATTLE LINE

The editor of this paper is playing for bigger stakes than any that are involved in the Ralston campaign.

He is at all times mindful of the truth set forth in that impartial secret bulletin reproduced at the head of this article; and his strategy is based on the fact that, by taking advantage of that fact, we can draw to our banner the leader in all lines of industry, commerce and finance.

Let those who cannot stand alone on their own swap campaign pledges with others as impoverished as themselves! But let us Georgists realize that we are the only group that has what all the world wants and MUST have it the world is to save itself!

Why should we stoop to political trading?

We are SCIENTISTS, not political manipulators.

We should take our place not with the Mark Hannas and Jim Farleys, but with Galileo, Newton, Edison, the Wrights, Marconi and men of that class.

Below is an outline of the editor's program, written originally for **The Valley Pythian**, the local organ of the Knights of Pythias.

### A NEW POLITICAL LINE-UP

We have never had, and probably never will have, more than two major parties. When a third party popularizes a new idea, one of the major parties appropriates it and kills the third party off.

Until now there has been no real difference between the two major parties. The scientific way of classifying people, with respect to economics, is to classify them with respect to the fund upon which their subsistence depends.

As there are only three funds known to the economist; namely, the wages, the interest and the rent funds: there are only three classifications into which economists can put us.

As each of our major parties was made up indiscriminately of all three classes and gave no particular heed to the interest of any one of these classes, there has been, until now, no economic difference between the two major parties.

However, the policies of the present Democratic national administration distinctly and definitely favor rent-takers, as contrasted with wage- and interest-takers. This is drawing the rent-takers (land speculators) out of the Republican party into the Democratic party and leaving the Republican party more and more the party of business and professional men and of manual workers. This is making the Repub-

lican party the people's party.

At last we are to have a scientific political line-up. This may be confidently said to be the beginning of the solution of our political problems; for here, at last, is a political line-up that is scientific and really means something and that will get results.

Those having frontier experience know that wages are high when and where interest is high, and that these rise and fall together and move in the opposite direction from rent. That means that the wage-takers and interest-takers have identical interests.

There can be no doubt as to the out-come; for once this new line-up is completed and we have a party made up of wage- and interest-takers that party will be supreme; because those who depend upon wages and (or) interest out-number those who depend on rent 50 or 100, perhaps 1000 to 1.

A party of wages and interest would include all manual workers, bankers, merchants, manufacturers, clerks, office workers, dentists, teachers, preachers, brokers, salesmen, agents, writers, —in fact all but the land speculators. One election is all that we would need to hold. After that there wouldn't be enough in the other party to man the ticket.

After a life-time spent supporting third parties, I have registered Republican to help bring this to pass.

L. D. BECKWITH

21. The collection of the rent instead of taxes would deny men rent and limit them to wages and interest, neither of which can be got at the expense of another; for no one can draw wages on another's labor or interest on another's capital. Then no one could get anything (in the course of business) at the expense of another, which means that each would get what belongs to him and justice would be done, regardless of the selfishness in the world. Crooked politics and war would be no more.

## Twenty-one Helps To The Studios

A member if the California State Chamber of Com-suggests that there be kept standing, and scattered about the paper, a number of brief explanations of the terms, like **land** that are used in this paper in a sense differing from the common use. Twenty-one have been prepared and a number of them will be found in this issue. Below are samples. Look for others and consider this a challenge to learn the **scientific** meaning of these terms.

—21—

8. If the public got for its service the SAME price which landowners get for this service when they resell it to their tenants, it would be impossible to make anything from land EXCEPT BY USING IT; and land would have no selling price—not even though it commanded a high rent.

—21—

9. If the selling price of land is high, it means that landowners are making a good thing acting as middlemen—buying public service at a tax rate that is too low, and represents a loss to the taxpayers, and selling it at the current rate in the rental market.

—21—

10. If the selling price of land is low (in comparison with its rental price), it means that the taxpayers are getting a comparatively good price for their public service; and that the landowners are making little on the resale of that service.

—21—

There are 21 truths, numbered from 1 to 21 and set in this type and measure, scattered through this paper. If you have really mastered these 21 truths, you may consider yourself an expert in economics—and until you understand at least Nos. 4, 9, 15, 18, and 21 you are not a safe person to be entrusted with the ballot, nor competent to go into business.

—21—

3. In this paper the word "landlord" always means one who is more interested in land value than in improvements or personal property—more interested in rent than in wages and interest combined.

## Try Itemizing Your Rent Bill

A great deal can be learned about economics by the simple device of itemizing one's rent bill. If one owns his own property, the same result can be secured by itemizing the purchase price paid for it—or the interest one is out on the money tied up in the purchase, for that is really rent.

Strictly speaking, the payment made for the use of improvements is not rent; but, because this is usually spoken of as rent, suppose we take the full amount, say \$300 per month for a business location and \$40 for a residence, thus:

	Res.	Bus.
1 Roof .....	\$ 5	\$ 10
1 Floor .....	\$ 5	\$ 10
1 Set of Walls .....	\$ 5	\$ 10
1 Set of Doors and Windows .....	\$ 5	\$ 10
1 Sewer Connection .....	\$ 5	\$ 10
1 Set Bath Room Fixtures .....	5	

Supplied by the Landlord.....	\$30	\$50
Benefit of Streets, Highways, Bridges.....	1	20
Benefit of Schools .....	1	20
Benefit of Public Parks .....	1	20
Benefit of Public Utilities .....	1	20
Benefits from presence of Churches, etc.....	1	20
Benefit from presence of Theaters, etc. ....	1	20
Benefit from presence of Markets .....	1	20
Availability of Professional Service .....	1	20
Protection of Fire and Police Departments .....	1	20
Postal Service .....	1	20

Total benefits, public and private.....\$40.....\$300

—21—

7. If landowners had to pay for the public service they sell their tenants the SAME price they charge those tenants for that service, there would be no advantage in owning land.





## The Scientific Plan Is Winning

Here are some letters which prove the point urged in this paper that, sooner or later, people agree regarding questions of science.

Debate may go on indefinitely over matters of opinion.

But, in matters controlled by the scientific principles of nature, there is no room for opinion. Nature fixes the details there and settles the issue, and what men think about it is unimportant.

If economics is a matter of opinion, there will never be any agreement in these matters that will be worthy of being referred to as agreements; and such agreements as may be reached, will be broken almost as soon as the ink in which they are recorded dries.

However, if economics is a science, these issues can be settled, settled justly, settled permanently, and the settlement will be accepted as final and all discussion will cease.

This paper insists that economics is a science as exact as any, and that we can have the same agreement in economic matters that we have in mathematics."

That, and its implications constitute the substance of the disagreements between the editor of this paper and others in the Movement.

Recently this was the subject of certain editorial discussion. (See The Forum, page (Corrected) 2838 and No Taxes 330.

Below is the answer that Editor Miller, of *Land And Freedom* makes in a letter.

Dear Beckwith: You have answered my criticism temperately and ably, and still I think we of the party were right at THAT TIME. And this seems to be proven by the fact that we got more publicity than at any other time, before or since.

And here, too, is the comment of Charles O'Connor Hennessy, president of the Schalkenbach Foundation.

May I say that I am in complete agreement with your idea that SCIENTIFIC economic education must precede any effectual political action.

Here is the comment of George Lloyd, of Brooklyn.

Keep to your knitting! You have a very important job on your hands.

It is a matter of supreme satisfaction to the editor of this paper that the leaders in the Movement are gradually becoming convinced that economics is a science and is as exact as any and that the teaching of economics as a science should be the key note of our literature.

It is our sacred duty to settle, first of all, the question whether economics is a science as exact as any; for there lies the key to all our problem.

21

2. In this paper the word "rent" always means location value, or what is sometimes called "ground" rent. We do not pay rent on a building, or on a car or a typewriter. That is interest, the return on capital.

21

## Motor Vehicle Taxes

In 1919 the gas tax in this country was 16¢ per car, in 1924 it was \$5.33 per car, in 1929 it was \$18.00 per car, in 1934 it had mounted to \$30.40 per car.

In 1919 the railways paid \$1.15 in taxes for every \$1.00 paid by the owners of automobiles; but in 1933 the automobilists paid \$4.46 for every \$1.00 paid by the railways.

Bear in mind that the man living in the back country away from the paved highways pays the same tax per gallon of gasoline that the man on the highway pays and uses more gallons per 100 miles because he has no paved roads.

The representative of the County Council stated that there are only two large and one small proprietor in Chirnside, the price of fifteen pounds per annum, or two hundred pounds per acre is simply a "take it or leave it" price and not a fair price, and that this is borne out by the fact that only one acre had been feued in fifty years. Further, the County Council were the only buyers, and the proprietor might not get a buyer for that site at that price for fifty years. There is unlimited land round Chirnside for sites, and one hundred pounds is ample and, indeed, an extremely generous price for the site.

The arbiter decided that the price should be one hundred-five pounds,

## Rural Land Values And The Housing Problem

(Land and Freedom, London)

A typical example of housing difficulties on the countryside is afforded by the recent experience of the Berwickshire County Council, reported in the Berwickshire Advertiser of 3rd April last, sent to us by Captain McDougal, the chairman of the Public Health Committee.

One acre was wanted for housing purposes at Chirnside. It was agricultural land, and as such was subject only to a few shillings of local taxation. The Public Health Committee had offered one hundred pounds but the proprietor, Mr. Ross Hulme of Ninewells, asked two hundred pounds. This shows how the price is run up when a site is needed for a building. The matter was taken to arbitration.

In putting his case before the arbiter, the landlord's agent pointed out that the site is especially valuable because (1) it is convenient to the water supply; (2) it is convenient to the drains; (3) it is convenient to the school; (4) to the main road and 'bus route; (5) to the electricity grid; (6) to the station and paper mill; and (7) there is a fine view.

## RURAL LAND VALUES AND THE HOUSING PROBLEM

[CONTINUED FROM PAGE TWO]

each side to pay its own costs. In reporting the decision to the Committee, Captain McDougal said:

It is interesting to note that of the seven reasons given by the proprietor's agent for that price, not one had been provided by the proprietor, but most had been provided by the ratepayers, and that the more the ratepayers improve the water, drains and the roads, the higher are the prices demanded for the sites.

## OUR READERS SAY

"Again many thanks for your fine 'Significant News of the Week', issue of September 13 especially good."—EMIL KNIPPS, Alabama.

"I have just finished reading your articles, including letters by Frank Stephens and Frank Chodorov and your comment. This just about gives me the answer to my prayers. It is the very thing I have been fighting for for years. At last things are getting down to a common-sense



basis."—From a Private Letter.

"I am filing away your debate with the Socialist, Mr. Parrott, for my Socialist friends to read. I have 'Capital' by Marx and have been watching your references to it during the debate and consider that you are doing a fine piece of work."  
—J. S. TINDALL, Michigan.

"Hats off to L. D. Beckwith, this Thanksgiving Day, 1934! This from Fairhope, Alabama; congratulations for the fine articles in The Forum of November 22nd., not only 'Significant News', 'Guilty on Three Counts', but for the puncturing of that \$200-a-month revolving pension balloon — something to be truly thankful for. We say 'Amen'. Now (10 a.m.) in many places the usual Thanksgiving talks are being given, with great carelessness about the economic truth you so aptly teach. We still have laws that rob children of their rights."—EMIL KNIPS.

## Library Awaits Copy Of 'Progress And Poverty'

THE PUBLIC LIBRARY  
San Francisco, California

Mr. A. R. Weaver, 45 Hurlbert St., San Francisco, California. Dear Mr. Weaver:

We appreciate your interest in the library in recommending that Henry George's book "Progress and Poverty" be included in the collection of California authors.\*

This item has not escaped our attention as Henry George was one of the first trustees of this library, but we have delayed adding his book to the collection as we hope to secure a first edition or an autographed copy.

Again thanking you for your kind cooperation, I am, Yours very truly  
ROBERT REA,

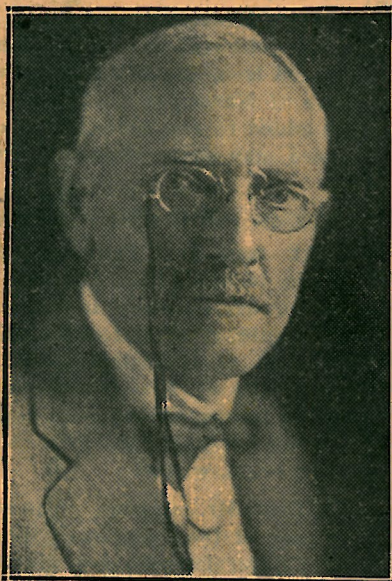
Librarian

Nov. 2, 1934.

\*This refers to a display collection under glass—not to copies for circulation.

## Charles Ingersoll States It Very Well

Chas. H. Ingersoll contributes a weekly column to numerous papers and is, in this way, contributing materially to the spread of economic truth. The following is the Ingersoll column appearing in the last issue of *The Broom*, of San Diego. The emphasis is supplied by this office, to call particular attention to a very apt statement of the truth under discussion.



AS THE WORLD ROLLS BY  
By Chas. H. Ingersoll  
(The Original Watchmaker)

New York—(Special)—Editor C. Leon de Aryan, of the San Diego "Broom" (weekly \$2.50 per year) takes issue with Editor Beckwith in his position that morals and religion do not need to be dealt with to obtain a proper balance of economics. That they are so separated, as questions, as to have no relationship. Except, I think he would say, that economics is essential to the enjoyment of religion. In other words, economics can thrive and become the law of human society, and destroy exploitation, with no assistance from morals, ethics or religion, but none of these latter can get to first base until we have sound economics.

This position is not advanced by Beckwith to deprecate religion and

its contemporaries, nor to make controversy, but to arrive at harmony and action on economics, by disentangling, which seems a fine idea.

Editor de Aryan, however, calls this a misconception of the nature and purpose of religion and claims that the reason why we are bereft of reason in economics is that we have not tied that science to religion; that people can't see economics because 'they haven't their religion on straight.' This reminds us of Marietta Johnson's labor of raising a generation of young folk with open minds, as the only way to the acceptance of economic truth.

And there's one thing de Aryan says that I think is true, all philosophies will one day become one universal chart of life and any tendency to separation of economics, religion, morals and education for example, is non constructive. Maybe, but this is going a long way into the future and we dare devote only a very small fraction of our time to doing that. Most of it must be spent in what can be put across today and tomorrow.

### THINKS DE ARYAN CHURCHY

De Aryan's position seems like that of the average run of "churchists". This is a coined word to disinter that combination of Christianity and Paganism (conventional forms — lip worship — noise) that comprises the large bulk of the church status of today. These devotees of the church usually say 'faith in God is the only way out' and they listen with fishy eye to the response that faith in God does not thrive in our atmosphere of rapine and robbery, and the shortest way to faith is getting off the backs of the one asked to have faith.

Why are people blind to the obvious simple truths of economics which is the key question? Mrs. Johnson says, because our educational system breeds closed minds, incapable of all generalization at 10. It breeds the habit of being taught things instead of thinking. And so the mass mind is waiting for the text books to contain the economic formula. If Religion and the church could be looked to for the obvious action of making their first tenet in the 'Fatherhood of God and Brotherhood of man' the common ownership of the income of the land and natural resources, de Aryan's position would be clear, which now it is anything but—to me. Obviously I 'do not understand'.

## Known By Company They Keep

The editor of this paper does not make the news, he prints it. He is not responsible for what people do, he merely records their deeds.

The following significant lines are gleaned from *The Fairhope Courier*, issue of November 1. These names are added to the Roll Call, that the record may show who's who among us.

### ITEMS FROM THE COURIER

"At least two California Single Taxers, readers of the Courier, heartily approve its stand in support of the candidacy of Upton Sinclair for governor of that state. Mr. A. J. Samis, one of the ardent workers for the Ralston amendment, designed to bring the Single Tax by steps over a few years, writes:

"Dear Mr. Gaston: The true friends of the Georgist philosophy in California, who are practical, are working hard for the election of Upton Sinclair. His taxation policy is right in line with what we have been highting for . . . (Emphasis by The Forum.)

Then there is a letter from Sinclair, from which we quote as follows:

"Dear Mr. Gaston: Thanks for your congratulations and your editorial supporting us . . .

Sincerely yours,  
UPTON SINCLAIR"

There is also a letter from George F. Dyer, also of Los Angeles. Dyer ran for the state senate two years ago on the "Coin", Harvey Liberty ticket, thinking then that was the way to promote the Single Tax. This year he supported Sinclair with the same purpose. He writes Gaston:

"Thanks for your kindly expressions regarding our Sinclair. Some, a very few, recognize true greatness when in its company. The 'mob' can only appreciate from afar off."

On his own account, Gaston added, on the eve of the election:

"The Courier still hopes for Sinclair's success."



# Significant News of the Week

## REVIEW OF REVIEWS 1934

The New Deal Experiments have been energetic and bold. They have been supported by freedom of opportunity to make them work, and such unlimited financial resources as could not be exemplified in all the history of the world. Nothing has stood in the way of the recovery measures except the unsoundness of their principles and methods. Congress has not interfered, the courts have not yet intervened to any embarrassing extent, and the New Deal stands in the judgment of experienced onlookers—foreigners and Americans alike—as little short of a fiasco.\* — REVIEW OF REVIEWS, November, 1934.

\*Fiasco—A complete and humiliating failure (Standard Dictionary).

## FROM THE FORUM 1933

The New Deal is not corrective—all that Roosevelt is doing is based upon a false principle.—June 29, 1933.

There is nothing constructive in the Roosevelt program.—July 20, 1933.

When the NRA falls, the people will be permanently cured of the delusion that human codes have any effect on economics.—July 27, 1933.

**SYNDICALISM IS NOW LEGAL.** Syndicalism is government by occupational groups. And that is just what we have under the NRA.—August 24, 1933.

In a few years the men now so prominent in the NRA will be ashamed of their connection with it and will be doing what they can to conceal that connection.—September 14, 1933.

stick by which the success of the New Deal would be measured.

In the meantime we have had process taxes on food to arise money to pay landowners for withholding land from use.

In years to come historians will speculate as to the possible reason why, with all the insane asylums we have, we let these New Dealers run at large.

## BUT "PROFITS" DO NOT INCLUDE RENT

A drive on war "profits" is announced.

This, too, will enrich landlords at the expense of the landless, because the profits meant are returns upon industrial investments and do not include the unearned increment. None of the Roosevelt restrictions are aimed at this rake-off of the rent-takers.

The move to keep down war profits may tend to keep us from being plunged into war; but it will have no beneficial economic effect. All it will do will be to limit Labor and Capital just that much, and enable the rent-takers to take just that much more.

## HERE IS THE AMERICAN CREED

The NRA to the contrary notwithstanding, here is the business creed of this paper:

We believe in the right to sell our product at its real market value and to guess at that value ourselves, and not to be obliged to take another's guess on that subject; in the right to hire and fire whom we please and to employ them on terms factory to both parties; in the right to keep our competitors out of our business (even if they pose as NRA code directors); in the right to sell good work at a high price and poor work at a low price; in the right to use secret processes and to keep them secret; in the right to the protection of the law in the standards of civil liberty that were so long taught us as the American ideal; and in the right to have our representatives

in the government collect for the public use and benefit every cent of rent paid (no matter to whom or in what form) for the privilege of living under the Stars and Stripes in whatever community people may choose to pay for that privilege.

## NO MUSIC, NO CHEER, LANDLORDS NEED THE MONEY

New York has added a city sales tax to the other devices designed to line the pockets of Astor, the British king of the New York landlords.

Because they sing at their meals, the Kiwanis clubs are taxed two cents on their weekly luncheons. A new sales ordinance imposes this tax on those who furnish entertainment.

In ye olden tyme men were taxed according to the number of windows they had in their houses, so if they lived in the dark, without ventilation, they got off easier. And the tax tended to prevent the babies from having the light and air that they needed!

But taxes are like that!

That's why this paper is against all taxes.

## GOUGING CAPITAL FOR LANDLORDS' BENEFIT

The prevalence of unemployment has brought forward again the silly proposal to give the workers unemployment insurance.

Of course this would not prevent unemployment, any more than life insurance keeps people from dying. It is merely a form of dole.

Naturally, those who know so little of economics as to be interested in unemployment insurance are so ignorant as to think it proper to place the cost of this dole upon Capital.

As a matter of fact, it is the rent-takers who are benefitted. It is, in fact, a scheme to enable them to collect their rent, even in periods of unemployment.

## THE WAY OF THE TRANSGRESSOR IS HARD

California counties and cities are getting their share of the liquor revenue. It's "easy money" and looks good to the rent-takers, for it enables them to keep just that much more of

## PRIVATE RIGHTS MENACED BY THE TVA

The steady closing of the government pincers upon the public utilities has at last aroused them to action. They have organized to fight the invasion of our liberties by such agencies as the Tennessee Valley Authority.

Baker has often been listed among those who understand and endorse the distinction drawn by Henry George between private and public property rights. If he does understand that vital principle, he is a most valuable man for this position.

While it is, of course, true that public utility franchise values are really land values, it is still true that the labor and capital values of these utilities aggregate so much more than their franchise values that they are properly listed with factories, mills, and other like investments as mainly private property.

A householder may be a landlord to the extent of his lot; yet his car (possibly his radio) represents a larger investment than the lot.

Baker is supposed to be a Georgist; as such he can easily see that the government is not justified in confiscating the private property of the utilities, merely because their franchises represent (as land always does) a value contributed by the public.

## UNDER THE NRA THE RICH GROW RICHER AND THE POOR GROW POORER

Says Labor in its issue of December 18, 1934:

The country got a shock this week when the figures of the Bureau of International Revenue disclosed that, even under the New Deal, the rich are getting richer and the poor are getting poorer.

Readers of this paper, however, were warned of this eighteen months ago and, saddened as they may be, the news is no shock to them.

In The Forum, page 2985, and No Taxes page 213, it was pointed out to the readers of this paper that the restrictions of the New Deal do not apply to rent-takers, but restrict only those who live on wages and/or interest and they were warned that the expense of the New Deal would be shifted to Labor and Capital, that the rent-takers might have their rent, net. More than that, they were warned that the New Dealers would even point with pride to these gains as evidence that the New Deal is a success—that a rise in land would be the yard



their rent.

BUT—

The mounting death toll on the highways is alarming others. Even the adpapers are taking up the cry that something must be done about it.

Some of the more far-sighted rent-takers see, of course, that there is likely to be a reaction and that this Golden Age of Booze may give the Porhibitionists a new lease on life.

### TEN YEARS AGO IN THIS COLUMN

#### Prophecies That Have Been Verified By The Course Of Events

From the Forum of December 25, 1934.

The toll-gate crowd rallies to defeat the proposal to exempt \$2,000 worth of personal property and improvements from taxation.

The reason is plain.

Any other man, who is taxed, can pass his taxes on to the consumer; but the owner of land cannot do that. He must stand he tax himself.

Tha is why the owners of valuable land want us to raise our revenue by taxing their business (with a business license), or their stocks of goods, or their mills or their factories—anything but their land.

## Too Much Beckwith In This Paper?

Here is a letter just received from Minneapolis, from the author of the article on Oscar Geiger's speech in Chicago, in 1920. See page (corrected) 2838 of The Forum and 330 of No Taxes for the article taken from the current issue of **Land and Freedom**.

Dear Mr. Beckwith:

My son writes me that you recently reprinted in The Forum my article in Land and Freedom, entitled "The Greatest Single Tax Speech I Ever Heard." Will you send me to this hotel a copy of this issue? I'll be here for the next two weeks.

You see, I don't get The Forum—or any other publications—because I am a travelling man. But we get it at home, and I see it from time to time when I meet Single Taxers in my travels. I like your paper because it is outspoken in its advocacy of pure and unadulterated Single Tax. I do think it (The Forum) would be improved upon by the subduing of the Beckwith motif. No doubt Beckwith is a great man, but until he proves it with vigorous and successful leadership, I don't see why so much space and literary effort should be expended on him. However, I am not the managing editor, and until I am I will have to be satisfied with it, because it is doing some real Single Tax work in spite of its occasional emphasis on Beckwithism.

I understand that you take a fling in this issue at political action. No doubt you are right. But I do not agree with you, and if you wish, I will very gladly give you my reason for political action—although I am sure you know all these reasons verbatim. Any how, please send me the copy requested.—Yours very truly, FRANK CHODOROV.

The Sheridan Hotel, Minneapolis, Oct. 22, 1934.

No doubt Frank Chodorov is a very charming man; but it would be interesting to know what the readers who know nothing more about him than this letter reveals will think of him for writing that type of letter to an editor whose work he confesses that he sees only occasionally; and for his dependence on what he "understands" (from hearsay) about an article about which Editor Jos. Dana Miller, of **Land and Freedom** had already written:

Dear Beckwith:... You have replied temperately and ably to my criticism, but still I think we of the

party were right **AT THE TIME**. And this seems to be proven by the fact that we got more publicity than at any other time, before or since.

