

WE know the jigsaw puzzle that was handed out by protectionists, which was something like this. We will give you, said the protectionists to the worker, a system that will raise your wages; to you, the manufacturer, a system that will increase your profits; to you, the consumer, a system that will lower prices. The manufacturer was to be benefited by legislation that would force him to lower prices and raise wages. The workingman was to receive this increase in wages from increased profits.

And though they told you that cheapness was not desirable, nevertheless to the consumer prices were to be reduced!

THE Moley-Tugwell-Roosevelt school being arch protectionists, has a somewhat similar jigsaw puzzle. It starts out to raise wages, but warns against increase of prices—"runaway prices," whatever those are, are not to be allowed. We are to put more men to work, but we are to restrict the output, so the solver of the jigsaw puzzle is asked to reconcile the decreased output with more men employed to make things. And speaking generally the poverty of the people is to be decreased, to begin with, by limiting production in nine staple articles!

WE must express surprise at the supine attitude of the press of the country. There is scarcely a prominent paper anywhere that has fought this monstrous departure from the old and wholesome traditions. The *Times* and *Herald-Tribune* of this city have very mildly expressed their disagreements, but not with the vigor we might have anticipated. Imagine, if you can, how Dana and Watter-son would have levelled their lances against the medicine men who with strange incantations and "codes" are endeavoring to create prosperity!

IT is our opportunity. We must not ignore the issue that is presented. It is enough that Congress has abdicated, that business men, because they must, have accepted this government over-lordship over all industry. It must fail of course. Even if it should succeed temporarily every gain would be absorbed by speculative land rent. But it will not even succeed temporarily. Government must break down under the strain put upon it. The whole recovery plan will collapse because it is based upon false economics. Already we are informed by the press of the country that the administration is exercised over the "apparent reluctance of industry to cooperate."

IT is not reassuring to read the pronouncements of those concerned with the administration of the Recovery Act. General Hugh Johnson, the chief administrator, stated the problem, if not completely yet forcibly, and indeed with a fine sympathy for those who are victims of the depression. A kindly man, but no better informed than his associates. He says the trade associations become under the Act "almost a part of government."

Daniel E. Richberg, who is general counsel to the Industrial Recovery Administration, is more candid, perhaps we should say more thoroughgoing, for he is quite explicit in his statement that the industries if they will not willingly cooperate will be forced to do so, and thus boldly announced his conclusions:

"Unless industry is sufficiently socialized by its private owners and managers so that great essential industries are operated under public obligations appropriate to the public interest in them—the advance of political control over private industry is inevitable."

INDEED it is inevitable. The government has taken the first step toward state socialism. Frightened at Mr. Richberg's address the partisans of the President have hastened to voice their disclaimers. It is no use. If Mr. Richberg is more frank than General Johnson it is because he sees clearer that socialism is the haven for which all sails are set. It is not that Johnson would preserve some semblance of democracy, or that Richberg wants the socialism he pictures as inevitable. The important thing is that there is only one possible outcome. Unless we reverse our course we are heading for the next extreme of socialism.

AND where the path of freedom is so plain! "I do not go all the way with him," said the President of Henry George. That means, as we said, that he goes part of the way with him. Does he not realize that to go even part of the way with him is to reveal the insufficiency of codes and incantations. What is needed to effect recovery and to make the country really and permanently prosperous is to get back the earth from the small proportion of the people who now own and control it. General Johnson talks about the "employers." The earth is the employer. Men do not employ other men; they employ themselves. Capital is not an employer; capital is merely the associate with labor in the work of production. This is elementary economics. We ask General Johnson's pardon for assuming that he is unfamiliar with it. But he talks as if he were.

SENATOR BAILEY of North Carolina, in the course of an excellent speech against the Recovery Act, said speaking of the causes of the depression: "I do not profess to comprehend the situation." He proved it by his opening remarks when he said that "the number of men employed is determined absolutely by the amount of capital invested in productive enterprise." This is not true at all, but there was no Senator present who was prepared to controvert him. There are many school boys who could have enlightened him.

ADAM went to work in the Garden of Eden. He had nobody before him—naturally—who had invested any capital. When the pilgrims landed from the May

flower they employed themselves for the most part with no eye to invested capital. They went to work on the land.