This of course raises the question whether we are satisfied to be talked about, or whether we want to be understood—and to have that understanding translated into action. Probably the best possible comment upon that point is the following by Chas. O'Connor Hennessy, the president of **The Schalkenbach Foundation**, which came in the same mail that brought Editor Miller's reaction to that article. Commenting upon this same article to which Miller and Chodorov refer, President Hennessy, of the Schalkenbach Foundation writes:

**May I say that I am completely in agreement with your idea that SCIENTIFIC economic education must precede any effectual political action.**

That should dispose of the discussion of that particular article; but there still remains the complaint of this occasional reader that, in spite of Beckwith's greatness, the subject of that greatness should be soft-pedaled—at least until Beckwith wins his spurs.

It is true that Beckwith has written about himself. He has given the fact that he has nine generations of American blood in his veins as one reason why he objects to having the principles laid down by the Founders of the Republic replaced by the European theories of Karl Marx that so completely dominate the NRA; he has said that he was born on the frontier and has been twice admitted to the Union and has therefore seen the visible demonstration of the principle set forth by Henry George in "Progress and Poverty"; he has related that at a critical period of his life he was saved by the reading of that book from slipping into infidelity and was saved in that respect by the evidence there set forth that, just as we found that we can have airplanes and radios without waiting for men to evolve further or to reform, so can we have wholesome civic conditions, honest politics, prosperity, industrial justice and international peace without waiting for men to evolve further or to reform.

### OFFERS TO SAY A GOOD WORD FOR GOD

A Stockton wit who objected because N. A. Christensen, pastor of the leading Methodist church of Stockton allowed a Marxist professor of the local college staff to criticise conditions in this country, wondered if Christensen would "allow him ten minutes to say a good word for the country" and got the ten minutes at the next Sunday evening service.

Beckwith told the story and wondered whether—

**Christensen would allow him ten minutes to say a good word for God!**

Beckwith explained that, if he ever got into that pulpit he would defend God against the Socialist charge that millions must continue to suffer poverty and dire want in the midst of plenty until the slow process of the social evolution brings society out upon a higher plane; and that he would also defend God against the blasphemous teaching of churchmen that God does not know as much about economics as He does about airplanes and radios and that, except as puny men help God out with an NRA, or an EPIC, or some other contraption, those millions must continue to suffer want in the midst of plenty until the churches win the world to Christ!

"PLEASE, MAY I SPEAK WITH YOU" vs. "FIRE!"

He saw these opportunities to score these points for the Cause and saw no reason why the opportunities should be sacrificed to convention—assuming that he violated journalistic convention.



# Significant News Of Week

## A DESTRUCTIVE SOCIALIST WIND RISING

The radical press is picturing the Elephant and the Donkey frightened by a black storm cloud in the West, labeled New Party in Minnesota and Wisconsin.

The Old Parties have nothing to fear from a new party; they will steal its planks and kill it off, if those planks prove popular; but those who believe in human rights may well be disturbed by the threatening rise of Socialism in Minnesota, Wisconsin and Louisiana.

## ANOTHER STORM CLOUD IN THE SOUTH

The tide of Socialism rises higher and higher.

Mexico is now in the grip of those who believe in planned economy and all the meddlesome regulations that implies. As usual, a little knowledge is proving a dangerous thing.

The new leaders in Mexico know that the monopoly of the land by a few is a dangerous condition; but, being ignorant of economic principles, they have been tricked by the stuff and nonsense of Karl Marx into believing that both the landlords and the capitalists must be regulated. They do not see that, given free access to land, there is nothing that capitalists can do to a people to hurt them.

## THE IMPOSSIBLE IS STILL IMPOSSIBLE

It is still impossible to lift oneself by his shoe-laces.

When the NRA was launched, it was predicted in these columns that it would fail and that Organized Labor would find its last state worse than its first.

Now, less than a year and a half later, there comes the following official statement, based upon a nation-wide survey:

**No real improvement in business over a year ago is found; code violations are increasing from coast to coast.**

That is an official statement of the American Federation of Labor.

## SAMUEL INSULL A VICTIM. CRUSHED IN LANDLORDS' PINNERS

Months ago this paper began calling attention to significant events pointing to the conclusion that the doom of the privately-owned utilities was nearing. The crushing of the Foshay Company, the crushing of Insull's huge structure, the triumph of Senator Norris's campaign for Government operation of Muscle Shoals, the TVA set-up—all these show that the rent-takers will stop at nothing to secure the substitution of utility earnings for taxes; so that they can have their rent for themselves.

The acquittal of Insull is further evidence that the attack on Insull was for the purpose indicated above, and not to harm him personally; that the bally-hoo about his "crime" was for political purposes, not for a jury in a criminal court.

## GUESSES, GUESSES, ALWAYS GUESSES; FOR NO ONE KNOWS A THING!

It is now said, on cabinet authority, that the Administration in Washington feels that retrenchment is essential to recovery.

A little while ago we were to be cured by the old-fashioned system of bleeding—money was to be poured out in a torrent to "prime the pump". That didn't work; now they guess that it's retrenchment we need.

But when men do not know, one guess is as good as another.

## HUEY LONG SHOULD TAKE WARNING

The *Jeffersonian Democrat*, of Jackson, Mississippi, wisely warns Huey Long that, when he attributes the decline of Franklin Roosevelt's popularity, he predicts his own decline; "for," says *The Jeffersonian*, "these policies are no different from those he himself advocates. . . . Does Huey Long think the penalty of violating natural laws of taxation will not affect him in the same manner as the penalty of such violation affects President Roosevelt?"

## ONLY ONE BREAD? WHY NOT? ISN'T THAT EFFICIENCY?

Whether it is already true that the German bakers and merchants are permitted to sell only one kind of bread and

those who want bread must eat that kind or none, it will be true.

Whatever the reason for setting up dictatorships, they are always run for the benefit of those who collect the rent—and at the expense of those who depend upon wages and interest.

The less spent in wages and interest, the higher the rent can be raised.

Why lose rent merely to humor the people by permitting them to have different kinds of bread! It's preposterous!

## SEPARATING THE SHEEP FROM THE GOATS

The battle is on!

Liberty and Socialism will not mix.

Even within the ranks of the Administration, the friction between American ideals and the European system of Karl Marx crops out.

A lively clash has occurred between Ikes and Moffet over the conduct of the Administration's Housing Act.

Ikes wants to use government money to finance the loans, giving the landlords a maximum rake-off by fixing a very low rate of interest. The rent-takers will, of course, be the only people benefitted, because no one can get the benefit of these benefits, whatever they may be, except by buying (or renting) them of landowners.

Moffett wants private money used for these loans, claiming that the offer of cheap government money in competition with private money will bankrupt private operators. Moffett also says that the government's flat interest rate, applying to all parts of the country alike, is an unwarranted disregard of the local market conditions at various points. He is right; but he will lose out in this contest. This is a landlord's Administration; Capital will get no consideration. Its only hope is that Republican leaders may be wise enough to see that what we need is a party of Labor AND Capital to offset the landlords' New Deal.

## TEN YEARS AGO IN THIS COLUMN Prophecies That Have Been Verified By The Course Of Events

From the issue of December 18, 1934.

The Forum opposes Socialism and Communism and foresees that the Soviets will have to abandon them.

Gov. Richardson is learning what Stocktonians are destined to learn—that taxes cannot be cut by economy (so-called). The state government costs are going far above the budgeted figures. Progress raises land values, that raises the cost of living; that raises taxes.

## Max Hirsch On Socialism

By the following analysis of the Socialist doctrine that there are no natural rights, Max Hirsch, a Jew as his name indicates, shows that Socialism is a tissue of inconsistencies and self-contradictions.

He says:

Men having no natural rights can have no natural right to happiness. If men have no natural right to happiness, it cannot be the duty of the State to secure their happiness. The State may endeavor to do so as a matter of grace; but it cannot be bound to continue to do so, and, if it thinks fit, may devote its acts to the furtherance of their unhappiness. In assuming that it is the duty of the State to further the happiness of its members; in laying down the doctrine that the acts of the State ought to be guided toward the increase of happiness, Socialists, therefore, admit a natural right to happiness in the individual members of the State.

Likewise, if the right to individual happiness is assumed to be not natural, but given by the State, the State can withdraw not only the happiness, but also the right to it. Having power to abolish the right to happiness, the State cannot labor under the duty of securing that happiness. The right to happiness, therefore, cannot be given by the State, and must be a right antecedent to the State. The



Socialists' postulate, that it is the duty of the State to secure happiness, therefore, is contradictory to the other Socialist postulate that there are no natural rights.

Socialists passionately urge the right of the majority to impose its will on the minority in all common affairs. This right of the majority cannot, however, be a right granted by the State; for if it exists, it must be antecedent to the State, otherwise the State would be justified in abolishing it. As a matter of fact, the right is not yet fully recognized in any state in which Upper Houses not elected by a majority of the people, possess the right of vetoing any legislative act. . . . As Socialism nevertheless claims that they possess this right, it thereby admits that majority-rule is either itself a natural right or deducible from individual rights.

The following reasoning will prove the latter conclusion to be the right one, the only possible basis being the equal right of all individuals to happiness. For if the acts of the State have any influence on individual happiness, and if some men have a greater right to happiness than others, a minority may possess a greater aggregate right to happiness than a majority, and may, therefore, possess a greater right to determine the conditions conducive to happiness than the majority. The claim for majority rule, therefore, implies the recognition of equal individual rights to happiness; therefore it implies the recognition of an individual natural right to happiness, and contradicts the denial of natural rights and the assumption that all rights are derived from the State.

This self-contradiction by Socialists is still more apparent in the following case. Justice consists in respecting valid claims, and injustice in the infraction of valid claims, i.e. of rights. Only in so far as men are possessed of valid claims or rights are they subject to just or unjust treatment. If all rights are derived from the State, if there are no natural rights, injustice can arise only from the infraction of rights granted by the State. The State, itself, therefore, can neither act justly nor unjustly, either in granting rights previously denied, or in cancelling rights previously granted, or in resisting claims. For inasmuch as under this supposition there is no rule by which the validity of any claim can be gauged except the will of the State, it follows that no claim can be valid which is denied by the State. Whenever Socialists, therefore, assert the injustice of existing social conditions and institutions, they contradict their own denial of natural rights.

5. A high rental price for bare land is the result of good schools, good roads, good government, etc.; but a high selling price for land is the result of relieving real estate—of keeping taxes lower than the rent.

## The Explanation Quite Simple

The *Liberator* of West Australia in a lengthy editorial says:

It is necessary occasionally to define the points of agreement and the essential conflicts between the two schools (meaning its own and that of the singletaxers). We still meet singletaxers and some others who seem honestly puzzled at our attitude of contemptuous hostility to the Henry George League and their press. . . . Our disagreements are much too vital to be suppressed or ignored.

Then, to illustrate its point, *The Liberator* relates the result of a recent election there and says:

It is noteworthy that although singletax organizations and press-organs have existed in Australia for 40 years, and have had generous financial support from wealthy sympathizers, Mr. Anderson, their only candidate, ran a bad last in a field of four.

That is not strange. The Georgists of Australia have made the same mistake that they have made in this country. There, as here, they have in the main timidly or ignorantly or cravenly surrendered the question of interest to the Socialists, just as the *Liberationists* do.

That being so, they have nothing left on which to make a campaign, and nothing to distinguish themselves from Socialists, for the Socialist also purpose to take over the land.

Naturally, they have now to contend with a rank growth of Socialism; and in a political contest are easily bested by those who bid for the Socialist vote.

### IN ONE THING THE LIBERATOR IS RIGHT

In one thing, however, *The Liberator* is right. That is in its rejection of the mischievous term "single tax". As *The Liberator* says, "all taxes are hated; there is an especial prejudice against class taxation, and that prejudice applies to the singletax; for it is regarded as a special infliction upon those who happen to own land." *The Liberator* rightly says:

It is sheer stupidity to preach a single tax, and then laboriously explain that it is not a tax at all.

### NOT SO WISE HERE, HOWEVER

But *The Liberator* is not so logical in saying that it is a hopeless task to convince the masses that the cure of unemployment lies in the freeing of the land and the removing of the barriers to production.

The reason given by *The Liberator* is falsely reasoned as follows:

All men know that the cause of the disease is the fact that all markets are already over-supplied. The cure consists in a vastly expanded consumption, not in a stimulated production.

That statement is false; hence it is a false support for the statement based upon it.

All men do not KNOW that the difficulty is over-production. They only THINK that is the reason.

But, of course, so far as the angling for votes in West Australia is concerned, that is a distinction without a difference. Whether the theory of over-production is true or false, the voters THINK it is true and vote accordingly; hence the *Liberationists* and the *Protectionists* and almost any other group has a better chance at the polls than the Henry George people.

But what the people think does not determine questions—if it did, then the world of the time of Columbus would have been flat and the blood in men's bodies would not then have circulated through their veins.

### GEORGISTS OUT OF PLACE IN POLITICS

Here is the reason that the editor insists that Georgists have no business in the political arena; **their mission is to teach, for until the people are corrected on certain matters, the risks we run at the polls are too serious.**

### DOES HE MEAN MERELY A CHANGE OF EMPHASIS?

If, however, *The Liberator* editor means by this ref-



erence to the common belief concerning over-production that the Georgists should shift the emphasis of their argument from production to consumption and **plead for the taking of the rent in order that people may consume more**, then it may be conceded that, badly as he has expressed the thought, he has made a good suggestion.

In that case, however, he should not say that "all men know" there is over-production, but that many think so and hence we should stop talking about production and talk insistently about consumption.

This could be done.

This would mean that we would point out, for example, that all our taxes are paid in our rent and that the payment of taxes in addition is double taxation and that, if this double taxation were corrected, **we could all buy more and consume more**.

This would mean, also, that we would show people that the collection of the rent instead of taxes would destroy the selling value of land and make it possible for people to put into improvements what is now put into the purchase of land; so that we could all have better houses and better furnishings, thus being larger consumers.

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1. Economics either is, or is not, a science as exact as any; if it is not, then we must guess and one man's guess is as good as another's. If economics is a science, we can settle civic, political, industrial and international problems as we settle mechanical problems—without waiting for men to reform, or to be reformed.

### A Comparison Of The Programs And Possibilities Of The Politically-minded And The Scientific Georgist There Is No Middle Ground; You Must Take One Side Or The Other

Before reading the following letter from Judge Jackson H. Ralston, criticising this paper for its attitude with respect to the Ralston amendment, the reader should read again the following quotation from the September bulletin of the **United Business Service**, of Boston, and note first that the U.B.S. tells its subscribers that the Georgists are the only reform group that do not stir up the class war; and, second, it classifies us, by inference (and correctly, too) with those that teach that the competitive system **is really a co-operative system in which experts compete in service to society**.

That is exactly what the Georgist system would bring about.

**An outstanding common denominator in all "social reform" (with the single exception of the Henry George "Single Tax" program) is the active championship of the wage-labor class against the employer or the business enterpriser.**

Many seem to view industry not as a co-operative process for the production of goods and services, but rather as a catch-as-catch-can contest between the class of wage-workers and . . . . .

### JUDGE RALSTON ASSUMES

Dear Mr. Beckwith:

I have read with interest not unmixed with curiosity your editorial entitled, "Judge Ralston is Critical". In it I assume you excuse or defend yourself for not having given practical assistance to get on the ballot for this fall the amendment which I chanced to draw and which would at this time have given the people of California the opportunity to vote for something like fifty per cent of the reform for which we both stand.

I take it that you believe your justification is to be found in the assumed fact that I am politically-

minded and that you are economically-minded, and that as the latter you believe the "Georgist program must be put over the way other scientific proposals are put over". I cannot believe that you regard the proposition like one of ordinary physical science. Whether or not scientific there is but one way to put it over, and that is by votes. Of course it is well that the individual voter should have as much understanding of the proposals as possible. Experience has shown, if it has shown anything, that until the matter is in some shape brought home to him in a practical way the individual voter will pay little attention. It may be as "scientific" as you please, but until it is reduced to a political issue the people will ignore it. George understood this when, personifying his own ideas, he ran as Mayor of New York. Is he therefore to have been condemned as politically-minded?

But I have no wish to repeat criticism. There is a more direct issue before the people of California. They may be called upon this spring and will certainly be required not later than two years from now to vote upon a proposition which will give a large measure of freedom from taxation upon industry at once and a greater measure within five years, during which progressively taxation to the extent of 20 per cent a year will be taken off improvements and personal property. This represents a situation in which political and propaganda work unite to a common end and are in fact indistinguishable.

Is NO TAXES to continue the course of exchanging views with a select few upon matters of a "scientific" nature, or will it be roused to the call for battle, and engage in a direct struggle for the well-being of humanity? Will it take part, and an active one, in action, or dwell in a world apart?

Will you—

Politely turn aside

When your faith is crucified?

JACKSON H. RALSTON

### LET US LOOK AT THE RECORD

This letter is the second Judge Ralston has contributed to the discussion appearing on page (Corrected) 2813 and 2833 of The Forum and 321 and 339 of No Taxes, concerning the Ralston amendment to the constitution. See also the article on Vancouver's rival (New Westminster) to which Judge Ralston referred in his previous letter, page (Corrected) 2821 and 321. Also an earlier editorial (called by him a post mortem) on page 307 of No Taxes. In addition the amendment itself was published twice.

It seems incredible that any one, even one so absorbed in the signature campaign as Judge Ralston was, should assume in the face of the evidence that the editor's purpose is to "excuse or defend himself", or that any one could, in the face of the evidence, write the editor to say, "I cannot believe you regard the proposition like one of ordinary physical science". It would be possible to make up many columns, probably whole pages, of this paper, merely quoting the statements that have appeared in the editor's editorials the past five years **showing that that is exactly what the editor does believe, and denying that the Georgist program can be put over by the political method.** Again and again the editor has given as his reason for refusing to take part in other activities the fact that he confines his activities to teaching economics as a science as exact as any. He has repeatedly said that, even if he had time and energy to devote to other things,



he would still refuse to mix in the activities of the political arena; and he has explained repeatedly that he is constrained to take this course in order to protect himself as a teacher; because he cannot teach one thing in his papers and practice another in the political arena.

When Judge Ralston wrote that he was coming to Stockton and wished to contact some one who could undertake his work here, the editor interviewed Jesse W. Southwick, head of the Moving Picture Operators Union (and since then nominated by the Socialists for the office of lieutenant governor of the State of California). He was able to telegraph Ralston that Southwick would meet him and handle the matter for him. In a letter the Judge thanks the editor for putting him in such good hands. Southwick called on the editor several times, by phone and in person, for help in meeting objections he encountered. When he asked if the editor would undertake to fill speaking dates, this help was promised him with the understanding, however, that the editor would discuss, not the Ralston amendment, but the philosophy of Henry George. (Judge Ralston testifies in this last letter that "political and propaganda work unite to a common end and are, in fact, indistinguishable".)

The editor took a petition and signed up his own immediate associates.

Although he did not say it in print until after the campaign, he did tell those close to him that, he felt that the Ralston amendment would be a very good thing, providing that it were not actually adopted at the polls.

In other words, the discussion it must of necessity arouse would be priceless; but, the adoption of a partial measure like that would inevitably react to the hurt of the Movement. It was manifestly impossible for the editor to support it any other way than he did—by general propaganda. Any other course would have been self-degrading.

#### RALSTON HIMSELF BEING THE WITNESS

In his first criticism, Judge Ralston accused the editor of withholding comment on the amendment until the occasion of the "post mortem". The Judge is, therefore, aware that no criticisms of the amendment were published during his campaign. According to his own testimony, the editor did just what he said he would do: He confined himself to his teaching and kept out of the political arena.

However, if the Judge is correct in saying:

Political and propaganda work unite to a common end and are, in fact, indistinguishable,

it would be difficult for him to make out a case against the editor for not

having given practical assistance to get on the ballot.

For even Judge Ralston will admit that no man now living has ever put out as many columns of propaganda for the cause founded by Henry George and circulated them as widely as the editor of this paper. He would probably agree that no man that ever lived, not even excepting Henry George, ever put out a greater volume in the same length of time. It is a question whether any man has ever given himself so exclusively to written propaganda for this cause.

"Progress and Poverty" contains 200,000 words; The Forum issues that volume every fifteen weeks, or more than 700,000 words per year. No Taxes is the same size, but issues only half as often, putting out an equivalent (in volume) of "Progress and Poverty" every seven months.

It is probable that the editor himself writes 600,000

of these 700,000 words. In that case, he contributes the equivalent (in volume) of three "Progress and Poverty" a year, and has been doing so for years. And Judge Ralston himself testifies that—

**Political and propaganda work unite to a common end and are, in fact, indistinguishable.**

So it can hardly be said that the editor has chosen—to dwell in a world apart.

Judge Ralston's amendment has qualified, although too late to get on the ballot this year. It will, therefore, be on the ballot some time not later than November, 1936.

And this brings us to the final question in the Ralston letter, which is:

Will you—

Politely turn aside

When your faith is crucified?

The editor will do in that campaign, exactly what he did in this. He will confine himself to his teaching, in his papers all the time, and on the platform whenever he can get on one.

That means, among other things, that he will not embarrass the Judge by criticisms of his amendment or of his course during his campaign.

There is danger that the Judge and the editor must agree to disagree regarding what constitutes the crucifixion of the Georgist faith.

It is precisely because the editor believes that the Ralston amendment does crucify the Georgist faith that the editor refuses to turn aside from his teaching to encourage activities of that sort.

However, he confines his criticism to his teaching and does not interfere directly with such attempts to attain our end by the political method. He recognizes Judge Ralston's right to be wrong; for he knows the man is absolutely sincere.

#### LET THE RECORD SHOW THE FULL STORY!

When A. J. Milligan brought to Stockton a copy of the proposed amendment and asked the editor's view of it and said:

Old dear, I want to know what you think; for I tell them that you are the man who must be satisfied. Whatever you say will settle it!

To that the editor's reply was:

You know I think the thing has got to be done the other way; but I will not take the responsibility of determining for others what they may or may not do. I am going to stay with my teaching! But I am not going to interfere in the political field—either way!

The editor has always believed that that incident settled the question whether Ralston was to have the financial backing of Milligan, although nothing was said regarding that angle of the matter then, and it did not occur to the editor then that that was involved.

#### THE EDITOR'S OFFENSE IS THAT HE HAS REFUSED TO TURN ASIDE

If the editor had been intent on escaping his "cross", he could have easily drifted with the tide of opinion that favors Ralston's view that ours is a political issue.

If any are in doubt on that score, let them look through the file of this paper and see how many of the accepted leaders of the Movement are luke-warm, indifferent or even actively critical and hostile to this paper because it questions their strategy during our forty years in the Wilderness.



# ATTENTION, ALL WHO ARE INTERESTED IN JUSTICE

Here is a specially significant communication. It is short and meaty.

It is difficult to over-estimate the significance of these twenty-five words:

Dear Sir: I read some fine quotes from your paper in The Southern Farmer. Is it possible to get a sample copy. Hoping to hear from you.—H. J. S., Pennsylvania

The Southern Farmer is published in Atlanta, Georgia; but this letter came from Pennsylvania.

As a rule articles used by one newspaper and credited to another are credited to that paper by name only; but in this case the address must also have been given.

The number of applications for sample copies that come in as a result of this clipping of No Taxes, is evidence that the paper is attracting the attention of more and more of the editorial fraternity. These men realize that the whole world is turning to economics; and that No Taxes speaks as one with authority.

Just as rapidly as you remittance makes it possible the leading editors of your country will be put on the list of No Taxes.

## OUR READERS SAY

My dear Beckwith: I feel quite sure we are right. If we are wrong and economics is not a science, then this is certainly a dreary and hopeless world. Your reply to Editor Miller (The Forum, page, corrected, 2837 and No Taxes 329), is absolutely sane and conclusive. The New Yorkers will have to throw up their hands. Why is it they insist on using that mis-nomer, 'single tax'? Their unscientific attitude and their use of that term is the reason we have not made more progress."—O. O. WHITENACK, Denver.

"Dear Mr. Beckwith: I do like your description of the economists fumbling futilely at the key hole like a drunken man! What a perfect simile! And how true! If the think-they-are-economists (the drunken man) would let the friendly policeman with the Georgist flashlight show them the key hole, how quickly the key would slip into place. How easy then to turn the key, open the door and step inside—safe! . . . You must keep on, Mr. Beckwith, with your teaching, preserving carefully your discoveries, your facts. It will be your insistent insistence that that is a science and must be acknowledged and taught as a science that will serve to carry it on . . . Do not mind what they say about what they call your egotism. According to the dictionary, egotism means thinking and talking of one's self; and so far as I can see by your papers it is not yourself you write of, but your cause."—P.M.W., Alabama, in a private letter.

## Answering Ingersoll's Questions

1. Is the teaching in No Taxes any more valuable than that from a soap box?

Ans. No. With a man like George Lloyd on the soap box, it might be inferior; for the reason that Lloyd could catch the spirit of the crowd and adjust himself to the varying moods of his audience. An editor cannot see his readers and must put on a paper in advance and chance to adapt himself to change in the conditions.

Is it superior to the teaching of a political platform?

The assumption here is that an editor on a political platform is interested in votes than in teaching his audience. The answer, therefore, is yes; the teaching in No Taxes is superior.

3. Is it superior to the teaching in a tabloid of a million circulation?

Ans. A tabloid newspaper (more accurately, a tabloid adpaper) gets its revenues from its advertising, which depends upon circulation, which depends not upon its accuracy and educational value, but upon any interest (even idle curiosity) that catches the attention of the public. Therefore it could easily be true that the articles appearing in No Taxes would do more real educating than the Tabloid that reaches the hands of 500 times as many people. In the first place not all of the tabloid's readers would even see (much less read) an article on economics; for many tabloid readers would look at nothing but the sports, or the markets, or the society page. In the second place, even if all read the article, that article would be a "tabloid" and so superficial and incomplete that but little could be got from it; for tabloids are not meaty, they are not comprehensive, they are not thoroughgoing. They last but a day and are prepared in a hurry with that fact in mind. On the other hand each copy of No Taxes will reach, on the average, at least one student of taxation who will read to learn. What is more, No Tax articles are so written that one can learn from them.

4. Is teaching 2,000 sophisticated Georgists more important than reaching two million radio fans or tabloid readers?

Ans. First, it is doubtful whether there are yet 2,000 sophisticated Georgists in existence, if by that Ingersoll means people who can be trusted to teach the philosophy of Henry George. Second, if all the subscribers of No Taxes were sophisticated Georgists, the work of such a group, urged to "do their stuff" by the bi-weekly appearance of No Taxes, would accomplish more in a year than any ten tabloids with a circulation of two millions each would accomplish in five years; for the reason set forth "in the second place", under No. 3 above.

the exact and to 2,000 more in to get the two million social value should be needs?

A. Under present conditions; 1 times yes!

Know. . . . A thing is so is very much more convincing and lasting in its impression than mere belief.

No one really knows a thing until he is able to tell it and to tell it convincingly, and to explain WHY it is so.

Further, no one argues with Mother Nature; once men understand that economics is a SCIENCE, all argument ceases.

If economics IS a science it must be taught as an exact and refined theory in the scientific manner; science is not, and cannot be, taught by a tabloid.

6. You are an outstanding teacher and analyst and you are refining and clearing up our doctrine: meantime there are a million rustlers chiseling at the crust with generalities. . . . Is this not as much a part of the educational process as teaching the teachers the refined gospel?

Ans. Yes! It is as much a part of our teaching as what No Taxes is doing, every bit as much. It all counts; but there must be somewhere a standard, a straight-edge, a plumb line by which these others may test their work and know an advance from a retreat, a victory from a surrender. And, until that standard is generally accepted, some one must be constantly calling attention to it and checking the work of the workers in the field; once this standard is generally understood and accepted, so that the public can check its own work, as it can do in mathematics, the field can be "turned loose" to follow its own bent. Then it will go right automatically.

7. "I have a campaign based on five planks, two of which you approve; but because the other three are on other subjects, you intimate that my teaching venture etc."

Ans. Confusion in teaching is fatal to teaching. No matter how valuable a platform may be as a vote-getter, if it involves economic contradictions it is a poor instrument for the purpose of teaching. You did not expect to be elected; you must, therefore, have run either as a publicity stunt, or as a means of teaching. If your purpose was to get publicity, your platform was well-made; if your purpose was to teach, it was too self-contradictory, too confusing, to be effective.

8. Was the work of Lloyd George and Phillip Snowden in Great Britain teaching?

Ans. No; their course was not sufficiently consistent to teach anything—unless it was the art of vote-getting.

9. Did not Upton Sinclair deserve our support because he publicized the idea that poverty can be ended?

Ans. No! Not any more than the little girl who played doctor and gave her baby sister poison! Playing up the idea of helping others is good in itself, and splendid publicity; but some measure of intelligence must be mixed with one's altruism; otherwise one may do more harm than good. We cannot afford to approve people and programs because of the good intentions we detect in them. It is said that the way to hell is paved with good intentions; certainly the way to economic insecurity is also paved with them. Karl Marx, the champion mischief-maker of all time was, without doubt, a most estimable gentleman, a good citizen and a good neighbor, and a true patriot and a genuine humanitarian.

10. "The 'Committee of 48', after years of earnest endeavor, proved a failure. I was its treasurer and a liberal contributor. Had it succeeded, it would have carried some measure of land value taxation and perhaps have performed years of publicity for us and got us started in a popular way. Would that be teaching?"

Ans. Publicity is not teaching. Shouting "Fire!" is publicity, but it leaves unanswered such questions as "Where?" and "What to do about it?"

If economics is a science, as experts as any, "carrying some measure of this land value taxation" would be just as effective as keeping books "with some measure of mathematical accuracy." And it would be no more effective than that. Of course, if economics is not a science, that system might get us somewhere; but not if economics is a science.

11. "You say that the political method will not serve our cause. You evidently mean at any particular time and place. Otherwise, I ask you how else will our cause reach our goal? By what process will rent displace taxes except through securing legislation through politics?"

Ans. It must, of course, be voted. But the political method implies differences of opinion and implies efforts at persuasion to win over those who hold different opinions and so to get their votes. This throws the burden very largely upon the politician.

If, however, economics is a science and we are presenting, not an opinion, but a demonstrable truth, all nature is on our side, and political strategy is not only unnecessary, but confusing and silly. In such a case, the program will go over just as the multiplication tables did. Even if a vote is needed to clear away conflicting legislation, still there would be no political campaign; for there would be no opposition!

This, of course, is on the assumption that the truth has been taught. If that truth has not been taught, then victory will go to the cleverest politicians and truth is a secondary matter; as we have been finding out. But if we do our teaching first, then all the politicians on earth could not stop us.



Once let people see that the protection of their wages and their investments requires the adoption of our program, all the selfishness in the world will be marshalled on our side. What could politicians do to off-set that—assuming the impossible and that any politicians could be found whose selfish interests required that they oppose us.

12. "Do you mean that teaching

economics as a science is the more effective propaganda and at this time is more needed than trying to get a law passed?"

Ans. Yes, yes, positively yes! That is exactly what is meant. If the teaching is done first, all the selfishness in the wage and interest camps will be on our side. Then we will not need to worry about the attitude of the enforcement officials or

the action of the courts. The selfishness in men will attend to that for us.

13. "Albert Jay Nock took a similar position in editing 'The Freeman'; that the economic method is the only way of progress. The political method got us nowhere. I've been wondering what he meant for twenty years, now how about telling

us?"

Ans. Nothing in the writings of Nock indicates that he understands that economics is a science. His "economic" method must be something very different from what is urged in these columns. The method urged here is the scientific method—exactly the same method that put over the multiplication tables.

## Significant News of the Week

### CRUDE OIL IS LAND; SO IS COAL

When the NRA was launched,, it was pointed out in these columns that the restrictions do not apply to rent, but only to wages and interest.

Furthermore, it was pointed out that the regulated cannot regulate the regulator; that, if the right of ownership in land is granted, no government can hope to control landowners. And it was predicted that the big test of the NRA would come when, if ever, an attempt should be made to apply NRA restrictions to the coal and oil industry.

That time has arrived. It is admitted that the NRA faces a real test as a result of the challenge hurled at it by these two industries.

### A BIG WAR CHEST FOR WAR ON UTILITIES

Men who appear to be speaking for the Administration say President Roosevelt has only just begun his fight on the private utilities; and quote Secretary Ickes as saying that \$260,000,000 of public money have already been put into this fight and that "there's plenty more where this comes from".

There's still some more; we are not all taxed into the bread line—not yet! The six cents paid by smokers on every package of cigarettes, the one cent federal tax on every gallon of gasoline will produce millions.

If this isn't enough, the land speculators will find other ways of raising money. They are determined to destroy the private utilities and divert their revenues into the public treasury, thereby saving that much in taxes and giving them that much more net rent.

With the public financing their highways with the gas tax, financing their schools with the sales tax, and financing the rest of their needs in the payment of their gas and electric bills, the land speculators ought to thrive.

### ANOTHER AMERICAN PRINCIPLE IS DISCARDED

The new California law permitting the presiding judge to comment on the evidence in criminal trials and to advise the jury to acquit or convict is taken advantage of by the judge in a murder trial. One by one the traditional safeguards set up by the Founders of the Republic to protect individual liberty are being torn down.

This is part of the price we pay for our ignorance of economics. Not understanding the cause and cure of lawlessness, we resort to quack remedies—every one of which strengthens the hand of the rent crowd and weakens the defense of the public.

### UNEMPLOYMENT FIGURES CONTINUE TO MOUNT

President Green continues to point with alarm to the steady rise in the number of unemployed.

Union Labor figures are limited to craft employment. The "dole" jobs are not counted. For these reasons the Union Labor figures give the correct picture.

Green's view of the situation is confirmed by business leaders who, if sure they will not be quoted, admit that we are in a worse plight than when the NRA was launched.

### BILLIONS ARE NOW SMALL CHANGE

Many readers of this paper will remember the year that the papers carried great "box car" headings announcing that the

expenditures of the government had reached a billion a year.

It it announced by this administration that the government's "charity" budget amounts to five billions (\$5,000,000,000.)

### INDEPENDENT LABOR UNIONS ARE IN DISFAVOR

The authorities in Illinois help the powerful Miners' union to stamp out an insurrection aimed at the overthrow of Boss Lewis.

No matter how hard the powers-that-be may fight the labor unions, they can be counted on to throw their influence behind the older unions whenever their control of the Labor world is threatened by insurrection of independents.

It seems to be a recognized principle that any set of men which can maintain itself in office, under present conditions, whether in a union or elsewhere is more useful to the ruling dynasty than any opposition set would be.

Birds of a feather not only flock together, but they stick together. Experience teaches them the way to have team-work is to protect each other in their respective rake-offs.

### MORE CIGARETTE AND GASOLINE TAX MONEY TO HELP LAND SPECULATORS

Now it is proposed to organize a federal agency to act as a government middleman to market farm produce.

The only limit to what Crusoe could gouge out of Friday's wages was the danger of starving him to death.

The same principle holds on larger "islands" which are owned by a large number of Crusoes. The Fridays must be allowed enough to keep them alive an "on the job".

If, by encouraging co-operative marketing, the cost of marketing can be reduced, the Crusoes can take that much more without starving the Fridays beyond the safety limit.

An understanding of this principle gives added significance to this report that some of our cigarette and gasoline tax money is to be diverted to the organization and operation of a federal marketing agency for farm produce. The key to all such problems is the fact that rent is the only thing raised by such service—and that rent can rise only at the expense of the wage and interest funds.. Farm wages and farm interest will necessarily decrease as the success of this new deal trick raises rent.

on the living. The inheritance tax collector goes through the pockets of the shroud.

But the state does not tax land!!!!

Land speculators are our sacred monkeys.

And dumb creatures that they are, they are over-playing their hand. When the pendulum of time swings back, it will crush them!

### THIS TALK OF "ECONOMIC POLICE" CONFIRMS THE STATEMENT

When the NRA was launched, it was said in these columns that the concessions made Organized Labor in Section 7-A and otherwise were designed to get the assistance of labor unionists as spies within the lines of employers who might resent this interference with what we have been taught are American liberties.

Now comes a publisher who, by catering to the mob spirit of the time, is building up his papers into a political threat to organized society and boastfully "spills the beans", confirming the statements made in this column eighteen months ago.

Says Publisher Stern:



In the same way he has accepted every opportunity to speak, in doors or out, before Whites or Negroes, and then published his speeches for the benefit of readers who did not hear him. If that justifies Chodorov's sarcasm, it may still be that the good accomplished by the publication of the speeches off-sets Beckwith's offense.

Beckwith has even challenged civic workers and public speakers to public debate; he has called public attention to the fact that Toms, Dicks and Harrys from afar are given time by clubs and churches to speak on about

everything in the way of cure, but he is not permitted to discuss the Georgists' "ounce of prevention".

If he should have been more modest, he considers that his offense is like that of the man who opens his neighbor's door and rushes right in to tell him that his house is on fire, instead of knocking and saying, "If you please, may I speak with you".

### THE UNPARDONABLE SIN

But Beckwith's unpardonable sin lies, no doubt, in his habit of insisting that economics is a science, as exact as any, and that human opinion has nothing to do with it!

He believes the teachings of Henry George, not because George taught them, but because the evidence is irrefutable. He wants one to accept his teaching the same way, not on Beckwith's authority, but because there is no escape from the logic.

**He teaches that human nature has nothing to do with these problems—any more than it has to do with problems in mathematics**

**He holds that this is not a matter of opinion, but of scientific fact.**

**He rules out all men, even Henry George!**

**He says that his own OPINION is of no importance.**

**He insists that only KNOWING is important.**

**And he teaches that we CAN know.**

He holds that nothing should be believed in economics no matter who says it (whether Henry George or any one else), **except for the same reason that people believe things in mathematics—because they are demonstrable, and it is impossible to doubt them without a sacrifice of one's self respect.**

Beckwith is criticised by some because he insists certain things are demonstrably true. He has proved them for himself and he has challenged men in vain to discredit his proof; and, most irritating of all, he has persisted in pointing out the inconsistencies into which men fall who, instead of accepting economics as a science, continue to consider it a matter of opinion and stage political campaigns to win votes for their particular compromise with truth!

Basing his statement upon his knowledge of history, gained as a high school teacher of history, he declares that if Cromwell and Luther and Washington and Jefferson and Lincoln and Watt and Fulton and Whitney and Edison and Marconi and the Wright Brothers were all rolled in one man and their achievements all credited to one, that one man would still be a minor character on the pages of history compared with the man who shows mankind that the science of economics contains the key to our civic, political, industrial and international problems.

He teaches that the man who shows mankind that economics is a science as exact as any and teaches mankind how to utilize that science will, by that course, teach men **how to end the Labor-Capital controversy, end war, end poverty, end sectional and factional jealousies, reduce crime almost to the vanishing point, free the Press, restore the church to position of spiritual leadership, make**

**the schools institutions of learning again, as they were in the beginning, and give culture such momentum as even our poets have not dared to picture!**

### ECONOMICS EITHER IS, OR IS NOT, A SCIENCE

As he is engaged in that particular task, that of course exposes him to all the sharp things that the Chodorovs can think of; but, **until it is demonstrated that he is mistaken in thinking that the solution of these problems is that easy, who is the man who dare say that Beckwith should be one whit less insistent than he is on this point? Or think he should let any notions about modesty, interfere with his pleadings that mankind be permitted to enjoy the blessings that could now be ours, if Beckwith is right?**

Economics is a science, or it is not; either we can, or we cannot solve these problems **now**, as Beckwith says, without waiting for men to evolve or reform.

Until it is proven that Beckwith is wrong, finding fault with Beckwith's style needlessly distracts the attention from the business of most importance—and it doesn't accomplish anything worth while in the way of reforming him. It is, in the main, a waste of time and talent.

### IMPERSONAL PERSONALITIES

It has always been the rule in the Forum office that nothing is news merely because it happens. No matter what it is, or whom it concerns, it is not news unless it illustrates in some way a principle that concerns the public. The Founders of the Republic did not provide free postage for newspaper publishers in order that they could play up their friends and run down their enemies, advertise their wives and children and otherwise enjoy advantages at the expense of the taxpayers. Newspapers were given free postage (in their own counties) because it was assumed that they would be NEWSpapers; that was before the invention of newspaper advertising, since which time the newspapers have become adpapers, the editors became aditors, and their editorials became aditorials.

This paper has repeatedly and almost dramatically called attention to the fact that it is subsidized at the expense of the taxpayers. So far as known in this office, it is the only newspaper in the country that does this. Regardless of what occasional readers may think about it, it is doubtful whether any regular readers would think it possible to find any references by the editor to himself that violates the principle laid down for the government of these columns; namely that nothing is news unless it illustrates in some way a principle that is vital to the public interest—and that when such news is available, it is to be published, regardless of the consequences.

Beckwith has mentioned others, either as examples of the scientific attitude and to demonstrate the superiority of that attitude, or as horrible examples of the way men become entangled in self-contradictions by choosing to steer their course **by opinion**, instead of steering by the compass of scientific fact; but it is doubtful whether any cases can be found in which reference has been made to any person **except for the purpose of pointing an economic moral, as in this comment upon Chodorov's letter.**

## Editor Meets A TVA Advocate

Stranger. "We missed our opportunity by not electing Sinclair."

Editor. "What makes you think he could have helped us?"



St. "Well, he supports Roosevelt and stands for the same program. See what Roosevelt is doing for the Tennessee Valley. Here we have our Central Valley water project that will do the same for us. Sinclair is for that."

Ed. "What is Roosevelt doing for the Tennessee Valley?"

St. "Developing cheap power! That's what he is doing; he already has the big power companies on the run."

Ed. "Then you think that is a good thing?"

St. "I surely do; think of the money that will be saved by that cheap power! Think of the millions the power companies have charged us for power!"

Ed. "You say that is being done in the Tennessee Valley?"

St. "Yes; don't you know about it?"

Ed. "Oh, yes; I know about it. But one must be there to get the benefit of it, must he not?"

St. "Oh, yes; of course! Either in the valley or near it."

Ed. "I know of but two ways of being there—either to rent land in the valley, or to buy land there. There isn't any other way, is there?"

St. "No; none that I know of?"

Ed. "Then to be there one must deal with the owners of the land there?"

St. "Yes."

Ed. "And they know about what Roosevelt is doing there?"

St. "Yes."

Ed. "And they know what a good thing it is for the Tennessee Valley?"

St. "I suppose so; yes."

Ed. "And they will charge for their land all that these new advantages make it worth—all that this cheap power is worth?"

St. "Yes; but think of the saving in the rate."

Ed. "I am thinking of that. It seems to me that that is what makes that land so valuable. Am I right?"

St. "Yes; that is what is building up that valley."

Ed. "And raising rent and land prices there?"

St. "Of course."

Ed. "Then, instead of paying those millions and millions to the power companies in rates, the people who use that power will pay these millions in rent to these landowners."

St. "But the rates will be lower!"

Ed. "Yes; and the rent will be higher. Where is the saving? The only difference is that, instead of the power companies getting it, these landowners will get it. What difference does it make to the people who over-charge them; why should they care who robs them? They pay and pay, in either case; and in either case they have only just enough left to pay their rent and taxes."

St. "But taxes will be less!"

Ed. "Why?"

St. "Because of the profits of the publicly-owned power plants."

Ed. "And that will reduce the taxes these alien landowners will have to pay? You know, do you not, that already many of those landowners are absentee land owners?"

St. "Sure."

Ed. "And these low taxes, added to the low rates, will attract people in there?"

St. "Yes, by the million; there will be another Chicago there!"

Ed. "And the people will pay Chicago rents?"

St. "Naturally, there is no such thing as something for nothing!"

Ed. "Right! And in this case we here in California and in other states will pay in their cigarette taxes and check taxes and gasoline taxes for the dam, and the landlords of the Tennessee Valley will sell that cheap power to the people of the Tennessee Valley for what it is worth, and—"

St. "But the rates will be lower than the power companies charged there, and lower than they charge us here."

Ed. "Yes; and that makes the land there very valuable and raises rents there. What the people there save in utility rates, they pay in added rent. They gain nothing; but the landowners of the Tennessee Valley get the return on the government's investment of our tax money. It is a fine scheme for syphoning the money of the people into the purses of a few landlords."

St. "You have some strange ideas; that is a new line of talk to me."

Ed. "Very likely; those who profit by this trick are not anxious to have you see the secret of it. They do not want the people to stop their rake-off."

### The Closing Of Four Deep And Historic Gold Mines At Jackson, On The Mother Lode, Calls Emphatic Attention To A Vital Principle

Business and professional men, generally, and security holders, may learn a valuable lesson from the situation in the Mother lode mine section of California, where four of the oldest and deepest gold mines in the world are shut down. The pumps have been pulled and the mines are being permitted to fill with water.

All as the result of the demands of Labor, which is like other groups, pitifully ignorant of things economic.

Labor demanded concessions in pay. This demand the owners were willing to negotiate.

In addition, Labor demanded that recognition of the Union. The employers offered to negotiate with the men, but refused to concede that outsiders (Union officials) had any rights in the premises.

The men were warned that if they persisted in their course, the employers would shut down, stop the pumps and let the mines fill with water.

But the Unions are so pickled in Marxian brine that the men could not see the difference between their right to better pay and better hours and their right to demand these at the expense of their employer.

This is the rock upon which Unionism is being wrecked.

**This paper agrees with the Unions that Labor should have more pay and shorter hours.**

**But this paper will resist the demand of the Unions that this concession be made them by employers (or Capital) which ever they may prefer.**

**Capital is not getting too much.**

**It is being robbed, as are the workers. The fall in the rate of interest shows this.**

**The concession must be made by the landlords.**

The additional wages granted must come out of rent.

Capital can stand no more.

As a fellow victim with Labor, it should have relief; and not be asked to extend relief.

### WHAT THE TALK OF A GHOST TOWN MEANS

The fear has been expressed that Jackson will become another ghost town.

Said one business man in reply to a question as to what he thinks of the situation at Jackson:

It is pretty bad. I hate to think about it. You know there is nothing up there but the mines.



This is most significant!

Here is a considerable town subsisting upon the pay-rolls of these mines.

Merchants owe their business to these mines.

Professional men owe their practice to these mines.

Teachers owe their positions to these mines.

Clergymen owe their livings to these mines.

Editors, barbers, bootblacks, bootleggers, prostitutes—all owe their existence of these mines.

Because of these payrolls, the town is; without these the town would not exist.

**Because of the town, land has value there—not enormous value, to be sure; but whatever that value is is the result of the development and operation of these mines.**

**And others claim to own, privately, the land value that these mines have developed in that land!**

Not only that, but they clamor for relief for their real estate and impose taxes on these mines; and tax their stocks in the hands of the men who developed and operate these mines!

To relieve the land value created as a reflex of the operation of these mines, we tax every stick of lumber the mines use, and tax the electric current that operates the mine machinery. We tax every purchase they make and tax every sale they make, and the gas used in trucks that haul their supplies in and haul the product out; and every check the company draws in payment of wage demands or settlement of bills for supplies.

If there is anything left, we tax that as net income; if the owners die and leave the property to their children, we tax that inheritance.

Then, when this constant harrassment of business injures it and slows it up and wages begin to fail, we encourage the men to organize to compel the mine owners to pay better wages—utterly regardless of their ability to do so.

When, because of this harrassment and this constant despoiling of the operators, they fail to install all the safety devices we think humanity requires, we set up a state commission to enforce this action.

Once we got the commission habit, we set up a swarm of commissions to carry on this harrassment.

We have a commission to see after safety appliances.

And a commission to supervise a system of accident insurance for the men, to be paid for by the mine owners.

And we have a commission authorized to interfere in wage controversies, and to penalize employers if, under the stress of this harrassment, they are unable to maintain certain standards.

**Meantime the Unions are active organizing far and wide to bring to bear the pressure of public opinion.**

Their Marxian theories to the contrary notwithstanding, their men have no right to tell them how they shall run their business, what hours they shall operate, or what they shall pay.

Nor have these men the right to dictate to them by means of governmental regulations. The government has only the rights of an agent—only the rights of its principal. The people have no right to dictate, neither has their agent, the government.

**Preachers who confuse the issues of morality with the issues of natural law and deny the Bible record that God's work is finished, and hold that puny man must go to His aid and do for Him what He lacked the ability to do, preach fervent sermons inciting the men to stiffer resistance and the legislators to more meddlesome interference.**

**Editors equally ignorant of things economic publish**

**prejudiced news reports and inflammatory editorials.**

All together, they keep the country on the verge of civil war. Some of them make no secret of their expectation of dying before the breast works of Capital in the great revolution that is to destroy the savings Labor has accumulated—or turn them over to the management of men who learned all they know of business from the speculations of Karl Marx.

It is no wonder the banks are reluctant to loan.

Whether the money is their own or is that which depositors have left with them for safe-keeping, or the convenience of a checking account, the result is the same. Loans are called, new loans are refused. Business goes from bad to worse.

### SECURITY OWNERS ARE ORGANIZING

Of course the security owners of the country are organizing.

But the only system of defense they understand is that of the turtle—which is purely defensive, in no sense constructive!

They are not to blame. They know nothing of economics. Nor are they to blame for that! Where could they have learned, even the rudiments of economics? They are not taught in the schools, nor in the colleges, nor in the universities.

Instead, all our agencies, the Academy, the Press the Pulpit, the chambers of commerce, the luncheon clubs—all, without exception, are teaching economic falsehoods.

Chief among these falsehoods is the falsehood that land is property, and land value is wealth; and that mine operators should be taxed to make it possible to lift the taxes off the city real estate that owes its value to the operation of the mines!!!!!!

It doesn't seem possible that men could be that ignorant; but men can be! They used to think the earth flat.

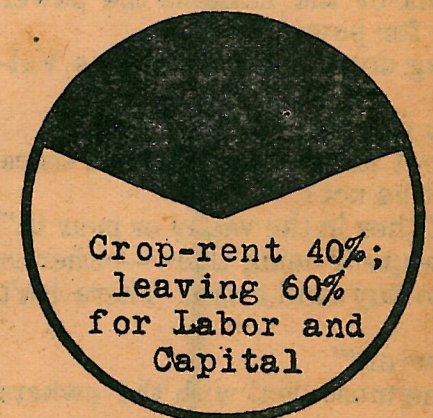
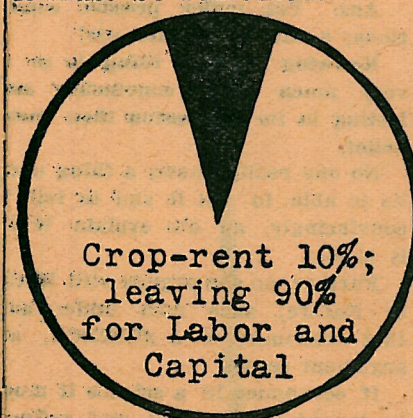
No self-respecting college of that day would employ a teacher of geography who would tell his students that the earth is not flat, but spheroid; that the sun does not rise and set!