IF all capital invested were swept into the sea, and all land were available and free for use, everybody would be employed regardless of invested capital. Surely the genesis of production should prove the fallacy. Labor must have begun somehow without capital being previously invested. Our pioneers went out into the forest and built themselves homes which homes finally grew into cities. They had no invested capital and were not dependent upon it. They did not care a hoot about the amount of capital that Senator Bailey so confidently says determines the number of men employed. Our Senator from North Carolina, who sees some things so clearly, is grievously at fault in his political economy. What he puts forward as incontrovertably true, comparing it to the law of gravity, is simply not so. And no one corrected him, as we have said. Poor Senators!

CAPITAL is only useful as it aids labor. Wealth springs from the magic union of labor and land. So does all capital, invested or not. Labor employs capital; otherwise capital rots. To all intents and purposes it is capital that knocks at factory doors and petitions labor for employment. Under normal conditions this would be plain to see. What deceives us is that labor, being deprived of access to land, causes the true position to be reversed; labor is made to appear as the slave, not the master of capital. But in the last analysis it is labor that gives capital employment, and it would be more correct for Senator Bailey to have said that the number of men at work determines absolutely the amount of invested capital and the number of capitalists gainfully employed.

Brainy Boston Blunders On

THE present-day cry that "over-production" is the cause of idle labor—and its consequent lack of food and clothing—finds a contrary cry coming from out the pages of early history of the settlers of the Province of Massachusetts Bay.

In a tract entitled "Some Considerations Upon the Federal Forts of Banks Proposed as a Medium of Trade," etc. (Boston, 1716) we find the following:

"Tho' this Country be large, and much good Land in it, which for want of People, cannot be improved in many Generations; yet a shame it is to say, This Colony cannot provide themselves necessary Food."—"Tracts Relating to the Currency," etc. Davis).

The reason for the insufficiency of necessities, among the colonists, is laid at the door of the monopolists of land as the tract goes on to say:

"In the first Settling this Country, Land was easy to be attained, and at a low price, which was an Inducement to multitudes to come

over Servants: But now the Land being so generally taken up, few come over that can live elsewhere. . . . If the Country should put a Rate upon such Tracts of Land as lie convenient to settle Townships upon, in order to make them willing to throw them up to the country; such yearly Rate would be more Justifiable, and more Equal, than to Rate a poor Man 10s. that has much ado to live; those Estates being valued worth *hundreds of Pounds* by the Owners thereof, who keep them only in hopes that as other Places hereafter shall be settled, they may Advance upon the Price, yet Pay no Rates for them: And in the mean time their poor Neighbours must pay perhaps a greater Rate than would be put upon him in the most Arbitrary Kingdom in Europe"

(Printed by T. Fleet and T. Crump, at the Defire of some of the Inhabitants of Boston. 1716")

Attorney Paul Dudley (subsequently the Attorney-General for the Province) opined in 1703 that:

"This Country will never be worth Living in for Lawyers and Gentlemen, till the Charter be taken away."

Attorney Dudley may have had sufficient reasons for differentiating between "Lawyers and Gentlemen"—and while it may not have mattered whether others than Lawyers and Gentlemen should find the country fit to live in once the legal and leisurely elements of society were comfortably ensconced under detail dictation by Great Britain—all in all, old New England (particularly Boston) appears to have suffered from either too little amidst too much land or from too much from the same area ever since the colonists discovered that Great Britain was incompetent to manage our bursting buds of Boston genius.

Fortunately, for the Ground Hogs, the canny colonists carried this idea of a land tax into their graves. Fortunately, for the G. H's., our present-day legislators never read the history of their commonwealth. Likewise fortunately, our legislators find their limitations in parrot-phrasing socialistic sophistries aimed at "soaking the rich," and our wealthy members of society—while vaguely conscious that the "soaking" somehow fails to hurt over-much—protest a-plenty.

Today Washington's Brain Trust assures us that the processing tax on wheat and cotton will be "absorbed before it reaches the consumer," just as the sponge absorbs the rain before you buy the sponge. You get the sponge without extra charge for the water. It's a wonderful theory, but will it hold water as well as does the sponge?

Wonderful progress since 1716 when it was "the defire of some of the Inhabitants of Boston" to apply a Land Tax!—THOMAS N. ASHTON

AT the National Conference of Social Workers in Detroit Miss Jane Addams lamented that child labor and other evils which she had believed abolished for ever had returned. Miss Addams would have less cause to lament if she would let this misfortune open her eyes to the truth that she would have better results if she devoted her efforts against fundamental causes instead of external symptoms. If she intends merely to urge repetition of former mistakes then she has cause to mourn.