For the same reason it is impossible for the editor of this paper to get a hearing before the Chamber of Commerce, to get permission to speak from a church pulpit?

This stupid ignorance is hard on security holders; but hard as the school of experience, there are people who will learn in no other.

The security holders must wait longer and pay more for their deliverance.

The circles below show what the trouble is and how it must be remedied.



The rent must be collected instead of taxes; so that Labor and Capital shall be tax-free.

The rent, when spent for public improvements and public service, would go back to Labor and Capital.

### THIS PROGRAM APPLIED TO MINES

A common error in reference to mines is to think of



them as all land value. This is far from the truth; for the sinking of a shaft is a matter of labor. The shaft, the drifts and stopes are all capital investments, just the same as the levelling and ditching of a field. Their values should be tax free.

The owners of these mines have some land value, to be sure; but they have far more than that. Indeed their land value is small, when compared with the value of the improvements and equipment. These men are capitalists. They are not landlords.

Those who hold their stocks and bonds are capitalists. The Georgist system of taxing mines (worked out by G. McM. Ross) is to ignore the ore body in the mine and to levy on the mine only for the surface value of the land occupied, depending for the recovery of our rent on the collection of the rent wherever the product or earnings of the mines may be put to use or spent.

## TWO BASIC TRUTHS

No man should be trusted with the ballot who does not know at least this much about economics:

1. That, as it is impossible to get the advantage of improvements or service provided by public money, except by buying or renting land within the reach of those improvements or that service; so that the result of it all is that rents go up and that rental values are the only values that do—unless more of the tax load is shifted from land speculators to Labor and Capital, in which case the selling value of favored lands will also rise.

The effect of public progress is to raise rent (nothing else.) The rental value of land is the only value raised by public progress.

2. Selling value is NOT caused by the same things that cause rental value.

The selling price of land is the capitalized value of the net rent. If the land were tax-free the selling price would be the capitalized value of the rent. If all the rent were taken by the government, there would be no net rent. In that case the land would not sell at all. The selling value of the land would be nothing.

15. Money tied up in the purchase of land must be deducted from the money available for IMPROVEMENTS and PAYROLLS; it is not investors in land, but USERS of land, that build up a community. Investors in land are merely waiting to be paid to get out of the way of progress.

## The Business Man Forgotten

One of the most startling things came in the form of the official report of the debates in the Australian parliament during the last week of October. This report shows E. J. Craigie, battling against odds against the rising tide of meddlesome Socialist regulations there. They, too, believe that Labor and Capital have conflicting interests; that if a man saves his money he becomes an enemy of society and that society should protect itself by taking his savings away from him. By observing the extremes to which they have gone in the Antipodes we can get an idea of what is in store for us here—unless we get our economics on straight and curb the Socialists.

### WORKING MAN FINED FOR DRYING PEACHES

On page 1665 of Report No. 15, Second Session of the South Australian parliament, is the following statement made by Craigie on October 23, in the Legislative Council and House of Assembly, concerning the fate that overtook a young man in the Renmark district:

We also know that, although we boast a good deal

of our liberty, some twelve months ago, in the Renmark district a hard working young man, who has some peach trees in his yard, committed the sin of drying some of the fruit. He sold 28 pounds of it to another hard-working young man who was anxious to secure the fruit, and was brought before the court fined £25, (about \$125.—Ed.).

Craigie goes on to report cases of manifest discrimination against dealers who have criticised these laws and the way they are administered.

16. High selling prices for land are warning signs to Labor and Capital to beware of high taxes on industry and thrift.

## More Grief For Security Owners

Not only security owners, but those who hope to add to the security of their loved ones by carrying insurance, are getting bad news these days from the insurance companies.

Believe it or not, and the Socialists to the contrary notwithstanding, Capital and Labor win or lose together.

Wages and interest rise and fall together.

In a period of unemployment like this, when the wage fund is depleted, it is inevitable that the interest fund should also be depleted.

Notices are being sent out by the insurance companies, announcing two things:

1. An increase in premium rates.
2. A decrease in the interest they will pay on money invested with them.
3. A decrease in the benefits to be received from payments made on annuities, etc.

## Recovery Slipping Backward -- A. F. of L.

Week after week the unemployment figures of the American Federation of Labor shows that unemployment is steadily growing worse.

These figures are actual employment figures. They do not take into account the make-believe employment given by the Emergency Relief agencies. In making this distinction and refusing to count those jobs as real employment, the A. F. of L. is correct.

In the first place, that work is not industrial work; it is, instead, a dole to the landed gentry at the expense of the landless. (If the reader is in doubt about this, let him consider that the Housing Act and the PWA are raising land values where these improvements are made—and doing it with cheap government money and that the very cheapness of this money is hammering down the returns Labor and Capital can get for their investments of labor and capital.

Second, the burden of this Santa Claus policy is an additional load upon industry proper.

## League Of Nations Comes To Life

The League of Nations has at last really accomplished something worth while. It has settled and averted the Balkan difficulty, which threatened to engulf Europe in war.

Of course there is a reason. Russia has begun her retreat from Communism and allied herself with France against Germany, where Hitler has surrendered abjectly to the Junkers—the German landlords. This makes Russia respectable and binds non-German Europe together in a strong bond.

Secondly, Europe can't fight without American money



and they know we won't finance another European war.

Thirdly, all know that war means arming the proletariat and that were the European proletariat given arms now, there would be nothing left of the royal or commercial or financial rulers of Europe a year hence; for Communism would sweep the continent.

Accordingly, even such an invalid and cripple as the League of Nations had a comparatively easy task settling that Balkan row.

Incidentally, the Saar row has also been settled. Better yet, for us, the alliance of Russia with France changes the Oriental situation; for we can no longer have Communism an excuse for encouraging Japan to attack Russia. This will tend to avert the danger of war with Japan. It may prevent it.

## Reorganization Of The Republicans

The fact that those who would reorganize the Republican party keep talking about "liberal" and "conservative" policies is convincing evidence that they do not understand their problem.

Whether or not these men know it, the thing they mean by "liberal" is Socialism!

So far as economics is concerned, "liberal" and "conservative" are meaningless terms.

If in doubt, try them out in mathematics, or physics, or chemistry—or in any other science. Or try to imagine a liberal or a conservative truth!

Now that the Democratic party is committed to policies favorable to land speculators, the proper thing for the Republicans to do is to come out as champions of the wage and interest funds, to be a party of Labor AND Capital.

## Hearst Does Not Tell Us Why This Is So

William Randolph Hearst complains that Congress is made up of men who think only of their own home districts and their needs and are unable to rise to the heights of statesmanship.

But he does not explain why this is so, and why it must be so as long as we permit landowners to appropriate the rent created as a result of governmental expenditures.

As long as this is permitted, government will be conducted by and for landowners—but at the expense of the landless.

So long as our rent is held up as a prize to be contended for by politicians, men will be elected to Congress and the legislatures upon the basis of their ability to "bring home the bacon"—meaning rent opportunities financed at the taxpayers' expense.

## To Relieve Industry, Relieve It

The Jeffersonian Democrat, of Jackson, Mississippi, calls attention to a 700% increase in the cotton shipments going through Mobile in the first two years following the opening of the free docks built there by the state.

According to the Alabama Dock Commission, Mobile had fallen into the status of a secondary market; but the finest dock facilities on the Gulf of Mexico were opened there free of fees and charges except the rent for the space used by those maintaining quarters on the docks, Mobile revived.

Says The Democrat, concerning this evidence of the correctness of this principle:

So much for freeing shipping from burdensome

taxes and collecting only the rent for the space used. Here we have an example of the single tax in operation. The single tax would, however, extend these benefits to all lines of industry.

In other words, The Democrat sees no difference between the commerce that goes over a dock and commerce that goes over a city street or a state highway or a business lot in a city or a factory site in the suburbs anywhere, over land, sea, or in the air. The Democrat contends that traffic should be relieved from taxes and penalties of every sort. There should be no ton charge, no mileage charge, no gas tax, no property tax, no revenue tax of any type or degree.

## These Crime Drives Raise Rent

A "big push", on a national scale, is being organized against crime and those who aid criminals. It is going to become "socially inadvisable" for lawyers, doctors, nurses, pharmacists, etc. to serve criminals—meaning certain classes of criminals. It will even become "quite proper" for the police to shoot these down in cold blood and so relieve real estate of whatever burden might fall upon real estate as a result of expense incurred by arrests and trials.

It must be understood, however, that this "big push" is aimed only at those criminals who—

1. Do not need (or dare) to maintain headquarters and payrolls that contribute to the maintenance of the landed gentry.

2. Who, by preying on the tenants of the landed gentry, interfere with the exploitation of these same tenants by the landed gentry, aforesaid.

## United We Stand, Divided We Fall

It is an old, old saying that united we stand, divided we fall.

Stockton, like other cities, is so ignorant of things economic that it presents a divided front to the world and suffers defeat accordingly.

First of all, we divide into landowners and non-landowners, and wage contests to see who can make the other side pay all the taxes. Of course the landowners win, because—well, because if we grant that men own land we have to grant that they have a right to impose any terms they like upon those who use their land.

Then, of course, there is a division between the Patriots of Here who own land here and the Enemies of There who own land at Sacramento and the Bay and elsewhere. That brings on a battle royal in the legislature, in Congress and in the ship conferences and in the trade and traffic organizations generally. That keeps us busy and, most of the time, in hot water.

Of course with the battle of the landlords raging, the smaller fry stand in constant danger of getting hurt and are forced to take steps to protect themselves.

So we see a split among shipping men. The shallow water men secede and there is friction there and valuable time and energy are lost restoring peace there.

Then the rival labor unions organized by workers in an effort to protect themselves get into a bloody war and more valuable time and energy are lost there.

And all the time the business men are fighting to maintain a toe-hold and cutting each other's throats in that process.

All this friction is unnecessary. It is all the result of ignorance of things economic.



Stockton has one paper that knows the answer; but its "thumbs down" on its editor. Toms, Dicks and Harry's from everywhere are admitted to local pulpits and given time at luncheon clubs to talk on everything under the sun; but the editor of this paper begs in vain for a hearing.

He has been nearly two years asking a hearing before the Chamber of Commerce and seems no nearer admittance than at first.

So far no orthodox church pulpit has been opened to him; and, generally speaking, the luncheon clubs are closed to him.

## Editor Gaston Explains His Position

In his issue of October 19, Editor Gaston of **The Fairhope Courier** explains why he endorsed Upton Sinclair's candidacy in California.

He says:

The Courier gave editorial approval to the Democratic platform and Upton Sinclair's candidacy for the governor of California as being the most advanced political movement **having any possibility of success at the present time.** (Emphasis by this paper.)

There is no need to charge Editor Gaston with being an opportunist. He admits it. That is his own, voluntary confession. That settles the question whether or not Gaston is either a teacher or a leader. He admits that he is neither—and that those interested in the success of the Georgist movement must look elsewhere for its teachers and its leadership.

**Gaston claims nothing more for Sinclair's program than the doubtful merit of being "the most advanced movement having any possibility" of catching the votes of an untaught, unthinking electorate!**

That is political leadership!

That is the kind of leadership that the Georgists have had ever since Henry George deserted the MS of "Principles of Political Science" to pull political chestnuts for the Labor Unionists of New York City.

Gaston's explanation shows that Gaston is aware that Sinclair's program is the result of a compromise with Ignorance, Superstition and Reaction!

Gaston does not even say that he would wish for more nor indicate that there is anything more to be wished "at the present time".

Gaston points to no standard by which his readers may know in what respects, or in what degree, the Sinclair program falls short of his ideals. His **Courier** is probably the oldest Henry George publication in this country, certainly the oldest in point of continuous publication under one ownership, and it has been for years pointed to as one of our leading exponents.

It is easy to understand, in the light of this incident, why the Cause has been losing ground.

Sinclair's program consists of twelve planks. Of these, to quote A. G. Chapman, of Nebraska, "all are sound but eleven, the one sound plank being that calling for the repeal of the sales tax"!

These were carefully analyzed and evaluated in **The Forum**, page 3065 and **No Taxes** 249. The program is anti-Labor, anti-Capital, pro-landlord, anti-American and anti-social, European rather than American. **Even in its land planks, it is anti-Georgist!**

The editor of **The Forum** and **No Taxes** regrets the necessity of publishing comment like this regarding a fellow editor in the Movement; but he feels that he owes

more to the Movement than to any man; that the blood that flowed on Flanders Field and the sufferings of our unemployed today call upon us all to do what we can to **lead the world out of the mess that it is in, rather than to take counsel with the mob and cast for votes as one might angle for trout.**

We need leaders, not politicians!

21

14. The lower the selling price of land, the easier it is for new men and new capital to get into the city and the more money can these newcomers can put into BUILDINGS, MACHINERY and PAYROLLS.

21

## Fish and Bees

A man is fishing from the shore—catches one fish in an hour—along comes his friend Joe, rowing a boat, saying: "Here, Bill, take my boat and row out there ten rods. He accepts, thanks him, and rows out, coming back in an hour with ten fish. He gives Joe three for the use of the boat—interest of course; but did not Bill also receive interest through the advantage (the time saved) in catching the additional fish? And as to your bee increase, I am thinking that if there is not **much** intelligent work and care put in with the keeping of the bees, soon there would be no bees left. to care for.—ALABAMA.

Bill, who borrows the boat, then had extra work to do; for he had to row the boat in addition to fishing.

Accordingly a portion of the extra catch resulting from his change of position is wages on that labor.

There is no rule by which he must divide the nine extra fish into wages on that extra labor and interest on the extra capital (the boat). He can suit himself about that, and take one fish for wages and eight for interest; or vice versa, or divide the additional catch any way he likes, because it is all his in any event.

But, when he gets ashore and comes to a settlement with Joe, there is a standard which will at least serve to guide him, although, in the absence of an agreement, he cannot be held strictly to it. That standard is the market rate of interest.

This is determined by the market, not by the laws of economics. The natural laws of economics determine only that the return on capital shall go to the owner of the capital; but the laws of economics do not determine in any given case what the return shall be. All the laws of economics do in this direction is to determine that what, after the payment of rent, is left of the total return from all the opportunities open to us in all the many lines of activity is distributed between Labor and Capital in what will, in the long run, prove to be equal parts.

In a given case the interest may be anything from minus to several hundred percent; and, likewise, the wages may be anything from minus to a prince's ransom.

As for the labor involved in the keeping of bees, this is like the labor expended by Bill in rowing Joe's boat. To the extent that much labor is invested in the care of the bees, then to that extent, much of the returns from the bees will be wages.

But, while it is possible to get honey with almost no labor, so that the return from the bees may be almost entirely interest, it is not possible to get honey with no bees (capital); so the return cannot possibly be all wages. All the labor in the world, if concentrated upon that single task, could not gather the honey from one lone clover field and store it in honey comb.



These trade unions constitute an economic police needed to guard against "chiseling" by unfair employers.

Here is a boast that the unions are wanted to help the leaders in the syndicates to coerce their competitors into doing the bidding of the syndicalists to whom the New Deal commits the control of industry.

### TRIED FOR SYNDICALISM IN A COUNTRY RUN BY SYNDICALISTS

In Sacramento, California, there is one of the strangest situations imaginable.

To appreciate what is involved in the trial of seventeen defendants arrested on suspicion of syndicalism, and facing sentences of fourteen years in the penitentiary, one must know that, in California, the lawyers have been erected by class legislation into a state within the state—the most perfect example of syndicalism in all history. The lawyers prosecuting these defendants and sitting on the bench in the courts of appeal who may be called upon to pass judgment on their cases all have to be dues-paying members of this lawyers' syndicate. Otherwise they could not appear in court.

And so strong is the printers' syndicate in Sacramento that

### THE BETTER- HOUSING TRICK

Every trick of high-pressure propaganda is being used to put over the Better-Housing drive. Even the lottery motive has been drafted.

The public seems never to understand that these stunts are loaded. They do not understand that rent is the only thing raised by remodeling, repairing, rebuilding, repainting and improving our houses and that wages go down as rent goes up.

But the land speculators understand,—and they know that the Federal government does not tax land to raise the money it spends on these drives.

### TEN YEARS AGO

"Coolidge commits another one of those acts that will make his statesmanship a joke to historians. He gives his approval to the regulation of rent—exactly as though he should favor a police rule or an act of congress to alter the law of gravity, or the 'rule of three', or the principle of the lever and the screw, or the velocity of light!"—January 15, 1925.

## Another Letter From C.S. Prizer

The recent discussion of the Ralston amendment in these columns was precipitated by a letter from Charles S. Prizer, expressing perplexity over the failure of the editor to work for the Ralston amendment. See The Forum, pages (Corrected) 2813, 2833, 2853, and No Taxes, pages 321, 329, and 314.

In the following letter from Prizer his paragraphs have been numbered for the convenience of readers who wish to follow the argument:

New York City, N. Y.  
November 27, 1934

Dear Mr. Beckwith:

1. I can see no reason why you and Judge Ralston cannot cooperate most effectively and yet each work in his own way to achieve the economic heaven on earth in the possibility of which you both believe.

2. You claim that it is the first duty of "all concerned" to settle the question as to whether or not economics is an exact science and insist that the Georgist plan be kept out of politics until that question is settled.

3. Now the good results of the application of the single tax plan would not be confined to those who understand that economics is an exact science any more than the operation of the law of gravitation is confined to those who understand Newton's famous formula.

4. "All concerned" in the economic set-up includes the entire population. How fantastic it is for you to assume the possibility of teaching the entire population or even a majority of adults to understand and accept your formula that economics

is an exact science!

5. What do you consider would constitute the "recognition" of your formula which you hold ought to precede any political activity in behalf of the public appropriation of economic rent?

6. I greatly admire you for the good work you are doing in teaching the teachers of the singletax philosophy that "it is the law" and that no law can be violated without incurring the penalties of that violation.

7. However, your very interesting and important work has no meaning whatever unless it contemplates political action, for through political action only can your teachings be given effect.

8. The only question is as to the proper time for political activity in behalf of the single tax. You hold that we should defer political work to a remote and indefinite future when the definition of economics which you reiterate with such monotonous insistence shall have been recognized and accepted.

9. If you have your way about the matter the time for political effort will never arrive and your brilliant work for the great cause of economic emancipation will all have been wasted.

10. Eschew your pedagogical intolerance and join Judge Ralston in the great scheme to place in the constitution of California a provision which will constitute a long step toward the complete application of the single tax.

11. And please stop slandering California single taxers and pleading the baby act in advance, which is what those of you are doing who say that the provisions of the Amendment will

not be correctly applied even if the Amendment is placed in the Constitution by a majority vote!

12. I continue to use the term "single tax" advisedly because the people will always consider any fund secured to defray public expenses to be a tax, no matter what the source of that fund may be.

13. Custom and usage establish and modify the meanings of words and the appropriation of economic rent to defray governmental expense, which God grant will be done in the not distant future, will undoubtedly be designated a tax by the public and that designation will by custom become proper and correct.

14. I would much prefer to go before an audience of laymen with an elucidation of our plan using the term "single tax" rather than the title "no taxes".

15. When you say "no taxes" to ordinary man their initial reaction is to consider you a crank and this notion must first be overcome if you are to get anywhere with them. I've tried it.

16. With the highest praise for your good work and wishing you increasing success, I am

Most sincerely yours,

CHARLES S. PRIZER

1. Correct. The editor teaches; Judge Ralston is urging his amendment. Ralston himself says:

Political work and propaganda unite to a common end and are in fact indistinguishable.

2. The position of this paper is that, if economics is a science, it would be as foolish to resort to the political method to put it over as it would be to make a political issue of the multiplication tables; that it is a science, nothing that we could do about it politically would have any effect either way.

3. Correct.

4. We have not yet got "all concerned" to understand the law of gravity, the laws governing electricity and the affinity of chemicals. But that does not prevent us from proceeding with them. Nor were they put over by the political method. There was nothing that could be done about them, either way, by political methods.

5. There is no political action that can possibly have any effect, one way or another, with respect to the natural laws of economics. They are now in full force and in operation. The depression is tragic proof of that. No political "recognition" is necessary or desirable. What must be done is to do exactly what we did with respect to the facts of physics and chemistry and mathematics. In those matters we adjusted ourselves to the facts as rapidly as we ascertained them and learned as quickly as pos-



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sible how to take advantage of them. That is our task in this matter.

7. Just what political action was ever taken, anywhere, at any time to give meaning to the laws of aerodynamics with which the aviator is concerned, or the laws governing the expansion of gases that are utilized in internal combustion engines, or the laws of electricity. "How fantastic" (to borrow Prizer's expression), is the idea that there is any place in our program for political action!

8. and 9. It is the position of this paper that there is no more place for political action in this matter than there is in the matter of the weekly washing or baking of a housewife; or in the planting and harvesting of a crop by a farmer, or the setting of eggs under a hen (or in an incubator). What has political action got to do with any question in any science?

10. If economics is a science, Prizer and Ralston are blocked by something far more inexorable than anything in the disposition of the editor of this paper.

11. The statements referred to do not reflect on the singletaxers of California. Even if California were a self-governing commonwealth and the will of the people here were respected, there are not enough singletaxers in California to control the situation.

Ralston is not depending upon singletaxers to put over his amendment. He is depending on the popular resentment against the sales tax. He believed that there is enough anti-sales tax wind to fill his sails. But that is not an understanding support; that support would be of no assistance to us in getting the **other** features of the amendment enforced, **our** features.

It is not slander to state the fact that we are a lawless people; that no law is enforced; that favoritism vitiates all our institutions; that there is no sense owning land unless one can control it and that the control of the privately-owned land in this country means that the people and their legislatures and courts and constables must do what the owners of the land want done.

And the landowners do not want the Ralston amendment enforced; and the public generally is so ignorant of things economic that it believes that what is good for landowners is good for all of us.

**However, once the people grasp the principles involved, they will see that it is to their selfish advantage to adopt our program. Then they will do it, law or no law.**

**It will then be as impossible to prevent their putting over our program, as it is now to persuade them to put it over.**

Nor will it take a campaign to put it over, there will be a "ground swell" of popular clamor that will bring the politicians "to heel" like "good dogs"; and the politicians will trample on each other in their eagerness to change the law and to break it in the interval that must necessarily intervene between this popular demand and the effective date of the new legislation.

Under such conditions, the necessary political action will do itself!

At the present time the law declares that all property shall be assessed at its full value. But the state association of county assessors has for years agreed upon a valuation that is less than 50% and is steadily approaching 40%.

What is law to those who, by the ownership of the land, own the people on the land?

This is not slander! It is merely the statement of a natural law of economics; namely, that law or no law, wherever rent is privately appropriated, the basic law that men seek to gratify their desires with the minimum of effort operates to prompt the landed class to shift public

burdens from the landed to the landless.

The Ralston amendment does not even attempt to repeal that natural law; it attempts to partially off-set it.

The first year, it seeks to off-set 20% of a part of it, the next year 40% of part of it; after five years, it would (if enforced) off-set all of a part of it.

It does not even attempt to repeal the gas tax—now 3¢ and about to be increased, it is reported, to 5¢; nor does it prevent the state from imposing an income tax, nor does it repeal the inheritance tax, nor the business tax.

12. They used to think the earth is flat; but they got over it. The future is a long time—much longer than the 200 years, or less, that we have been discussing economics. The world is still young (so far as this matter goes)—so much so that we can well afford to try learning to speak correctly.

13. He may be right; we still say the sun comes up, although we know better. But the chances are, he is wrong; because the collection of the rent instead of taxes will destroy the selling price of land and that will modify the psychology of landholders. When the mind accepts the changed relations, which is something that has not happened in the matter of sunrise and sunset, our speech will adopt itself automatically to the new conception.

14. Where is the advantage of calling this levy a tax and then going to the trouble of explaining that it isn't a tax?

Besides, the use of the term tax is (by implication) an admission of the landowner's title; and this places the speaker under the added disadvantage of explaining why he proposes to take from the landholder something that the speaker has already admitted (by implication) in the landowner's property!

The editor much prefers to explain that we Georgists are not at all interested in the land, but are interested in the land **value** arising from the service we render at that site; and that what we want is **payment in full for the service we render the occupant of that site**; that the landholder as a partner (either Labor or Capital) in the business is entitled to the wages or interest, as the case may be, but that the editor, as a member of the public, is interested in getting his share of the rent and demands that it be paid in, **ALL** of it, to the public treasury for the benefit of the public.

15. It is just as easy to use the name "No Taxes" as a bait to the public's curiosity and with that as a pry to get some new ideas into the minds of these people. Prizer should brush up on the principles of salesmanship and not let these people take the lead, in that way, and back him out the door. **He** should take command and by pressing the advantage he holds by reason of knowing more than they, make them do the backing.

16. Thanks, heartily!

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5. A high rental price for bare land is the result of good schools, good roads, good government, etc.; but a high selling price for land is the result of relieving real estate—of keeping taxes lower than the rent.

## Another Good Idea

**The People's Advocate, Adelaide, Australia, makes this excellent point:**

That, if we were called out in person to labor upon public works of any kind, we would demand that the improvements be such as would benefit us, and would refuse to work on something that would benefit others at our expense.

That this principle should hold, as well, in the matter of taxes levied upon our purses, rather than upon our per-



sons.

That, because of ignorance of things economic, we endure with out protest taxes that benefit others at our expense.

**The Advocate is right!** We stand for a gas tax to finance highways (and raise our own rent), although the owners of the land thus developed are the only ones financially benefitted.

We stand for a tobacco tax to raise money to develop harbors to raise the value of land that is not taxed by the federal government.

We stand for a sales tax to finance schools to help speculators sell land that is not taxed by the state.

**In all this it must be remembered that the rental, or location value, of land is the only value that is increased by public improvements or public progress; and that the selling value of land is the capitalized value of the net rent, so that the exemption of land value from levies increases the net rent and so increases the sales value of land. And this is done, even though the construction of highways and harbors lowers freight rates and so lowers the selling price of labor products.**

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3. In this paper the word "landlord" always means one who is more interested in land value than in improvements or personal property—more interested in rent than in wages and interest combined.

## Pity, Economics, And Pensions

"Pity the sorrows of a poor old man, whose trembling limbs have borne him to your door." Does not such sentiment affect you at all? Or have you been so wrapped up in Economics that mortal sorrow moves you not at all?

Put away your hammer and quit knocking the old-age pension. Don't be so fussy about it, now that it is started.

H. D., Oregon

### EMOTION vs. KNOWLEDGE

This communication is a good illustration of the thing that has kept the world, including Georgists, in economic chaos:

Pity and justice have nothing in common. Pity and injustice are quite as likely, perhaps even more likely, to be found together.

His pity for younger men who would be taxed to provide his pension prevents his endorsement of the pension plan.

He holds that the pension principle is unscientific and that the pension system is unwholesome.

This is not saying that he expects the aged to go hungry, or to suffer any privation, quite the contrary. It is because he wants the aged provided for that he demands that men be permitted to provide for their own old age.

The most pitiful of old age tragedies will be those cases in which people go through life expecting the government will provide for their old age and then find, when old age comes on, that those in authority knew so little of economics that they miscalculated their pension resources and the money is lacking to carry out the pension pledges. That is what is going to happen, if the editor knows how to read the signs of the time.

## Christmas Cheer And Sweetening

The Georgists have a monopoly when it comes to the matter of good-will programs.

Theirs is the only program that takes nothing from employers to give to employees, and nothing from employees

to give to employers; the only program that takes nothing from the House of Have to give to the House of Want.

Theirs is the only program that settles the race problem without denying anything to either party, that secures race segregation without a segregation law and that utilizes race prejudice to establish good will between the races.

The Georgists are the only people who have a program that ends war without the necessity of anti-war treaties, that does away with military and naval forces without the necessity of a disarmament agreement.

The Georgists have the only system that makes Greed the guarantor of honest politics, industrial justice and of world peace.

The Georgists are the only people who know how to usher in the Millenium without waiting to change the hearts of men.

They have the only plan ever proposed for making every day Christmas and spreading the holiday spirit throughout the year.

## All Changeable And Unscientific

**The American Hebrew**, which devotes a great deal of space to the exposure of the Nazi regime in Germany, points out in detail the constant changes that have been made in Hitler's program during the years he was rising to power and since he has been in power.

The same thing is observable in the program of Musolini, in Italy.

It is very noticeable in the case of Soviet Russia.

And it is conspicuous in the case of Roosevelt and his NRA in this country.

There is only one right way. That is the scientific way.

But none of these programs are scientific. That is why these men have all had to be constantly changing their program.

The Georgist is the only one who does not have to do this. The reason he does not is that he has Nature's own plan, the right plan, the scientific plan.

## San Francisco Gets On Nurse Bottle

The Pacific fleet visits the Golden Gate.

A floating city of 33,000 souls is a market so alluring that a lot of chamber of commerce hot air and a lot of political wire-pulling is certain to result whenever there is a chance that this city may be ordered within trading distance.

There is an net rake-off of millions on the trade of such a city; for the fleet is supported by funds raised as a tax on consumers. This relieves, by that much, those who own the land at our favored ports. They can charge a high rent on the basis of the periodic coming of this floating city, and the fact that the men and officers have wives and sweethearts who have to live somewhere and, naturally, prefer to live at the ports of call. The owners of this favored real estate collect the rent, but they shift the up-keep of the navy to us in various taxes. The six cents we pay on each package of cigarettes, the federal tax of one cent a gallon on our gasoline, amounts to a huge sum.

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10. If the selling price of land is low (in comparison with its rental price), it means that the taxpayers are getting a comparatively good price for their public service; and that the landowners are making little on the resale of that service.



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# Editor de Aryan On J. Ralston

Editor de Aryan, of *The Broom*, San Diego, has written Chas. H. Ingersoll and John L. Monroe a very outspoken letter regarding the situation presented in this state by the placing of the Ralston amendment on the ballot. Copies of these letters were sent this office, presumably because of the reference to the editor of this paper.

The point of the letter is that, by getting this amendment on the ballot and forcing us into a campaign when we have no funds, when we lack experienced campaigners and have no means of protecting our amendment from sabotage at the hands of the enemy if we are so unfortunate as to vote it into the constitution, Ralston has put us all in a jam; but that, unlike Beckwith who is too stubborn to yield on this point, de Aryan is going to do his utmost in the campaign to make a good showing and wants the Henry George people of other states to know that they must come to California's help in this matter with men and money.

Those who are inclined to think the editor of *The Forum* and *No Taxes* is too rough should read the following excerpts from this letter, and see what a gentle lamb Beckwith is compared with de Aryan:

We are now in for it. We may as well recognize it and make the best of it. First of all we must be sure that Judge Ralston does not continue to make a fool of himself and the Georgist cause. So far Judge Ralston has done just that . . .

First of all politics cannot make strange bedfellows, if it is to be scientific . . . This cannot be done by making the Ralston amendment the tail to Sinclair's kite, or to the Utopian Society of Los Angeles . . . We are up against well-intrenched monopolistic interests. . . . We must first have men who **know OUR** system. Here in California, I have found only three persons who can be trusted to expound the Georgist system intelligently and not sell out to the Socialists. . . .

But Beckwith is obstinate when it comes to political work; so Beckwith is out. Siebert (of San Diego) . . . will have to be financed and taken care of and he is not a physical giant, while I am going to work my fool head off to help Ralston, we need not be fools.

. . . . Henry George wanted to put the system over politically in exactly the same way that Ralston proceeds; namely, without having key men who have the ability and character to make a political success of it when they have to wrest inch by inch from the enemy in a long-drawn-out gorilla warfare of sabotage, even should the Act be made law, politically.

For this reason Beckwith is right when he stresses education as the first step—as he puts it, scientific understanding.

. . . . The next election call throws us in, whether or not we like it; and we must labor for dear life to save what we can out of the mess.

So I propose that Danziger, Ingersoll and Monroe come to California and work like niggers to keep the Socialists from messing matters up and, through their ignorance discrediting the Georgist cause . . . Ralston does seem to see that the Socialists and the Labor crowd are our worst enemies . . . they circulated the petitions and got signatures, but as soon as they appear in public they will make fools of themselves and of us, for they do not understand our system. . . . They will talk confiscation, not recovery; they have no sense of equity. . . .

So, because we are in for it, we must flood California with honest-to-goodness Georgist men and women from every state in the Union to get enough brains here during the election crisis to teach real Georgism, so that the Socialists will not make it appear that confiscation is the aim of the Ralston amendment.

I am a little hard on Ralston in this letter. But Ralston has made strange bed-fellows who will prevent him from presenting the Georgist system as a **Georgist** system; and for reason I consider that Ralston has made a fool of himself and the cause of RECOVERY . . . .

C. LEON de ARYAN

In reply Ralston dismisses the rough stuff diplomatically and presents the argument that de Aryan misjudges the prospects of success.

Here are some excerpts from the Ralston letter.

You have very cheerfully and doubtlessly accurately called me a fool . . . In turn and judging from some of your propositions, I am almost tempted to return the compliment . . . I suppose we may both cheerfully admit the impeachment and let it go at that . . .

Your letter dwells upon the chances of defeat, and of sabotage if we succeed by any miracle.

You feel it may fail in financing the state, or that it may be so charged that there will be a hurry call to have it changed. Have you not overlooked the fact that it primarily applies to cities and counties,\* and further application to the state is not compulsory? . . . Even as to cities and counties it is gradual in its application.

In California land and improvements are separately assessed and so no education is needed to teach the initial meaning of the terms . . . as to sabotage, I should have more to fear, if I had any, from the courts than of the assessors . . .

. . . . **the repeal of the sales tax, as we propose and its effect upon state revenues. This is part of our plan. The legislature can do half a dozen things to take its place, as for instance, impose an income tax or inheritance taxes or other special taxes to be paid by those who can best afford to pay them, rather than by the poor. . . .**

If we are capable of rising to the height of the situation we have victory within our grasp. Are we capable?

. . . . We have few enough papers willing to give any help, and the great journals are against us. We have little money . . . very few earnest workers, the greatest lack of all. If we could name twenty workers of average ability and stern devotion, I should count on victory without a doubt. . . .

There should be a regular group of letter writers . . . we must also have a regular corps of speakers who will appear before every description of organization . . .

But I think a word of caution is to be spoken. We want the aid of every person possible to support the amendment, whether Sinclair follower, Socialist, Democratic, Republican, or what not. We do not have to trample on their corns without very urgent cause. My belief is that the Sinclair campaign will prove to have been of great advantage to us, if for no other reason than that it has shaken men out of their habits of lethargic thinking, or want of thinking. I imagine that all but a few of the Sinclair supporters will be willing to support the amendment. Why quarrel with them?

I am glad you sent a copy of your letter to Monroe and Ingersoll. I was on the point of writing to each of them asking assistance in the coming campaign. The only restraining fact is that we do not know when it may fairly commence. However, if they were in the state, they could be put to work, practically at once. . . .

Very sincerely yours,  
JACKSON H. RALSTON

To this de Aryan replied promptly, in a letter from which the following quotations are taken:

You will have to get used to my epithets, for now you are in the boat with me, and since you do pull off fool stunts, you will have to put up with being called by the proper appellation and like it; just as I have to like it to work with you in consequence of being in the same boat with you.

When I proceed to make a fool of myself, at least I do it with my eyes wide open and announce the fact to those who must work with me so they will know the exact status of the affair and not come to me later claiming that I misrepresented matters to them. If they still want to go on with it, it is on their own responsibility.

We must take off our hat to Beckwith that he is so reluctant to play ball with you. I agree on all points with him, and if need be I can prove that he is more than 100% right; and coming events will prove it so. But I raise another point; namely, that since you got us into this mess we now must make the best of it. And I, for one, am now proceeding to make a damned fool of myself; and I know it and say so, and I know

\*For those not living in California, it should be stated that there is no direct state property tax in California. The state depends upon the sales tax, the gas tax, the liquor taxes and other indirect taxes.



why I do it. It will be worse for the cause to stand aside, than to step in and make the best of a bad mess. Thus what I decry in Beckwith is his lack of sportsmanship, for when I tie up with a group, I go the whole way, to hell or heaven. Just the same, nobody is going to stop me from telling the truth as I see it for the sake of keeping the record clear.

In your letter you are telling me that after 55 years of Single Tax there certainly must be more than three people in California who will not sell out to Socialism. Now that I come to think of it, I know only Beckwith and myself who will not sell out to Socialism. If there are more I shall be delighted to make their acquaintance. As shocking as it may strike you, you are selling us out to Socialism. Your own words confess it. You propose† to substitute an income tax for the sales tax to finance the deficit so the poor will not pay it, but the rich.

You confess we will have no money for the campaign . . . I am not convinced you can muster the 8 or 9 per cent to win; not that I am not going to do my best in political tricks, now that we are in it. . . . I know the present temper of all the voters far better than you do who were not up to your neck in this last campaign. I was one of the "trick" producers in the anti-Sinclair campaign. Every one of my "tricks" took. I led the parade months ahead and produced some of the most demagogic sentiments that led to Sinclair's defeat. I led in the "religious" campaign and in the "flood" of the unemployed. The Merriam crowd had sense enough to pick up my ideas and actually flood the state with that propaganda. . . . I know, therefore, what they can do with an idea good for their purpose and to what limits they will go to finance it. . . . While I may produce some of the best "tricks" in our favor, we will not have the money to exploit them successfully and to reach the mob, everywhere.

The other campaign was the "Naturopathy". I was in that, too. The men running it were afraid of me, because they counted on the Sinclair crowd to put them over. I worked out some of the best tricks for them, but they did not use them. Finally I reproduced in the very last issue two cartoons. Then they howled, "Why was that not done sooner?" But the newspapers mowed us down, because they did not follow my advice to buy them in time with advertisements in the weekly press, which could have been handed out judiciously, and made friends. They spent \$40,000 and were licked 2 to 1. Every word I told them, as I am telling you for the sake of the record, as proven by the results.

You are not counting on the public schools in the coming campaign. And they will kill you. You talk about a word of mouth campaign, instead of radio and press. Well, the schools will give you the worst word-of-mouth beating you ever saw. The school lobby is for the sales tax. The P.T.A. is for the sales tax. The sentimental slush that will be let lose about the necessity of closing the schools if the sales tax is repealed will bury you. They will conduct a word-of-mouth campaign, plus a radio campaign, plus pamphlets, press and pulpit—and the "children" sentiment will get them a majority.

Besides that, Socialists . . . will propose confiscation of incomes and the rest of the EPICKERS will get on your band wagon and propose more confiscation . . . and whatever we do to offset this will get nowhere because we have not the money and because we will not stand behind an honest PRINCIPLE, and because you are willing to compromise that principle, already . . .

So you may as well know what is before us, a hell of a mess.

Sincerely,

C. LEON de ARYAN

In the belief that de Aryan had misconstrued the meaning of Ralston's reference to the income tax, the editor wrote him to ask that he clarify that statement.

To this Ralston replied:

I was not speaking of what we propose, but of what the legislature could do; and I spoke of the income tax as one bearing least heavily upon the poor. I was in nowise advocating it.

Nevertheless, while in a state of society otherwise perfect, the income tax would be altogether evil. I think there is, by way of comparison only, something to be said for it. Not alone does it bear with less severity upon the poor than a lot of

taxes we can name; but with society as at present, or credit does seem to strike the proceeds of monopoly, either the ownership of natural opportunities, or of patent monopolies. Granting our imperfect society there are, therefore, some arguments for it.

But you will see by re-reading the letter that I am standing on two things—the repeal of the sales tax and the abolition in a comparatively short time of all taxes on improvements and tangible personal property. If we gain this, our task is practically half done. We don't have to argue the goodness or badness of anything else.

De Aryan now writes me he is ready to fight for the amendment "through thick and thin". I can ask nothing more.

JACKSON H. RALSTON

The reply of de Aryan to this was as follows:

I received a letter from Judge Ralston in which he explained, as he does to you, that he considers the income tax a better alternative from the viewpoint of the poor man than a sales tax and I replied that it means confiscation just the same. To this he retorted that he is not initiating an income tax . . . I am against the income tax under whatever pretext, emergency or no emergency, deficit or no deficit . . . it will never be O.K. with me. I will always be against it. If they pass it, I will protest it.

While it may for the time being take from the so-called rich, it will destroy the capital of the industrialist, small or great, for it depletes the capital necessary to meet future demands; and when capital is depleted, wages are reduced and the poor made poorer. An income tax finally hits the poor as hard as the sales tax.

Ralston means that unearned increment will be hit by the income tax. He is right. But, while the income tax hits unearned increments, it hits earned increments in exactly the same ratio. Then the innocent are treated the same as the guilty.

—21—

18. Land is the only thing raised in price by public progress and virtue (Labor products are cheapened thereby!); and, as landowners charge for these advantages all the traffic will bear, we pay their full value in rent (or purchase price) and then pay for them AGAIN in taxes.

### There Is No Need To Fear Communists As Much As The Respectable Civic Leaders, Preachers And Teachers Who Preach Communism Ignorantly

These people probably think they oppose Communism; but the way they they do it reminds one of the way the baker protected his pie from the hungry man who was about to steal it. His system was to promise the man a cut if he would not steal the pie. As often as he bought the man off, the fellow would eat the cut and reach for the rest. In the end, the fellow got all of the pie. And that is what will happen to us, if these men do not stop making concessions to the Communists. What they are really doing is to pay blackmail. That always ends in disaster.

The Communists are reaching for all we have and these preachers, teachers and civic leaders are promising them they will take part of what we have and give them that! That was what George McNoble proposed at the Merriam rally—that he would favor soaking the rich to provide pensions. (He felt, however, that it should be a federal pension.) Unless we have wiser leadership than that, the Communists will get all we hold dear.

The trouble is that these people do not know Communism when they meet it; not knowing what Communism is, they are as likely to preach Communism as to oppose it.

And Communism, like dynamite or poison, is much more dangerous in the hands of men who do not know what it is than in the hands of men who do know.

Avowed Communists are cautious in spreading Communism—they are under suspicion and have to be careful. Because the public doesn't know Communism when they see it, avowed Communists are in danger of having anything they say branded as Communism. And because of the same popular ignorance of things economic, people who are recognized as respectable often preach Commun-

†The language of the Ralston letter at this point is in black above. Thinking that de Aryan might have misconstrued Ralston's statement, this was called to Ralston's attention in a request that he clarify his meaning. The further correspondence will be found in another column.



ism without being questioned for it—they are often actually cheered by people who would be horrified if they realized what they were cheering.

Organized Communism seeks to establish the dictatorship of the proletariat by wiping out the bourgeois—not necessarily slaughtering the bourgeois, but wiping out the institutions that distinguish the bourgeois from the proletariat and so to level the bourgeois down to the level of the proletariat.

Like the Communists these preachers, teachers and our civic leaders are undermining the institutions that distinguish the bourgeois from the proletariat and levelling all down to the proletariat level—thus contributing to a dictatorship of the proletariat.

They are undermining society.

### HOW TO RECOGNIZE COMMUNISM

Communism is control by the common man for the benefit of the common man—the proletariat, as distinguished from the bourgeois. This name, bourgeois, comes to us from the French Revolution, and is the term then used to designate shopkeepers, the mercantile class, and is generally applied now to what is sometimes called the great middle class.

Now what is the dictatorship of the proletariat?

Here is what Lenin says on that point—and higher authority than Lenin does not exist in Communist literature.

His body lies in state in the Kremlin and, if Communism prevails, Lenin will become another Buddha, or Confucious or Mohammed, and be worshipped as a god.

### LENIN DEFINES THE TERM

Here is Lenin's definition of the dictatorship of the proletariat:

**The dictatorship of the proletariat is nothing else than power based upon force and limited by nothing—by no kind of law and absolutely no rule.**

—LENIN, Complete Works. Vol. XVIII, page 361.

This is the essence of Communism. Under Communism, the proletariat takes what it wants and does what it pleases, "limited by nothing—by no kind of law and absolutely no rule."

### THEY ARE TEACHING LAWLESSNESS!

And it is this essence of Communism that is preached in Stockton pulpits and by Stockton educators; for this taking from the rich to carry out the plans of these theorists is to be "limited by nothing—by no kind of law and absolutely no rule". They may take 4%, or 15%; they may take all above \$100,000 or only half of this surplusage, or take all the surplus above \$200,000. They are guided by "no law and absolutely no rule" in making their decision to take this much in taxes, or that much—or that they will or will not seize this or confiscate that. That they will, or they will not, give their own kind pensions of this or that amount—at the expense, of course, of the hated bourgeois.

They never ask how much of a rich man's income is earned, and how much he has got without earning; but, instead, they proceed by the cold ritual of formalism and demand a certain percentage—and apply their percentage alike to virtue and to Vice—taking from each whatever percentage they may, by any accident, have decided to demand, absolutely regardless of all rules of justice.

Their income and inheritance taxes and their pension schemes are patterned more after the precepts of Lenin than of Jesus!

Unless these people are checked, no man can call anything his own! If in doubt remember what the NRA undertook to do with private rights of both person and of property.

**They have no law but their own law and are guided by no rule in drafting that law. Nor have they any moral code; for what is lawful is moral; and what is lawful (and moral) one day becomes illegal (and immoral) if the law is reversed the next day.**

They can explain at length and in detail what they think is humane, or Christian, or honest, or just; but they have to admit that the requirements of the Golden Rule depend upon circumstances and that in any given case a verdict under the Golden Rule or under the precepts of Jesus must take into consideration factors that can be only approximately estimated and that **they have no rule by which they can really know and know that they know what is honest, just, humane, or Christian.**

Having no rule, straight-edge, nor plumb-line, these people have no way of knowing what is good for their brothers of whom they think they are the keepers.

They have to guess what is good for their charges—or proceed upon hunches.

**It is no wonder that we have become a lawless people!**

**These men are not disloyal; it is because they have no guiding principle that they are undermining society.**

They would of course staunchly deny that they are without a guiding principle; but they would have to admit, if cross-examined, that theirs is an emotional guidance—a matter of feeling, an unknowable variant, seldom the same in any two men, and in the case of any one individual always subject to fluctuations as the result of changing circumstances; so that few if any of them hold to the same standard throughout life—and many change their standards several times in a lifetime.

Their standards are elastic, variable, ever changing; nor is there anything dependable in their manner of applying these standards—they are without law and without rule.

The verdicts of their best talent are but guesses. Often no two of them agree. Taken as a whole, those who would help the world out of its difficulties spend more time battling over the choice of method than on the job itself.

**How can there be any respect for law when our scholastic and cultural leaders set an example of lawlessness?**

### HAVING NO RULE THEY RESORT TO FORCE

The best proof of this, if proof is needed, is that these very same people—our very best, morally, culturally, and in respect to civic leadership—are hopelessly divided into several warring camps! Each group standing like martyrs in unyielding opposition to one or more of the other of these groups of very fine people! Why? Because they are guided by emotion—the very thing that they would rule out of any conference upon any subject which is admittedly subject to law.

**None of them know.**

That being their situation, they are compelled to guess.

And of course, being honest souls and feeling their responsibility for their fellow man, they are compelled to adopt the view that those of them who are right are in duty bound to propagandize the public to **force on us their guess.**

Observe that they rely upon the slow, tedious, paralyzing march of education and evolution.

Observe that, like all Marxians, they fall back upon the consolation derivable from the faith that men evolve!

The editor of this paper knows from experience; for he ran nearly the whole gamut of guesses before he discovered the Georgist faith. He, too, preached sermons on the



gradual emergence of mankind from the fog and the miasma of the lowland and its climb to the happy heights of evolution.

**Observe how they make poor human nature the goat for our economic troubles.**

They do not pretend to **know**; they deny that men can **know** what should be done, for they deny that there any natural laws of economics which fix with exactness the course we should follow.

They do not believe that God knew enough to establish such laws. From President Roosevelt down to President Knoles and down to the church and school janitors all are infidels in this particular and, like Aman of old, think it necessary for them to steady the Ark. They would reject the suggestion of planned astronomy, or planned physics or mathematics or chemistry; **they are willing to trust such things to God. But not economics!** They are all believers in planned economics.

**Observe how they argue that, because no man knows what men will do (or because men are unmanageable), there is no sure path to social progress!**

**That is a confession that they do not know; that they have no guiding principle!**

**Is it any wonder that a generation has come upon the scene which proceeds upon the theory that anything is permissible if they can "get away with it"—and that accepts no rule of conduct except the doubtful one which cautions them not to get caught?**

#### THE LETTER OF THE LAW vs. THE SPIRIT

In spite of themselves they become the most formal of formalists; and if they are allowed their way, Truth and Justice are Mercy are bound hand and foot in the graves clothes of Communist formality.

If the reader is in doubt, let him go to any of these men and bring up for discussion the subject of divorce, or the drift in the movies and note their reaction.

In one breath they will tell you that there is no rule for solving the social problem; that, unlike problems in science, this problem is complicated by the weakness of human nature and that we must rely, not upon science, but upon education and the gradual evolution of man to a higher plane.

Then in the very next breath they will bemoan the fact that the church and the school and our uplift forces generally have somehow lost their grip on things and the morale of the nation is being undermined, if indeed it is not actually breaking down!

**What a predicament they are in!**

Adrift without a chart to guide them and their moral rudder out of commission; caught in a pitiless undertow that is dragging them further and further from their goal; dependant upon our moral stamina at a time when our morale is failing.

**Is it any wonder that we are a lawless people?**

#### WHY THEY RELY ON FORCE

And so, having no law and absolutely no rule by which their procedure may be guided, they have to fall back upon the arbitrary principle that might makes right. In no other way can they enforce their guess, hunch, or prejudice.

And by that act they classify themselves with Lenin!

**Here are men who profess to believe in God, but who are without hope because they won't give God credit for understanding the situation and knowing how to meet it! They actually take time out from their hour of worship to discuss ways and means of accomplishing for God a task which (they assume) is too difficult for God!!**

It is only natural that these preachers import speakers to present their **guesses** as to the way out, thus diverting attention from the only philosophy ever put upon paper that gives their God credit for knowing as much about our economic needs as He knows about our shop and kitchen needs and for providing for our economic salvation as He has provided for us in other ways; that teaches harmony instead of strife, and that gives us hope for this world as well as the next!

#### LENINISM SUBSTITUTED FOR CHRISTIANITY

Whether or not the editor gets into any of those pulpits is a small matter; but it is important that people understand why it is that the preachers are unable to **LEAD**; and understand why they are preaching Communism instead of Americanism, and Leninism instead of Christianity!

And Lenin championed the dictatorship of the proletariat and taught that the dictatorship of the proletariat is **"nothing else than power based upon force and limited by nothing—by no kind of law and absolutely no rule"**!

Is it any wonder we have scofflaws?

Whichever way the verdict is to go, the die is cast!

He was taught to do whatever he undertakes as well as possible; so, if he is to go down in history as a colossal egotist, he ought with the absolute ownership and control of two newspapers to make a good pretty good job of it. Whatever the verdict is to be, let the evidence be given the fullest possible publicity. Let it be an open session, with the whole world invited.

If Beckwith is right, the Stockton teachers and preachers and civic leaders have an opportunity to lead their respective sections in the greatest forward movement of all time!

**Until he is proven wrong, it would seem that ordinary common sense would dictate that men who pretend to be leaders would keep in touch with the thing.**

**rum!**

And whether Beckwith is right or wrong, the reputations of these men as scholars and trustworthy leaders depends upon their attitude toward The Forum and its editor—unless they are willing to admit that clergymen are not free under landlordism to be either scholars or leaders.

#### WHAT DO THEY THINK THE WORLD THINKS?

If these men want the public to think they mean what they say in their prayers and in other connections relative to world peace, industrial justice, honest politics, and racial amity, why do they ignore the editor of this paper and his proposal for the accomplishment of these happy ends **without waiting till men reform or are reformed in their inner lives?**

If these men want the public to believe that they have any sincere interest in the suffering and misery about us, why do they ignore the only proposal ever made for the relief of that suffering without the delay incident to the regeneration of the hearts of men?

The adoption of the Georgist plan would in no way interfere with the work of the churches; the Georgist philosophy is not offered as a substitute for religion. Instead, it has led many a man back to religion who had become disgusted with the way things in general and the churches in particular.

The adoption of the Georgist plan would help these preachers in one very important respect; for, by solving our economic and political and civic problems, it would free them for the work of the church! And by enabling



church people to practice what they preach, it would enable the churches to regain their lost leadership; and that would react very favorably upon the church collection plate.

These men would make better livings and do it more easily and be more respected.

The editor does not wish to embarrass them; he wishes to help them by making it possible for them to invite men into their pulpit without having to wait till they are O K'd down town! He is trying to make it possible for them to be students and scholars instead of strategists for their boards of the collection plate! He is trying to make it possible for them to practice what they preach!

And, as a loyal citizen, loyal to American principles, he is trying to help them to a better economic philosophy than the Communism they are now preaching!

He would help them substitute Christianity for Leninism in their hour of worship!

He would show them what this Leninism is leading us into—what we already suffer because of this lawless philosophy—how law and order are breaking down everywhere as the inevitable result of this teaching.

Just the other day the Nazi government of Germany issued a statement that officially lines it up with the Tugwells and the rest of the Brain Trust of this country and with our Stockton leaders as denying the existence of the natural laws of economics. From Lenin in the Kremlin, Hitler in the Reichstag, Tugwell and the rest in the Brain Trust, down to our own Stockton leaders—and not forgetting Mussolini, they are infidels and anarchists in this particular; for they all deny that God is the God of economics and that there are any natural laws or rules which we must obey to be saved here in this world.

He believes they do not realize what is happening to them—that they have slipped into this thing by degrees, and unconsciously; and he would warn them and help them find their way back.

## WEAVER REPLIES TO HARPER

H. H. Harper, of Omaha, is urging tax exemption for landowners upon the condition, however, that they turn their land over to the state for playgrounds, until the owner is ready to build upon it.

A. R. Weaver, of San Francisco, has written Harper that he thinks that plan can be improved upon.

His suggestion is that we save the expense of developing the parks and playgrounds and merely keep people off these sites, thus forcing "the people to live in small rooms"; so that they will be glad to pay high prices for land to get out into God's sunshine. Weaver appears to think that many will break under this treatment and resort to crime or go insane; for he says that this plan will undoubtedly result in a great impetus in the building of prisons and asylums, thus giving employment to artisans and, afterward, to keepers and guards.

Incidentally, Weaver thinks that the people would learn from this wrong way of settling this problem that the right way is to make it impossible for people to monopolize land; and he says that, if they should come to this conclusion, this could be accomplished by the simple device of collecting the rent instead of taxes.

## Silvio Gesell's Work Is Undependable

"You have not discussed the theories of Silvio Gesell, who as I understand it, dedicated his work to the memory of Henry George.

"Is Gesell's work dependable?"

It is not, if the pronouncements emanating from San Antonio, Texas, correctly represent Gesell's teachings.

Says a writer in a recent bulletin from that city: "Currency is the turning point of all economics."

That is not true. The question of currency is not even a part of economics.

This same writer, Dr. B. Uhlemayer, the author of that statement, himself contradicts the statement on the very next page of the bulletin, where he says:

Further, money is only an indispensable medium of exchange, but ground is a natural base of life . . . Ground, however, like sun and air, is an integral part of the life of man without which life would be impossible . . . It is not, like money, the product of man, a product of his work; but the condition and foundation of all work.

It is the inconsistencies of such writers as Uhlemayer that demonstrate for the clear thinker the worthlessness of their philosophies! What credit can be given a writer who will as Uhlemayer does here, say, "money is only an indispensable medium of exchange", but the "product of man's work"; but land "is the condition and foundation of all work" and then declare that currency is the "turning point of all economics"?

Except for the purpose of keeping the record straight, such nonsense is not worth discussing.

Uhlemayer shows his incompetence in another way: Contrasting Henry George and Silvio Gesell, he says: "George wanted to expropriate the ground owners".

Henry George explicitly and categorically denied that he purposed to expropriate the landowners. He said, instead, that they might all keep their land — and get and keep as much more as they chose; that all he purposed to do is to take the value which the people put into that land. That is, he intended to take the rent, and that only—leaving the land to the land owners.

Uhlemayer says that Gesell dismissed the expropriation of landowners as wrong, and proposed the land be bought.

This proposal convicts Gesell of of ignorance and incompetence. In the first place George did not propose to expropriate the landlords. Incidentally this use of the term "expropriate" betrays Gesell's Marxian origin. And, like a true Marxian, he is illogical.

How does he imagine that a privilege can be abolished by purchase? How much better off are the unprivileged who have secured by purchase privileges that have been denied them? If one man robs another of his substance, must the victim of that robber believe that the wrong is righted when he buys back from the robber that which has been stolen from him? And how much does the robber lose when he is compelled to give back what he has stolen, if at the time of giving back his loot, he is compensated in full for it?

Of such are the inconsistencies of Silvio Gesell's philosophy. Except for the purpose of keeping the record straight, it is a waste of space to discuss such gibberish.

## PRAISE FOR EDITOR GASTON

Emil Knips sends the following comment upon the virtues of E. B. Gaston, editor of *The Fairhope Courier*:

There hasn't been (I dare say) a more earnest and steadfast worker and published. For almost forty years he has been calling attention to the fact that site value is the proper public fund. Instead of splitting hairs with so true a disciple over some phases of the issue, our forces might better be used, each in his way to convince the public of facts as to

who should collect our rent, our government or the Wendels, Astors and other parasites.

What some see as below the mark in the editor of *The Courier's* way in "Georgism", others see in the editor of *The Forum* and *No Taxes*, as for example the teaching that the increase of bees, the growth of calves, is the source of interest.\*

Hoping this finds you well and strong for a continuation of the very important work you are engaged in, to end poverty, not only in California, but throughout the world.

Cordially,

E. KNIPS

\*This teaching is not the editor's, it is taken, point by point, from Henry George, see Book III, Chapter iii, paragraph 16.

No real Georgist will think the less of the editor for his position regarding those bees.

"Dear Friend Beckwith: There is absolutely no question but you are on the right road. Not only are your premises and reasoning true and logical, but history is your chief witness. I do not know of a single historical incident, but what is in absolute harmony with the teaching of Henry George. The fact that so many of your forecasts have come true is evidence of the truth of your philosophy. I hope you will soon issue another instalment of "My Dictatorship". I sent the editor of *The Scientific American* a copy of your *Economic Code* and pointed out to him the fact that it is as scientific as any book on scientific medicine."

—O. O. WHITENACK, Denver.

## OUR READERS SAY

"Dear Mr. Beckwith: Was glad to get *No Taxes*, issue of Dec. 3. This issue is of great value, showing the fallacy of the Townsend revolvers, rollers in wealth they hope to get. Enclosed is my check to help you carry on. May your forceful words as to the truth of economics and the cause and cure of depressions penetrate the halls of learning and make this country truly the land of the free and the home of the brave."—EMIL KNIPS, Alabama.

## FROM OUR READERS

"Dear Beckwith: Thanks for *The Forum* containing the article on the Townsend plan. I never saw people so crazy as the Townsendites are and do not believe such a craze has swept the country since Millerite hallucination of a hundred years ago. If you have access to McMaster's *History of the People of the United States*, get volume 7, and read the story of the Millerites. Scores of them went to the insane asylums, and the same fate awaits many of the Townsendites."—From a private letter.



## 1933 and 1934

CHAMBER of COMMERCE  
1934

"Congress should abolish the NRA.

"It should not enact any new legislation that will permit government interference with, or compulsory regulation of, business and industry." — Recommendation of the Stockton Chamber of Commerce, December 21, 1934.

"NRA codes are impossible to enforce . . . Simply, the entire question boils down to this: Was our democratic system adopted with a view that the government would serve the public, or that the public would serve the government." — G. L. FOX, industrial manager of the Stockton Chamber of Commerce, and secretary of the Retail Code Authority for Stockton, at a directors' meeting, December 21, 1934. (Reports by Stockton Record.)

FROM THE FORUM  
1933

"The New Deal is a leveling down of the victims of our stupidity—it is not a correction of our policy." — June 29, 1933.

"In carefully considered and diplomatic terms he (President Roosevelt) has suggested that the people boycott those who do not cooperate (with the NRA)—July 27, 1933.

"Capital is being bludgeoned into line . . . In other words Labor and Capital are being forced to practice Communism . . . That's the doctrine of Karl Marx and this is a drive to make us abide by it." — July 27, 1933.

"Times will be no better and it will be evident, even to preoccupied business men, that their guess was wrong and that our troubles are not the result of price-cutting and chiseling." — Aug. 27, 1933.

Like The Rock Of  
Gibraltar

"My dear Mr. Beckwith: . . . I want him to have a paper that stands 100% pure for the philosophy of Henry George. Your reasons for not supporting Upton Sinclair should stand out for all time like the Rock of Gibraltar against any attempt at fusion of Georgists with Socialists.

"I have been in the Georgist movement for nearly fifty years, but until I discovered The Forum and No Taxes the sky was murky. These two papers are cutting away the underbrush, revealing the perfect working of Nature's laws, which if followed, will restore to us our God-given rights whether we are good or bad. A glimpse of blue sky, indeed.

"Don't get discouraged, most of our poets, musicians and artists died poor. Some one may erect a monument in Stockton to commemorate your discovery that economics is a science as exact as any. Stranger things than that have happened." — With best wishes, Z. K. Greene, New York.

The reason the talented of earth have so generally lived and died in relative, if not actual, poverty is that we have disregarded Nature's laws and set up a system by which a man had to steal his brother's birthright to get riches—or, if he were not himself a principal in that crime,

he had to observe the silence that gives consent to the crime. Whether he gave that consent with full knowledge of the crime he was encouraging and abetting or whether he observed that silence because too ignorant to understand the situation, the result has been the same.

It is true that the editor of this paper has contributed some detail to the elaboration of the natural laws of economics that had not been clearly stated before his time, and it is true that he has assembled and codified these laws and so strengthened our appeal to the judgment of mankind; but it is his opinion that the greatest service he has rendered and is rendering today is in demanding that people be Georgists or else quit pretending!

As Gideon separated out his little band of 300 dependable warriors, so it was necessary that some one separate the dependables among us from the undependables.

It seems to him that if he is remembered at all, it will be as a Gideon who would rather go into battle with 300 genuine Georgists than to lead a million pretenders; that he will be remembered as the man who set up the standard by which it could be determined who are Georgists and who are only pretenders; and as the man who, regardless of personal consequences, insisted upon a close scrutiny of the records of each man who undertakes to speak in the name of Henry George.

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## Significant News of the Week

HUEY LONG IS  
LAWLESS AND DANGEROUS

Huey Long ("Kingfish"), dictator of Louisiana, qualifies for a place among the lawless leaders of the day.

In a national broadcast he urges the public to organize Share the Wealth clubs to help him take from those that have to give to those who would share the wealth of others.

But Long is guided by no law and absolutely no rule in determining how much he shall take from the rich and how much to give to the poor. He is lawless, guided by no principle and absolutely no rule. (Only the Georgists have a rule by which to determine the regulation of such matters.)

PAYS \$1.25 PER MONTH  
FOR THE GAS THAT HE DOES NOT GET

When the Pacific Gas and Electric Company announced its purpose to extend its gas mains to a certain area, the owner of a lot on that street raised his price from \$1,000 to \$1,250.

This was done because the action of the P. G. & E. made the lot worth that much more.

The man who later bought that lot is out the use of an extra \$250. At 6%, that is \$1.25 per month. That man is paying \$1.25 per month, even though he uses no gas. Or, if he uses gas, his gas is costing him \$15 per year more than the P. G. & E. schedule.

It should clear to all that, if the P. G. & E. rate on gas were lower, this man could have got more for that lot. If, for example, the P. G. & E. had then announced a reduction of \$15 a year, also, in its gas rate, this lot owner could have advanced his price to \$1,500, thus capitalizing this saving, in addition. In that case, the gas would cost this purchaser of this

lot \$2.50 per month in addition to the P. G. & E. schedule.

It should be easy, in the light of this fact, to see the trick in the New Deal announcement that an enormous sum of federal money (none of it from taxes on land) is to be used in New York City to force the utilities there to reduce their rates—if the government has to furnish the city the money necessary to put in a municipal plant!!!!

Vincent Astor, the only man who seems to be honored by having the president as his guest, and his cousin, Lord Astor, the British king of the New York landlords, and others (including the Roosevelt family) will be able to raise the rent of their New York tenants if this plan is carried out.

Gas and cigarettes in California will be taxed to supply the money. The federal government does not tax land.

A LAWLESS  
LEGISLATURE

It is proposed in the California legislature that the sales tax be extended; but no one in the legislature pretends that there is any principle by which the amount of the sales tax is determined, or may be determined. It is pure lawlessness.

The same legislature proposes raising the utility tax. This is more of the same lawlessness. Other Communistic proposals for seizing the coveted revenue have been made. They are all lawless—utterly lawless.

No one has ever suggested that there is any principle by which these various percentages are determined.

THE PRESIDENT  
ORDERS CONGRESS

Press dispatches discuss the fact that the president orders Congress to do this or not to do that in a matter-of-fact manner



that shows clearl that popular government is ended here.

If Patrick Henry and the other heroes of his day knew what is going on, they would writhe and groan in their graves—or curse in good Anglo Saxon curses that their sacrifices have been in vain and that we are sunk to this depth of helplessness in a land supposed to be founded on principles of freedom.

The trouble is that the Founders of the Republic did not foresee that, when we no longer had an Open West behind us, we would no longer be free.

### OUR LAWLESS SUPREME COURT

Communism has broken out in a new form in West Virginia.

That state has a chain-store law under which the property of merchants is seized for the common treasury. It imposes a tax of \$2 on a man having one store, but raises the tax per store if he has more than one store. If he has more than 75, the tax is \$250 per store!

It is obvious that there is no law, rule, or principle by which those amounts are fixed at 2, 75, and 250, instead of 1, 5, and 15, or any other amounts that might be named. So, in other words, it is a lawless law, passed by a lawless legislature.

Comes now our lawless supreme court of the United States with a lawless opinion, written by Cordoza, upholding this lawlessness and giving aid and comfort to Communism, thus:

The operation of a general rule will seldom be the same for every one. If accidents of trade lead to inequality or hardship the consequences must be accepted as inherent in government by law instead of government by edict.

Cordoza is so ignorant of things economic that he thinks that, because he does not comprehend any principle by which justice may be done in a matter like this, there is none. As he is incapable of drafting a law that does not inflict inequalities and hardships upon those to whom it applies, he assumes that it is characteristic of law that inequalities and hardships result. He is a better Communist than judge.

### COMMUNISM IN AND OUT OF SAN QUENTIN

When the state wants funds for highways to develop the land of speculators, it just helps itself—using as much force as may be necessary.

However, the state has herded into the narrow confines of San Quentin prison 6,000 men who have been caught practicing this same philosophy.

Some of them have been sent there because they are suspected of believing in syndicalism—and sent there by lawyers who practice syndicalism! In California an attorney must belong to, and pay dues to, the lawyers syndicate or he cannot practice law.

The prison break at San Quentin yesterday is but the natural result of the Communist example the state sets these men.

### THE LANDLORDS WILL GET THEIR RENT

Franklin Roosevelt, himself a landlord, reared as a landlord, hob-nobbing with Landlord Astor and made president of the United States because of his record as a landlords' governor of New York, is making good as a landlords' president.

The two conspicuous details of his New Deal as that is now reshaped are these:

First, a public works program which improves the holdings of land speculators—at our expense. For this purpose, the New Deal drafts the unemployed and employs them at forced labor at wages considerably under the market wage rate. (There's millions in this strategy—for land speculators.)

Second, to shift to the taxpayers the support of those of no use of land speculators by means of U.S. pensions just about sufficient to pay their rent. (This will enable the speculators to derive an income from a lot of old shacks that might otherwise not be rented; for, if Uncle Sam pensions a couple, the old couple must "reciprocate" by living in the kind of shack that Uncle Sam thinks proper for the indigent poor. There's millions in this, too—for the landlords.)

### CCC WORKERS ARE COURT-MARTIALED

Water will run down hill.

Either the government is our servant or it is our master; there is no middle ground.

Strikers in the CCC camps are discovering that they are no longer citizens; but are "buck privates", subject to court-martial. They must keep their opinions to themselves —

and pretend to like whatever treatment the Rent-takers' Administration gives them.

At West Orange, New Jersey, CCC strikers were rounded up and marched (not transported) three miles to the court-martial and then marched back to take their medicine.

### THAT MARGINAL LAND TRICK OF THE ROOSEVELT NEW DEAL

1. Taxes are kept lower than the rent rate, so speculators can make money buying government service at the tax rate and then selling it at the rent rate.

2. This leads men to hold more land than they use.

3. This monopoly of the best land drives men deep into the back country, or onto poor land.

4. Landowners take all the traffic will bear; so that, even on good land, men can barely make a living.

5. This means disaster on the inferior lands.

6. This calls for a New Deal and a security program—at the expense of the taxpayers, not the speculators. (The federal government does not tax land!!!!)

7. This gives the speculators one more speculative opportunity. They have the land and the government has the taxing power. It's an ideal combination—for speculators whose land is not taxed by the federal government. They organize a relief measures and their president **orders** it passed by congress. Billions of tax money (not paid by speculators) is paid to speculators for land and more billions spent moving the distressed folk from the hinterland to this land—and close to the **sites rented by these same speculators to merchants whose rent is raised on the strength of the coming of this new population.**

8. The abandoned poor land is then open to purchase (at a song) by land speculators who then organize a public worksc drive to spend more billions of our money (their land is not taxed by the federal government) reclaiming this land so that these speculators can sell it at a good figure.

Russian Communism is a crude device compared with this New Deal model.

### TEN YEARS AGO

"The Tobacco Trust is nearing the top of its drive to make us a nation of smokers—men and women. It is spending millions on billboards."—January 29, 1925.

There are 21 truths, numbered from 1 to 21 and set in this type and measure, scattered through this paper. If you have really mastered these 21 truths, you may consider yourself an expert in economics—and until you understand at least Nos. 4, 9, 15, 18, and 21 you are not a safe person to be entrusted with the ballot, nor competent to go into business.

### Chain Stores Are Life Rafts

Men do not surrender their independence and turn their business over to chains from choice.

When they do this, they do it just as men abandon ship and take to the life rafts, because they become fearful that it is necessary for their safety.

Chain stores are life rafts, or better yet, they are chains formed by men who tie themselves together for greater safety just as Alpine climbers tie themselves together so that, if one slips, he may rely upon those who have not slipped.

Another thing to be considered is that chain stores and chain banks are in exactly the same economic class as the independent stores and banks; for both live on wages and interest.

Anything that is good for the chains is, therefore, good for the independents. The chains have, therefore, no economic advantage over the independents.

The only difference between them is the fact that the stores in chains are tied together; so that each is dependent, not upon their individual security, but upon their aggregate security. This is not an economic difference.



## INVESTORS BEWARE!

As evidence of the extremes to which the Socialists now running the government will go there comes the report, cheered in Socialist quarters, that the government has taken steps to bring the Federal Reserve under the control of the United States Treasury.

The reason given for this is that, under private control, the Federal Reserve has refused to buy bonds when in the judgment of these private operators there were too many of them. But we are assured that this is not to be permitted. Now the government can go ahead and issue bonds and, having control of the funds of the banks in the Federal Reserve, it can also go ahead selling them—without hindrance from the private judgment of bankers.

If this policy destroys government bonds, there will be little security left to investors.

But this may be a good thing. If matters become bad beyond endurance, something will be done to correct the conditions.

At present, we merely cut more court plaster and stick that on the sore places—and go on with the business of crippling business.

### \$6,000,000 PER DAY

Including the money spent on PWA and CCC relief, it is now costing us \$6,000,000 per day, more than \$4,000 per minute.

The number on the relief rolls has increased from 13,338 000 in September a year ago to 18,402,000 in September just passed.

## More About The Land Racket

(From The Forum)

Chamber of Commerce workers are taught to believe they are performing a public service. Secretary Robertson recently recommended that his own salary be cut and took the cut, thinking he was doing the people of Stockton a service. Business men about town devote a great deal of time to the work of the Chamber—and pay dues for the privilege.

Yet, under our present land system, this is all part of a gigantic racket.

Robertson and Industrial Manager Fox have articles in the October number of **The Journal** of the State Chamber listing two projects in preparation for the local port. According to them the port is assured of the following:

	Acreage	Cons. Cost
Morning Milk Plant.....	20.....	\$ 175,000
Pacific Can Company.....	20.....	1,000,000

It will be noted that these concerns have purchased 40 acres of the men for whom we are taxed that they may get a bigger rake-off on their port speculations.

A sales tax will be paid on all the material needed in construction that is to amount, we are told, to \$1,175,000.

That sales tax money will go into the state treasury to help finance the schools and other state institutions necessary to protect their investments; but although these land speculators retard development here by demanding to be paid to get out of the way of progress, **those speculative land holdings are not taxed by the state.**

These concerns will pay large sums in gas taxes to operate their fleet of trucks during construction and afterward. That gas tax money is to be taxed out of them to finance the highways, without which those speculative

land holdings would be relatively worthless; **but those speculative land holdings are not taxed by the state, for highways or anything else.**

Every pound of tobacco used on those 40 acres will pay a federal tax for the support of the postoffice and other federal government services and betterments; **but those speculative land holdings are not taxed by the federal government.**

Neither the State of California, nor the federal government taxes land.

In December announcement was made of another industrial enterprise to be built at the port, construction to start in January and to cost \$1,000,000.

The same conditions will apply to these builders. Every thing they have and every thing they build and all they make will be taxed and their gas will be taxed and their tobacco, and their net incomes, if they survive the other taxes, to provide money to make the land along the waterfront still more valuable and so to retard development there by that much; **but those speculative holdings will not be taxed by either the state or the federal government.**

## For Farmers To Think Over

L. C. Painter, of Alexandria, Virginia, writes:

I ask the farmer how much rent he could get for his land, if he took off every house, barn, well, fence, and every improvement of every nature and put the stumps back as they were when he was clearing his land. He then begins to see that farm value and **land value** are two entirely different things; and that farm value in this country today is almost entirely an improvement value, or capital value, and that the so-called rent that a farmer gets today for his farm is (largely) not rent at all, but a very low rate of interest on the capital represented in the improvements.

Land value is 100% location value; yet production on the average farm is the result of labor, not of location. . . .

**But on the valuable land on the main streets in our cities the very reverse is true. . . . Civilization is based upon trade . . . but you can trade only where you come in contact with people, and the place where you come in contact with the most people and can, therefore, do the most trading is on the land along Main street. This is the valuable land and it is this land that should bear the main burden of government.**

**Since the owners of land control trade, they control civilization .**

At present the owners of our strategic sites are strangling civilization and driving us back toward barbarism.

Painter goes on to explain that, in our ignorance of things economic, we fail to distinguish between landlordism and capitalism.

As he shows above, any levy laid on Capital hits the farmer. Not only is this true, but it hits the farmer as hard or harder than it hits the city man, while the levies on land value hit the cities hardest and rest but lightly on the farmer. Worse yet, for the farmer, he is not able to conceal his personal property as the city man can. Every one in the district knows all about the farmer's business. There are no secrets in rural communities; on the other hand, close neighbors in the cities know but little about each other and can help the assessor but little.

**Once the farmers get their economics on straight, they**



will put an end to the Socialist movement that is now making such headway in the rural sections; for they will then see that that movement helps the city man at the expense of the farmers and at the expense of the residential sections of the cities.

## "No, Conditions Are Worse"

The man who gave the editor that answer must not be identified, not even by a hint; but were he named, it would be immediately admitted by Stockton people that he is in an exceptionally good position to know the truth.

The conversation had been about the NRA. He had just said that, as an emergency measure, the NRA had performed a certain service; and the editor asked:

"But do you feel that conditions are any better than eighteen months ago; are we any safer now than we were then?"

His answer was given almost in a whisper, as though he would not have any one know that he thinks:

"No! Conditions are worse, instead of better."

It was an indication of confidence in the editor that he did not even caution him against quoting him. He has learned that this is not necessary. But, although the man cannot be quoted and must not be identified, it is right that readers of this paper know that this is the secret opinion of a man who is in a position to know whether or not we are getting out of this jam.

It is not believed that this man yet understands economics sufficiently to know why we are not recovering; but it is an endorsement of the repeated declaration of this paper when he says that we are worse off now than we were when the NRA was launched eighteen months ago.

There will be no recovery till we recover our rent.

## Another Editorial Prediction

A surprising number of predictions made by this paper have already come true. Here is another:

**The pendulum which is now swinging more and more in the direction of tax-exemption for land speculators, is going to swing back and go to the other extreme—the extreme of putting ALL taxes on land, or more correctly, of collecting the rent instead of taxes, thus giving Labor and Capital tax-exemption.**

Ordinarily, it would be too venturesome for one to attempt to name the date when an event like that, still in the future and not yet even in sight, will take place; but that danger is lessened in this case by the fact that we can not stand much more punishment.

**The exemption of land speculators is bankrupting the world. If the exemptions increase, the burdens thus shifted to Labor and Capital will crush them both!**

For several years, particularly since the introduction of the gas tax, the movement in the direction of tax-exemption for land speculators has been gaining speed. It is now proceeding at a rapid rate. We will soon reach the utmost limit of our endurance—the point where civilization will collapse, or the pendulum must be turned back!

It has been predicted in these columns (See The Forum, page 3070, and No Taxes 370) that the landlords would still be in control in 1950; but the drift has speeded up since then. It does not seem now to be humanly possible to stand up that long under this strain.

Accordingly, only six more years will be allowed this time for the present swing of the pendulum. That will stop the swing in 1940.

Ten years will be allowed for the return movement to get in full swing.

**By 1950, we should be around that famous corner!**

From that time on people will be gathering up chamber of commerce bulletins and other curios of this age of landlordism and putting them in museums, with affidavits attached to verify the fact that we of today actually believed such rubbish and actually paid hard-earned money for such stupid leadership.

Men now living will find it difficult to convince young people of the future that men could ever be so stupid as to believe—

That taxation is just.

That investments in land help business.

That we should encourage land speculation.

That there are any among us who "pay no tax".

That taxation of any kind can ever be justified.

That employment has to be provided by society.

That Industry should be taxed to help landlords.

That any thing but rent values rise with progress.

That unearned increment in land value is private.

That we should permit land to be bought and sold.

That money tied up in land purchases is invested.

That land value is a public asset (instead of debt).

That public service should be sold for less than cost.

That it is good for us to have people buy land here.

That high selling prices for land indicate prosperity.

## ON THE TOWNSEND PLAN

"In your letter you speak of the Townsend old age pensions as 'a matter of Justice'. I wish to state, without equivocation, that from the standpoint of Justice, it is utterly INDEFENSIBLE. In fact, its leading advocates make no serious attempt to urge it on that ground. They almost entirely IGNORE the Justice or Injustice of the proposition, and play up the ALLEGED prosperity they claim will result from it. In your own letter you adopt that line, mentioning the matter of Justice merely incidentally."—Colorado Tribune.

"You may push facts out of the door, but they will come in at the window. A natural law does not speak, it asserts itself in silence; and if you ignore it, it will grind you to powder."—OWEN WISTER, in "Neighbors, Henceforth," page 400.

## A Good Point From Old Virginia

L. C. Painter, writes from Virginia:

So many people I talk to say:

It would not be fair to tax a man as much as the rental value of his land.

I always reply:

Then is it fair to tax a man more than the rental value of his land? If it is fair to collect from the rest of us a great deal more than the rental value of our land, isn't it fair to collect from these others as much as the rental value of their land?

Many merchants and business concerns own no land at all, or at most only a residence lot. Yet we tax them on their stocks, equipment, fixtures, residence, furniture, on their cars, their gas, their tobacco, etc., vastly more than the rental value of their land.

This is done to make up the shortage in the treasury



that results from our failure to collect from others the full amount of their rental receipts.

Take, for example the case of a merchant paying \$500 a month, \$6,000 a year for quarters in a building worth \$15,000 on a lot worth \$60,000. Here the rent received by this landlord is \$400 a month, or \$4,800 a year for the location—the other \$100 per month, or \$1,200 a year, is interest on the capital represented in the building.

The general practice throughout this country is to assess at half value and the tax rate is usually about \$4.00 on each \$100 of the assessed value. In all computations in these columns, these figures are assumed, unless otherwise stated; and the interest rate will be assumed to be 6%, unless otherwise stated.

Let  $x$  equal the selling value of the lot, and  $y$  the lot tax.

$$\text{Then—} \\ 4800 - y = 6\% \text{ of } x$$

The assessment is assumed to be one-half the value of the lot and the tax rate is assumed to be \$4 on each \$100 of the assessed value; so the tax will be one-half of 4%, or 2% of  $x$ , the value of the lot.

So that—

$$y = 2\% \text{ of } x$$

$$\text{Hence—} \\ 4800 - y = \frac{6x}{100}$$

$$y = \frac{x}{50}$$

From which—

$$y + \frac{6x}{100} = 4800$$

$$y - \frac{x}{50} = 0$$

$$\text{Then—} \\ 100y + 6x = 480000 \\ 50y - x = 0$$

$$\text{And—} \\ 100y + 6x = 480000 \\ 100y - 2x = 0$$

$$8x = 480000 \\ x = 60000$$

It is assumed that the owner is collecting from the merchant a net rental charge of 6% on the value of the lot, so that he has that left after paying the tax.

As the value of the lot is \$60,000, this net rent must be \$3,600.

Therefore \$4,800 less the tax is \$3,600; so that—

$$4800 - y = 3600 \\ y = 4800 - 3600 \\ y = 1200$$

The tax on the lot is, therefore, \$1,200.

It will be seen from the above that, when the assessment is 50% of the value and the tax rate is \$4 on the \$100 and the rate of interest is six, that the selling price of land will be the capitalized value of one-fourth of the rent—pure rent, or the annual location value.

This means that the landowner can, under those conditions, buy our public service for 25¢ on the dollar and sell at par; that our officials are selling our output for 25¢ on the dollar; that these middlemen who buy public service at the tax rate (in this case \$1,200) and sell it back to us at the market rate (in this case \$4,800), thus quadruple their money — providing they have no improvements or taxable personal property.

In this case, the middleman has a \$15,000 building on which he stands to lose in the same way other investors in labor products do.

The taxes on his building, according to our premises, amount to \$300 per year, reducing his rent rake-off to \$3,300, for the reason that in taxing buildings to make up what landowners appropriate from our rent, we tax his building along with our own.

In this case we have assumed a relatively cheap building to be on this lot. Manifestly, the man's loss from this source would be greater, if he had a better building—if he had been more of a builder and a more useful citizen, for our land system penalizes usefulness.

With a \$15,000 building, he loses \$300 of his rent rake-off. With a building worth ten times as much, he would lose ten times as much; and with a building worth twelve times as much, or \$180,000, he would lose in taxes on the building all he makes buying our public service at 25¢ on the dollar and selling it back to us at par.

If he occupied the building himself, conducted a store there, he would be loser, like the rest of us, as a result of our crazy land system, if the combined value of his building, fixtures, stock and equipment were over \$180,000!

This is on the assumption previously outlined; namely, with assessments at half value, the tax rate \$4, and money worth 6%.

But the poor merchant, who possibly owns no land at all, is taxed on his stock and on his fixtures and must pay a license tax to do business and another tax to have his name listed among the collectors of the sales tax put on us to relieve his landlord of school taxes, and he must pay a gas tax to finance the highways that enable his landlord to raise his rent, and he must pay an income tax and, if he dies, his estate must pay an inheritance tax; in addition, he must pay a tax on his telephone bill and on his electric and gas bills and on his freight and express bills (all hidden in the bill itself). All this he must do to help make up the \$2,400 that his landlord fudges on his lot tax.

### WHAT WOULD HAPPEN UNDER GEORGISM

If the Georgist system were adopted, the levy on this man's lot would be raised to take all of the rent; and the tax on his building would be abolished.

This, in a 6% market, would multiply the land levy by three, making it 6%.

There is, of course, a certain definite amount of property that must be exempted from taxation in order that the saving from exemption may off-set this increase in the lot levy. This may be found thus:

Let  $x$  be the land assessment and  $y$  be the other assessment.

Then this point of balance will be represented thus:

$$\frac{2y}{100} = 3 \times \frac{2x}{100} - \frac{2x}{100}$$

$$\frac{2y}{100} = \frac{6x}{100} - \frac{2x}{100}$$

$$2y = 4x \\ y = 2x$$

Therefore this state of balance occurs when and where the value of the improvements and taxable personal property is twice the amount assessed against the land value.

From this it is seen that any one who has improvements and taxable personal property amounting in assessed value to twice the assessed value of his land will pay exactly the same property tax under the Georgist system that he pays now, and any one whose improvements and personal property amounts to more than twice as much as his land value will gain.

In addition, we would all save what we now pay in gas taxes, tobacco taxes, ordinary sales taxes, tariff taxes, internal revenue taxes, poll taxes, income and inheritance taxes, etc., and all we pay in forced assessments for the Community Chest, etc.

## The Liberator Article Delayed

A recent issue of *The Liberator*, of West Australia, contains this:

We apologize to Mr. Beckwith (who is a likable and courteous opponent) for our delay in sending him a reply—R.E.W. has, for health and other reasons, been unable recently to do as much as he would like to—but presently he hopes to deal faithfully with his brother-editor. For the moment we will merely remark that Mr. Beckwith makes some metaphysical distinctions between usury, which he condemns, and interest, which he idolizes. In our lexicon they are identical.



The point here, for the student, is this reference to the dictionary.

A world of mischief results from the failure of people to understand that the dictionary FOLLOWS, it does not lead.

Whether people are right or wrong in their use of words, the dictionary reports faithfully that use.

That is all it does.

That is all the dictionary is intended to do.

However, people the world over make the mistake of thinking that they can appeal to the dictionary as a guide in **principles**.

This reference of **The Liberator** to the fact that in its lexicon usury and interest are treated as two names for the same thing shows that the editor of **The Liberator** misjudges the function of the dictionary. Not until people understand economics and use economic terms correctly, will the dictionaries define economic terms correctly. At present interest and usury are inaccurately used; it is to be expected that the dictionaries will inaccurately define them—that is what dictionaries are for, to tell how people use words, not how they should use them.

## The Editor's "Pension"

The story of this paper has been told several times; it will be found in the early issues. It was told that the suggestion of such a paper originated with J. A. Milligan, chairman of the San Francisco Conference of the Henry George Foundation, and John Monroe, president of the Henry George Lecture Association, and that Monroe devoted two days to the proposition on his visit to Stockton, in December, 1930.

It has been explained that it was found impossible to put the paper over along the lines then suggested, which provided that a salary should be guaranteed the editor by the Movement. And it was explained that the editor became so convinced of the need of such a paper and so eager to do his part that he decided to start on ahead and let the support catch up with him when it could!

He realized that he won't be around here more than a hundred years more and that what he has to do must be started without unnecessary delay.

As stated, the original plan included a salary for the editor; but that luxury had, of course, to be abandoned, when he struck out "on his own".

### WORKING FOR NOTHING AND THEN SOME

For four years he has been like the member of the Ladies Aid he once knew, who took in washing that she might have money to give to the church; for he has had to take in such work as comes to a plant of this sort in order to get money to buy paper and ink and pay power bills to keep this paper going.

**At no time has the Movement supported this paper.**

It is true that the publisher could show, if challenged, that an issue of the paper, considered as a job, would pass muster under the NRA; but it must be remembered that the paper is issued only every other week and that the editor has to eat and do other things that cost money on the weeks (and also the days) when he and the boys are not engaged on this paper. (Incidentally, it is interesting to note that the NRA favors the people interested in this Movement, for the NRA permits newspaper publishers to lose money!)

If the Movement had to maintain this plant and maintain the editor's payroll for the full fourteen days that

intervene between issues, it could not keep the plant in operation with the support it has given the paper.

It could not do this, even if the editor worked for nothing.

The paper has not been charged with one cent of salary.

Even some supposedly necessary items of personal expense have not been met. The editor's life insurance was allowed to lapse. At the present time he has no fire insurance on the plant. That expired and he has not been able to renew it.

The only thing he has been too hard-boiled to concede is the pay of the married boy. Whatever else happened, he has got his money; and the other boy has got his, with a few exceptions.

This is related as a preliminary to the following:

### ONE CENT EVERY 144 YEARS

As is known by those who have been readers of the paper for more than a year, the financial plan of the paper is based upon a state quota of  $37\frac{1}{2}\text{¢}$  per congressman. According to this plan, California, with 20 members in congress, is expected to contribute \$7.50 per week.

This is asking for ONE CENT per week from each group of 7,500 people, one cent from each of you every ONE HUNDRED and FORTY-FOUR YEARS!

That is how hard-boiled I am.

### SPECIAL PENSION ANNOUNCEMENT

The purpose of this article is to explain that I am not writing off an quota accounts.

Instead, I am carrying them forward with the intention of continuing to bill each state for its quota until it is paid.

This back pay will serve me instead of a pension.

I consider the arrears due on these quotas as so much back pay coming to me and expect that the states will pay me in full, sooner or later.

I do not, however, expect that it will all be paid by the little group that has, thus far, been known as followers of Henry George.

**Both Labor and Capital are being crushed by the rising tide of Socialism, which is merely the incipient form of Communism.**

**Sooner or later, our bankers, brokers, merchants, manufacturers, and business and professional men of every class, as well as workers of every class, whether manual, clerical, or managerial, will see that the Georgist is their best friend and that they must put over the program of this paper, if they hope to survive.**

Then that ONE CENT per WEEK from each 7,500 of our population will be easily raised. Not only will the current payments on these state quotas be paid, but the arrearages will be paid up. That back pay will be the editor's pension to provide for him and his wife in their old age.

**He has given his all to this work; he has dedicated his life to it. He will continue at this desk, (he is at the moment making a desk of the Intertype, setting this in type), or he will appear on the public platform, or speak over the air, as long as he has strength to do so.**

A few weeks ago a man asked him if he expected to live to see this No Tax program put over. To that his answer was:

**God pity you, if I don't! I am going to live for twenty years yet; and you know you can't hold out under the present system that long!**

The pendulum is still swinging in the direction of tax-exemption for land value and the rent-takers; that pendulum must swing back. Flesh and blood cannot endure much more!

When it swings back, it will go to the opposite extreme



—just where we want it to go. Then the whole burden of government will be borne by the rent fund, and both Labor and Capital will be tax-exempt, as they should be.

L. D. BECKWITH

P. S. Here are is the way the state quotas now stand, the figures being for the period from the first issue up to and including No. 88—that is, from March 23, 1931 to January 14, 1935:

## How The States Stand

STATES PAID UP			
Arizona		Kansas	543.00
Nevada		Iowa	545.00
		Kentucky	547.50
		Maryland	549.00
		Oklahoma	551.00
		Arkansas	553.00
		South Carolina	560.00
		Mississippi	560.00
		Mississippi	551.00
		West Virginia	560.00
		Louisiana	720.00
		Alabama	694.75
		Georgia	925.00
		Wisconsin	930.00
		North Carolina	1,027.15
		California	1,030.00
		Indiana	1,115.00
		Missouri	1,190.00
		New Jersey	1,215.00
		Massachusetts	1,232.80
		Michigan	1,517.00
		Texas	1,570.00
		Ohio	2,220.00
		Illinois	2,421.00
		Pennsylvania	2,998.00
		New York	3,584.00
STATES IN ARREARS			
Delaware	\$ 80.00		
Wyoming	88.00		
New Mexico	90.00		
Vermont	93.40		
Oregon	110.00		
Maine	170.00		
Rhode Island	176.75		
New Hampshire	182.25		
Utah	184.50		
North Dakota	186.75		
South Dakota	186.75		
Montana	186.75		
Idaho	186.75		
Colorado	297.50		
Nebraska	450.00		
Florida	460.00		
Connecticut	510.00		
Washington	520.00		
Virginia	530.00		
Tennessee	540.00		

### Even People Who Do Not Know Why It Is Or What To Do About It Realize That Our Present Methods Lack System And Cause Injustice

Not long ago the Dallas Journal, of Texas, editorially rebuked a high official in Washington for the statement that it would be dangerous to trust our economic institutions to natural law.

### BUT THE SCIENTIFIC VIEW IS WINNING

Last summer the following letter was received.

September 24, 1934

Mr. L. D. Beckwith, Editor,  
Stockton, California.

Dear Friend Beckwith:

Your letter concerning Rev. John E. Allen at hand. After some inquiry, I find that he has gone to Cheyenne; so we have missed the opportunity of contacting him.

**What follows is of great importance.** In the June number of *The Scientific American* there appeared an article by Secretary Henry A. Wallace, "**The Scientist in an Unscientific Society**", which is about as stupid as anything Wallace ever wrote. Nevertheless it is attracting the attention of scientists all over the United States and their comments are being published in the August and September numbers of *The Scientific American*.

I hope you will secure these magazines at once and explain why the Secretary is so confused. He does not see, and so far as I have read, none of his critics see why the inventions of science seem to cause more trouble for the human race than they prevent. **If you could get your answer to their contentions before the readers of the Scientific American**, it would be a great piece of work. They are unaware that all the benefits of inventions go to landlords, increasing their power to prey upon those who toil.

I shall write to the editor of *The Scientific American* today and ask him to have you appear in his columns. If he refuses you a hearing, then you can have your say in your own papers and hold up *The Scientific American* to the people of America as a magazine that does not have the scientific attitude.

Received the 81st number of No Taxes today and have been having my bi-weekly feast of good things. I especially congratulate you on your attitude on the Ralston amendment. The political method of securing an application of the Georgist

teaching is too expensive for us in Colorado.

Let me hear from you when it is convenient to write.

Sincerely yours,

OSCAR O. WHITENACK

The Citizen's Forum,  
Denver, Colorado.

Of course it was then too late, as articles of that sort are necessarily prepared far in advance of publication. By that time the editors were working on another number to appear months later.

When, in October, *Liberty* announced that article by Upton Sinclair, A. G. Chapman, of Lincoln, Nebraska, wrote as follows:

Lincoln, Nebraska,  
October 5, 1934

Mr. Bernarr MacFadden,  
New York City.

My dear Sir:

I note that a special article by Upton Sinclair is announced for an early number of *Liberty*.

Because of Mr. Sinclair's prominence, popularity, ability as a writer and, above all, because of his proposed program, I urge you to have his article answered by another Californian, L. D. Beckwith of The Stockton Forum.

Beckwith since his youth has been an indefatigable student of economic questions. In university days his clarity of thought and charm of literary style enabled him to represent his state in the Interstate Oratorical Contest of his senior year. Later, as teacher, superintendent, organizer and president of a farm bureau, director of a Rochdale Cooperative Association and for thirteen years editor of *The Forum*, of Stockton, his intense sympathy coupled with his rigid and practical common sense have made him an outstanding figure.

As an analyst of social problems his pen is like a surgeon's knife, reaching and exposing the seat of social infection while befuddled quacks quarrel over superficial symptoms.

I have not met him. I know him only thru his work. But, during the past year he has given me a better grasp of our tremendous social questions than did some thirty years of fairly thorough study of prominent "authorities".

Upton Sinclair is one of our most charming writers. He can paint a benevolent despotism in words to charm the very angels from the highest heaven—and actually believe it all. But, on behalf of those who believe in **basic human rights**, in the sacredness of individual freedom, in democracy and the ideals of our youth, I urge you to have this article answered before election. I do not know whether Beckwith is free for this task, but if he is do not permit your readers to be hypnotized into throwing away their birthright without first having a chance to see not merely the other side, but both sides of Mr. Sinclair's dreamland picture as Beckwith can reveal it to them.

Sincerely,

A. G. CHAPMAN

1210 G Street, Lincoln, Neb.

### FRANKLIN ROOSEVELT vs. THE CREATOR

When the Stockton Republicans (and Democrats) organized to beat Sinclair learned of Whitenack's letter to MacFadden, they followed it up with a telegram urging MacFadden to have the Sinclair article answered by the editor of this paper. This Stockton committee was, of course, moved by political considerations, rather than interest in economics as a science. However, that telegram helped to emphasize the appeal of Chapman and that helped to turn the attention of editorial offices to the fact that **economics is a science**. That is the important thing.

Here is the telegram:

Bernarr MacFadden, Publisher of *Liberty*, N.Y.C.

The Merriam-for-governor Non-partisan Club of San Joaquin County, California, applauds your editorial and cartoon relative to Upton Sinclair. Stop. You cover one phase of the menace. Stop. We offer you without cost for authorship manuscript of eighteen hundred words, "Why Sinclair Is Irresponsible", by L. D. Beckwith this city, dealing with a more serious, hidden meaning of this political crisis. Stop. Ask you publish this for the sake of Califor-



nia and other states menaced by this insidious philosophy. Stop, Manuscript going today by air.

A. L. VAN METER, M.D.  
Chairman

Again it was impossible to get the desired action due to the fact that magazines are prepared so far in advance of the date of publication.

The magazine and newspaper editors must be rescued from the vicious influence of such statements as Prof. Tugwell and the new head of the NRA, Donald R. Richberg, have been making. Tugwell has congratulated the country upon the fact that we have a President who understands that God doesn't know how to manage the economic department of the universe and needs our help and Richberg has spoken of the danger of leaving matters of that kind to Deity.

True, they did not put it in just those words. Tugwell said months ago that it is fortunate we have a president who does not believe in the natural laws of economics; and Richberg said at Atlanta, on November 19, that it would be "suicidal folly" to abandon the New Deal and leave economic matters to the "ruthless course" of Nature.

With Tugwell, Richberg and Roosevelt as busy as they are on this job, we are compelled to leave such matters as mathematics, physics and chemistry to natural law. None of these men can spare time from this job to take up the task of giving us planned astronomy or planned geology or planned astronomy.

#### THE EDITORS ARE KEY MEN MONEY NEEDED

No Taxes has long gone to every college and university in the country and into many high schools and into many public offices; but recent experiences, including personal correspondence with some of these editors, is convincing evidence that No Taxes should be got as rapidly as possible into the editorial offices of this land — particularly into the magazine offices.

It is already going to a number of leading magazines, including **Liberty**.

This list is being extended as rapidly as remittances permit. The club rate is \$10.75 for the first ten names in an order and 75¢ per subscription for all additional names in that order. Thus \$13.00 pays for thirteen, \$21 pays for 25.

#### EDITORS ARE ALREADY CLIPPING NO TAXES

There is another angle to this matter, especially as it relates to the newspaper and smaller magazines.

Requests are constantly coming in for sample copies of No Taxes, sometimes with the explanation that the writer has seen articles credited to the paper and that he wants to see the paper itself. The fact that these people know where to write shows that many of the quotations must show, not only the name of the paper, but the place of publication. This shows a friendly and appreciative spirit in these editors.

The name, No Taxes, is almost sure to attract attention. This is all good.

#### LEND A HAND!

Either economics is a science, or it is not.

If it is not, we are dependent upon the Washington politicians to pull us out of this depression.

If it is, we must (at least for a time) depend upon this paper to pull ourselves out of the depression.

Let us get No Taxes into every editorial office in the land, just as quickly as possible.

#### THE FORUM ALSO HONORED

For the further encouragement of those interested in

this matter, here is a news item that appeared on November 6th in the **Stockton Record**, under a special New York date line:

### Stockton Forum Retains Place in New York Library

(Special to the Stockton Record)

NEW YORK, Nov. 6.—(ICN.)

—Although 50 leading newspapers from all parts of the country have just been dropped from the files of the newspaper archives division in the famous New York Public Library on Fifth Avenue at Forty second street, the Stockton weekly Forum, meeting qualifications of general appeal and territorial interest, has been regularly retained, it was said here today by Louis H. Fox, director.

That is not the full dispatch; but the city editor of **The Record** was kind enough to mail the full dispatch to The Forum. From that it appears that, of the 20,000 news-

papers in this country, the New York City library keeps on file only "about 125", which is an average of less than three to a state. Yet it continues The Forum on its list, in spite of the fact that it has been pruning its list severely.

From this dispatch it appears, also, that last year 400,000 people, or more than 1,000 per day, called for newspapers at the New York City library.

1518 South 26th Street,  
Omaha, Nebraska.  
November 26th, 1934

Mr. H. I. Harriman, President,  
United States Chamber of Commerce,  
Washington, D. C.

Dear Mr. Harriman:-

The National Broadcasting Company has extended facilities with a free hand for the preaching of the tyrannical doctrines of socialism and through its inference that of communism.

First, let me mention that of the National Advisory Council on Radio in Education, 60 East Forty Second Street, New York City—a nation wide network of some thirty-nine radio stations. This group have been carrying on for several seasons.

Now, the latest is that of one Father Charles E. Coughlin of Royal Oaks, Michigan, and while not much different in color from some that I have listened to of the aforesaid "Council", yet the address of this latest demagog, that made yesterday, was just about as scurrilous as I have ever listened to. Regardless of the 'challenge' that he freely hurls at the U. S. Chamber of Commerce—the preachment of SOCIALISM and the condemnation of Capitalism made by such people as this, will soon undermine this great nation.

Surely there is an answer to all such half baked mongrel leadership, and the ONE MAN, in this great nation to give the answer is none other than Mr. L. D. Beckwith of Stockton, California, although you may never have heard of him. He publishes a little paper called "No Taxes" and has proven beyond a doubt that he knows the SCIENCE of Economics. He has tackled Socialism and Communism in their true light, and is a fearless fighter.

I have written Mr. Aylesworth of the National Broadcasting Company, petitioning the privilege of replying to the attacks made on the capitalistic system, over the very same radio hookups as those enjoyed by the Coughlin tribe.

Our little group of economic scientists are far too poor to stand the expense of such a radio time, to combat such scurrilous remarks of economic illiterates, and we beseech your body to favor us with some assistance to make reply.

Respectfully,

A. W. FALVEY



# Imposes Double Tax On Wages

The drive is on in Washington and in the various state legislatures to put over another gigantic steal in the name of the working man. This time it is job insurance.

The economic quacks, together with the politicians who are all things to all men that they may lose their grip on the public purse, are uniting their forces to put over a tax on payrolls to build up a fund to provide wages in times of slack employment—so that the rent-takers will be sure of collecting their rent whether there is smoke in the industrial smokestacks or not.

This notion that a weakened patient can be strengthened by bleeding is not new. It used to be commonly held by medical men. Our economic quacks are now in that same stage of infantile development.

## JOB INSURANCE A FAKE REMEDY

Now comes a proposal for a state system of job insurance in California. The fund is to be provided by a four-per-cent tax on payrolls.

As a tax produces nothing, it must of course come out of production.

In other words, this 4% will be taken out of what we now have. Everyone will have less.

The employees must surrender 1%. A stenographer paid \$20 a week will then get only \$19.80. The employer must contribute 3%. The employer of that stenographer, instead of paying her \$20, will pay her the \$19.80 and then add 60¢ to the 20¢ held out of the girl's \$20.00 and send 80¢ to the Insurance bureau for the purpose of building up a fund from which the girl is to receive weekly payments in case she loses her job—providing there is that much money in the fund.

An employer's payroll of \$100 per week is thus arbitrarily raised to \$103; and his employees have their available funds arbitrarily cut to \$99.

This loss of \$4 per week hurts business that much and contributes by that much to the causes of unemployment; but it relieves land speculators of another portion of the expense of providing for the maintenance of those who are thrown out of employment by their monopoly of the land; for land will not be taxed to finance this issue.

But, no matter how good this insurance, no one can get the benefit of it unless he is in California; and to be here, one must either buy land here or rent land here.

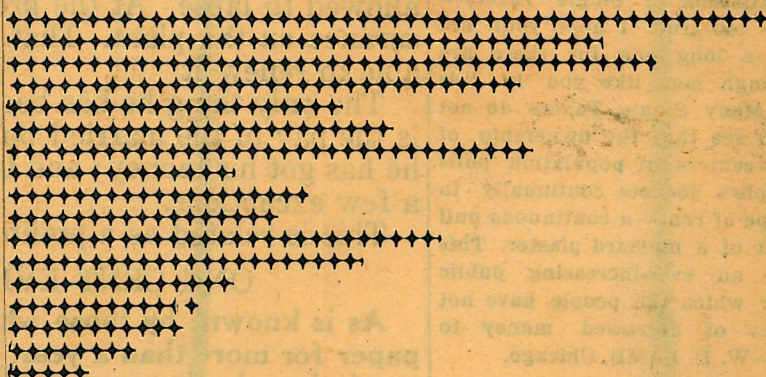
The result is that landowners will be in a position to charge in rent or selling price for any advantages we of California enjoy by reason of the plan. Any good accomplished by the plan will be reflected in a steadying of land prices and rents. Employers will be loaded with an increase in their payrolls amounting to 3%—unless they protect themselves by reducing wages enough to off-set this, or prices are raised by that much.

As the job insurance will produce nothing, this 3% increase in wages amounts to an outright donation of that sum by employers, except as they are able to shift this new expense to their help or to their customers.

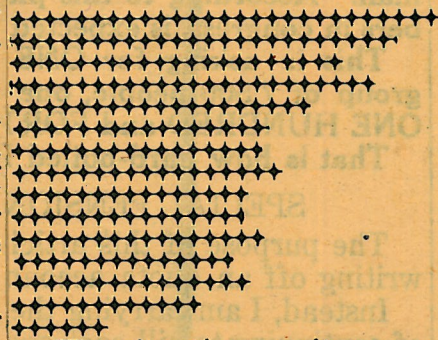
Assuming that the job insurance is a good thing, it will attract workers here from other states, who will thus compete for jobs with those already here. This will enable employers to balance the 3% increase in expense by that much. A stenographer who received \$20 and whose employer would be taxed 60¢ for job insurance would cut the girl's pay to \$19 and save 43¢. The girl would be out \$1 as a pay cut and 19¢ for insurance, a total of \$1.19.

Her buying power would be reduced by that much. Even if allowance is made for the 43¢ saved by her employer, the total buying power of the two is reduced 76¢.

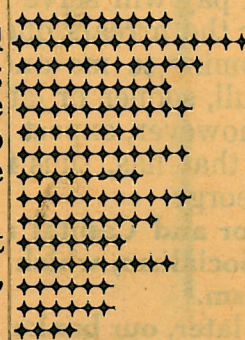
The alternative, an increase in price, is not considered seriously, for the reason that California industry has to compete with the industry of other states that would not have this expense. In addition, the decreased buying power of California workers would hurt business and slow it up so much that an increase in prices would be impossible. If anything, lower prices would prevail; but this would not help the workers, because the lower scale of wages would off-set the lower prices. Besides, the closing down of business would put such a strain on the insurance fund that this would not be able to make up this loss.



Showing the people's incomes before the NRA.



The situation as it was soon after.



The situation in 1940.

## The Geiger School In New York

Here are excerpts of a circular just received from the Geiger school in New York, located at 211 West 79th St:

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

December 14, 1934

Fellow Single Taxer:

Results. At the close of this first semester of our stewardship since the passing of our lamented Oscar Geiger, founder of this School, we hasten to report to you the record of our achievements — both statistical and general.

During the first semester of our first year, fifty-three men and wo-

men spent sixteen weeks in the study of "Progress and Poverty" and of "Protection or Free Trade". Thirty-seven of these continued for another similar period in the further study of the philosophy.

During this first semester of the second year one hundred and eighty were enrolled in our "Progress and Poverty" course, and of these 143 have attended the weekly sessions in sufficient regularity to have gained a knowledge of our philosophy and the aims of the reform we propose. At this writing these students are engaged in a study of "Protection or Free Trade". None had had any previous contact with our philosophy.

Thus, we report an increase in this first semester of nearly 200% over the first semester of last year, and we have every reason to look for a corresponding increase in enrollment



the second semester, beginning next February 4th. About half of our present students have signified their intention of attending Part II. All have promised to advertise the school among their acquaintances and to help increase our enrollment.

Four teachers are now regularly engaged. Classes are held daily from 4:30 to 9:30 P.M. Afternoon classes from two to four will be conducted during the coming term. We have every reason to believe that our enrollment for the next term will double our present enrollment.

This work is supplemented by monthly public forums, by bi-weekly meetings of a students' research group, by correspondence courses, by social gatherings—and most important, by the organization of extension courses in other cities and in other parts of New York.

... Its scope is limited only by our financial resources. Our present facilities will enable us to teach nearly 500 students (requiring only additional seating arrangements now being planned), which number we believe can be reached next year, and our field with correspondence and extension courses is unlimited.

A large number of our students are school teachers (some of whom pay ten dollars for the course) — others are high school and college students, business and professional men and women, housewives, ministers, salesmen, etc. The majority are enjoying free scholarships, donated by Single-Taxers, given to those who are recommended by these Single-Taxers and others whose background and interest may warrant the belief that such scholarships will redound to the benefit of the cause.

The teachers are tried and true Single-Taxers. However, some of the extension courses are being conducted by graduates of the School, and it is expected that the increased demands of our teaching staff, resulting from the increased enrollment, will necessitate our drawing upon the new converts, and our director is now training several apt students for this purpose. Our aim is not only to teach the philosophy of Henry George, but also to create new teachers to carry on the work.

## OUR READERS SAY

Under date of January 4, a Chicago man writes that he has come upon a copy of No Taxes, of the issue of September 10, and found the serial story quite interesting. He writes to know if "The Dictatorship" is available in book form.

This is of interest in showing how copies of No Taxes and The Forum pass from hand to hand and "carry on" for weeks and months.

"Dear Mr. Beckwith: I like your breezy paper, No Taxes. . . . I enclose copies of two addresses. . . . The first is long, but the second (a debate) may be of use to you."—N. E. KIRKWOOD, Wollongong, West Australia. (Dr. Kirkwood, a lieu-

tenant colonel, speaking in debate against the Socialist program, took the position that once we embark on that road there can be no stopping until we go through to the end—complete enslavement to the Socialist majority.—L.D.B.)

"My dear Beckwith: Of course I read every inch of No Taxes and your criticisms of Single Taxers—all only too true. I hope your life may be a long one, for there are not enough men like you in this world. Many Single Taxers do not seem to see that the ownership of land in centers of population pulls on people's pockets continually in the shape of rent—a continuous pull like that of a mustard plaster. This load is an ever-increasing public debt for which the people have not a dollar of borrowed money to show."—W. D. LAMB, Chicago.

"Dear Mr. Beckwith: Your presentation of Georgist teachings has interested me . . . the political method; but your attitude on the Ralston issue cleared that up (See The Forum, page (corrected) 2313 and No Taxes, page 321.) Your interview on Sinclair and EPIC cleared up for me the distinction between Socialism and the Georgist philosophy (see The Forum, page (corrected) 2836 and No Taxes, page 329); and your article on prostitution cleared up for me the meaning of rent and interest Forum, page (corrected) 2785).—P. B. FOREY, California.

"Enthusiasm will undoubtedly attract multitudes where logic attracts only the intellectuals. You have blended the two admirably."—F. C. LEUBOSCHER, New York City.

## "FOR THE LOVE OF MIKE"

"Dear Mr. Beckwith: Speaking of interest, many people are confused (an o wonder) by the babble of voices from various men whom one would think would be in unison on this important and somewhat basic question of just what and why it is. "Some here in Canada, like A. C. Campbell, maintain it will almost, but not quite, disappear when rent becomes public revenue. Others, like Thompson of The Square Deal, seem to think that interest is an immoral proposition at any time, a thing to be frowned upon.

"Peace and Entwistle, of the London Commonweal, appear to hold that once Justice and Freedom are attained wealth will be so plentiful that men will not have any trouble in saving wages, either as individuals or as cooperatives, all the capital they may have use for, as they go along. Hence interest will die a natural death, as it were.

"Again in his fine book, 'Toward The Light', Louis H. Berens (at page 167) takes issue with Henry George and all the others as to the nature and basis of interest. He concludes thus: 'We regard the private appropriation of rent as the primary source, cause and parent of

interest'.

"Then Hotchkiss, of Australia, and I believe your good self hold that as it is a natural law for wages and interest to go up or down together, the coming of Justice and Freedom can in no way change or set aside this law. In consequence when wages shall then rise to several times the existing level permitted by land monopoly, interest will rise also and remain thereafter at that higher level. With this view I am inclined to agree.

"But, 'for the love of Mike', if it is as yet possible to do so, could you not put in a clear, concise, conclusive statement in No Taxes the working of the science of economics on this very vexed point—something that will dispose of it and let us get on with our all-important job as Georgists of placing rent in the social pocket before the Great Robbery beggars our civilization."—Sincerely and Admirably, J. R. DICKSON, Ottawa, Canada.

The reader should note that all those mentioned above as opposing interest or reported as hesitating to endorse it begin by assuming that interest exists only if, when and as capital is loaned. They base their prediction as to the disappearance of interest upon the decreased demand for loans.

As Max Hirsh points out, this view takes no account of the interest received by ship builders and others who undertake construction work that requires months or years. They overlook the fact that, regardless of what may be done with our rent, a ship sells for more when it is completed and ready to sail than it does if sold on the ways, during construction.

In one case the ship builder gets his money first and the buyer waits for his ship; in the other case the ship builder builds the ship first and waits for his money. In either case a "bird in the hand is considered worth more than one in the bush"; and the party that does the waiting demands to be paid for doing it.

If the buyer pays first and waits for the ship, he demands a lower price; if the seller builds the ship first and waits for his money he demands a higher price. The difference is interest on the money advanced.

No matter how much they may quibble about it, the difference in those two prices is interest, even though there is not a dollar loaned.

The argument of Campbell and Thompson and Berens and the others is too limited to be taken seriously, it leaves too much unexplained. Not only does it fail to cover the interest received by ship builders, but it does not explain the interest received by investors in calves which, by the natural of growth, grow in weight, size and value.

## THE CODE

Here are the statements in "The Economic Code that bear upon the

question of interest:

What remains of the product after the rent is paid is all that is available for the direct payment of wages and interest to Labor and Capital.

Men seek to gratify their desires with the minimum effort.

Because men would not invest, otherwise, in machinery and other forms of capital that do not multiply, or grow in value; it is necessary, if we get sufficient capital, to allow them the same interest return upon such investments as they can get, on the average, by investing in bees or livestock, or other forms of capital that are self-increasing.

Any event or policy that tends to help any one, anywhere, who is mainly dependent upon wages and (or) interest tends to help every one, everywhere, who is so dependent.

Rent, collected and spent for public service, goes back in service dividends to Labor and Capital as so much wages and interest added to the wages and interest paid them directly.

As the total of the wages, interest and rent equals the total of the product, Labor and Capital would, were the rent collected instead of taxes, get the entire product.

As half of all is more than half of part, both wages and interest would rise.

## M. V. WATROS, N.T., ON GASTON

"Dear Mr. Beckwith: I hope you see The Jeffersonian Democrat of Jackson, Mississippi. Friend Walker sure reads the riot act to dear old Friend Gaston. Gaston is getting old, as I am. And he has recently lost his life partner. He is honest! Let him talk public ownership all he wishes. I know his heart is in the right place; but as you say a man who thinks with his heart is likely to go the wrong way. What a shame that the preachers, teachers and the Knife and Fork clubs refuse to give you a chance to present the one and only way out of the d—nable mess we are in, but go along on that road which is said to be paved with good intentions. Hope you can read this. Am nearly blind; will be 83 my next birthday."—M. V. WATROS, N.T., Fairhope, Alabama. A letter comes from Billy Radcliff, of Cleveland, Ohio, another man past eighty who uses the letters N.T. after his name. It might be excellent strategy if all no Taxers would adopt the practice of writing N. T. after their names.—Ed.)



**PRESIDENT W. M. PATCH, FOUNDER AND PRESIDENT OF THE NATIONAL ASSOCIATION, AGAIN VISITS STOCKTON TO HOLD A SYNCROTAX MEETING. HE INVITES THE EDITOR OF THIS PAPER TO ATTEND**

**UNDER SYNCROTAX**

Army expense the same.  
Navy expense the same.  
Postoffice expense the same.  
Crime expense the same.  
Public works expense the same, or greater.  
Highway expense the same or greater.  
River and harbor expense the same or greater.  
School expense the same or greater.  
Police expense the same or greater.  
Street, sewer, and park expense the same or greater.  
Fire department expense the same or greater.  
Health protection expense the same or greater.  
Expense of the legislature the same or greater.  
Expense of congress the same or greater.  
Prison expense the same or greater.  
The danger of war as great as ever.

**UNDER THE GEORGIST PLAN**

No army.  
No navy.  
Crime immediately reduced and ultimately wiped out.  
Thus reducing police expense.  
And reducing prison expense.  
And reducing court expense.  
Unsanitary conditions eliminated.  
Thus reducing the expense of health protection.  
And reducing the expense of hospitalization.  
And reducing the cost of life insurance.  
Highways widened, straightened and all grades separated.  
Thus reducing accidents.  
And reducing loss of life.  
And reducing loss of work time.  
And reducing hospitalization costs.  
And reducing the cost of life insurance.  
Scholastic freedom restored.  
Thus making schools really educational.  
And preventing distractions and interference with the school work.  
Thus increasing the progress of students.  
And reducing the unit cost of educational progress.  
Improved building standards with freedom to build up to these ideals.  
Thus reducing the fire risk.  
And so reducing the cost of fire protection.  
And reducing the insurance rate.  
Government reduced to the administration of the rent fund.  
Thus reducing the number of laws to one-tenth, perhaps to one in a hundred.  
And so reducing the expense of congress and the legislatures.  
And reducing the cost of the civil courts.  
And reducing the number of governmental departments, offices and agencies.  
And reducing the cost of civil government to a mere trace of what it is now.  
Freedom from war, from crime, from governmental interference and from the fear of poverty would increase our happiness, improve our health, improve or progeny and prolong our lives—and fit us better for whatever awaits us beyond the veil.

W. M. Patch, the "Doc Townsend" of the Syncrotax movement, is a good sport and a very likable chap—and he's young enough to outlive the delusion of which his syncrotax association was born.

It is more than likely that he will be successful in getting the people of California to vote in his plan; indeed, it would probably be best, all things considered, if this were to happen.

Experience is a hard school, but many people will learn in no other.

**IS STOCKTON BECOMING WISE?**

Patch said that he had addressed about 750 meetings

at which the attendance had varied from 20 to 3,500; and that the presence of only twelve local people at this Stockton meeting set a new low record.

I could not conscientiously vote for it; and would feel in duty bound to go on warning people against your plan; and yet I hope you put it over. When I warn a child that the stove is hot and he won't take my word for it, I am always glad to have him touch it and find out for himself.

Whether or not this failure to get a crowd here in Stockton is the result of the drill in the fundamentals this paper has given this city is an interesting question.

**PATCH LACKING IN FUNDAMENTALS**

Patch is an excellent example of misdirected energy—of what comes of miseducation.

He is pleasing, persistent, confident; and, when dealing with people as untrained as himself, he is persuasive and effective.

The danger in the syncrotax movement lies in the fact that the public is as untrained and miseducated as Patch himself. It is a perfect case of the blind leading the blind—all will fall in the ditch.

However, Patch is young enough to "snap out of it" and make something of himself in the tax world—after he has burned his fingers on syncrotax.

And he is conscientious enough to feel, then, that he owes it to society to make amends to those he is misleading. When he digs himself out, after the collapse of his house of cards, he will have a rare opportunity for real service; for he will know much about taxation and he is man enough to acknowledge that he was a blind leader of the blind and to set about undoing the mischief he will have caused.

**BUILDING ON POPULAR IGNORANCE**

Nor should it be difficult to understand why the editor holds that Patch will put over his syncrotax program.

If one would see just how great is the chance of his success, let him consider the campaign prospects that Columbus would have enjoyed, had he asked the people to vote that the earth is flat!

Of course the people of that day would have voted an endorsement of that view, for they all believed it. The Academy taught it, the church approved the claim and those who denied it were "crazy".

So here, in this matter of syncrotax.

Patch is asking people to vote for a program based upon four untruths; namely—

1. The theory that saving in government expense benefits all of us. The people will vote for this, because the public believes this, the Academy teaches it and the churches approve it.

2. The theory that land is wealth. Same comment.

3. The theory that this particular form of wealth is the foundation of our stability and our prosperity and security. Same comment.

4. The theory that high land values constitute evidence of prosperity. Same comment.

Why shouldn't Patch win?

What is to prevent him from winning? Who could stop him?

The children whom he is misleading must be permitted to burn their fingers on this hot stove.

Logic and common sense have not a chance!



The people must burn their fingers.  
The sooner this happens, the quicker we will get out of our jam.

### COUNT NO. 1

After Patch had outlined the savings in government expense that would result from the syncrotax plan, the editor, to whom Patch had already referred in his general remarks, asked Patch who would get the benefit of that saving. He replied that the taxpayers would get it.

He was asked if he meant that all would share in it.

To this his reply was, "Of course, everybody will benefit. Why not?"

To this the editor's reply was:

This is not my meeting. You were kind enough to give me a special invitation, although you know I oppose the syncrotax plan; but this is not my meeting. I would like to debate the matter with you at a meeting called for that purpose.

But here I will only say that we deny that all will share in the benefit of those savings.

Patch asked who would get the benefits.

To this the editor's reply was:

No one but landowners would get any of that benefit; and they would benefit not in proportion to their total holdings, but only in proportion to the value of their land.

To this Patch said:

I wish I had time to debate that with you—perhaps that is the way for us to get out a crowd here in Stockton.

### PROVE THIS FOR YOURSELF

The reader can easily settle this question for himself. Let him consider the following facts:

a. To get the benefit of these syncrotax savings in the cost of government in California, **one must be in California.**

b. To be in California, one must either buy land here, or rent land here.

c. To buy or rent land here, one must deal with landowners.

d. The landowners will know about the savings and how much syncrotax adds to the attractiveness of residence in this state—and how much these syncrotax advantages are worth.

e. The landowners will charge all the traffic will bear—which means that **whoever buys or rents land under the syncrotax plan will pay in rent, either periodically or in a lump purchase sum, all the syncrotax benefits are worth.**

### COUNT NO. 2

Patch and his syncrotax associates believe that land is wealth. This is not true—it is a liability!

a. Nothing is wealth that does not add to the total wealth of the world, but adds only to the wealth of some at the expense of others.

b. The scientific definition of wealth is: Any natural product modified by Labor for use. Land is not a natural product modified by Labor for use. In the case of a garden or cultivated field the top soil may be modified by Labor (by fertilization or cultivation) for use; but, in such a case this improved condition is an improvement value, not a land value, and is properly classed like fences and buildings, wells, drain ditches, irrigation ditches, etc., as improvements. All improvements, whether on or in the land are wealth and add to the total wealth of the world, for they are things brought into existence—which did not previously exist.

c. Land value, like a finely cultivated top soil, is a creation—something brought into existence, which did not previously exist. But like a bank check, land value is not wealth; it is, like the check, only a reflection of wealth. And like a check, which is an asset to the drawee and a liability to the drawer, land value is an asset to the landowner and a liability to the rest of us. The value of a check drawn against a deposit is off-set by a corresponding decrease in the amount of the deposit; the positive effect of the check is off-set by a negative effect in the bank credit—the net result is NOTHING. In the same way the positive effect of the ownership of a business corner by A is off-set by the negative effect of the obligation assumed by A's tenant to pay him rent on that corner. The lease is an asset to the landowner, but a liability to the tenant. No matter how much the lot grows in value, there is no increase in the total wealth of the community; because what is added to the assets of the landowner is off-set by a corresponding liability on his tenant. Neither land nor land value is wealth. **Patch and his syncrotax friends are the victims of a delusion—the identical delusion of the bride who, when informed that she had over-drawn her account, replied sweetly that she would immediately draw another check and send it to the bank to cancel the over-draft.**

### COUNT NO. 3

Any theory of stability and prosperity that is founded on that delusion is a snare, if not a fraud. W. M. Patch is a second "Doc Townsend".

Only in one way is Patch less dangerous than Townsend and less to be censured. The difference between them is that Townsend is fooling the aged who will not have time to recoup their losses and will have their last days embittered by the inevitable collapse of their hopes. Patch is fooling men and women still in the vigor of their misguided careers and who will have years in which to recoup their losses.

While there is an element of the comic in both delusions, there is so much stark tragedy in the Townsend bubble that it is cruel to laugh at it. On the other hand, many who are being fooled by the syncrotax delusion deserve to be laughed at. To that extent, Patch will be credited with putting over a huge joke.

No one will hang Patch in effigy; but the editor would not wish to stand in Townsend's shoes. This is said with the realization that both men are unquestionably sincere and absolutely honest.

### COUNT NO. 4

If the reader has read the indictment of syncrotax on Counts 1, 2, and 3, it is unnecessary to offer evidence to prove that Patch is guilty, also, on Count No. 4.

However, this may be said:

a. It is generally agreed in the business world that rent is legitimate and that no business need object to a proper rent—that, no matter how high, a concern can afford to pay the rent—provided only that the business is there to justify it.

b. The statement just made is an acknowledgement that rent is merely a payment for the advantages going with the occupancy of the site on which the rent is paid. (It should be unnecessary to explain that in all this rent means what is sometimes redundantly called "ground rent", and does not include payment for a building, for fixtures, for equipment, or any other labor product.) The scientific definition of rent is:

A payment for location rights determined by the degree to which the location advantages to be had