

regulate the height and structure of buildings. While we can do nothing like this in the geologic field, happily in the economic field we may. All we have to do is to dig down, repair the "fault," and make the foundations secure. Is not the analogy a perfect one? Then all economic and financial earthquakes, whatever our system of money, or banking, will not occur, or if they should may be easily met and overcome.

THERE is no better guide to the character and intelligence of a people than its newspapers. What do they read, what is their daily intellectual pabulum and what do the newspapers consider it mostly to their profit to feature in their columns? For newspapers are commercial enterprises, more so indeed than they were in the days when great figures like Greeley, Dana, Raymond, Watterson, were able to attract by sheer force of genius, a great share of popular attention. They were able to command for what they had to say an influential, almost idolatrous audience. In this there were certain disadvantages, it is true, but it made the great editors in the days of personal journalism independent of the counting room. They were free to express themselves.

ALL that we have left of these better days of journalism are a score or more columnists of reputation. Of these only about half a dozen may be said to be independent of the business policy of their papers. Like the editorial writers the great majority of them are obedient servants of the counting room. They dare not express unpopular opinions; they dare not be more fundamental than their readers. But superficial as they are they are the hope of a re-born journalism. There is a saving remnant of the American people to whom the independent personal element appeals; they will not always be satisfied with the colorless journalism that looks only to circulation and fears to offend. Apathetic and uninspired as are the people generally there are enough of them to welcome a journal that shall be as good a newspaper as the *New York Times* and which unlike the *Times* in its subservient attitude to privilege, shall blaze the pathway to a better society. With a Greeley or Watterson it will not lack for readers.

A FEW papers in the more immediate past have approached the great ideal, but have not quite achieved it. The *New York World* and the *New York Globe* are instances in point. They disappeared, and their places were taken by tabloids with their almost fabulous circulation. The decline in the character of our newspapers was coincident with the decline of popular intelligence. For we think there can be no question that the average mentality of today is below that of thirty years ago. And the reading matter of the public, especially its newspapers, is an accurate index of this decline. And all this is inevitable with the concentration of wealth in fewer and fewer hands. With the struggle growing more and more intense, what the people

read must continue to deteriorate and the intellectual and moral quality of our journals, despite the superficial cleverness of editorial writers and columnists, be accurately representative of this decline.

AND here we want to bring a more direct accusation against the newspapers, an accusation which will not be denied by those who know the sources from which they draw their sustenance. If the truth should be told it would be startling. A list of the real owners of the more influential newspapers would read like the "Who's Who" of a Wall Street roster. They are not merely influenced by the privileged and predatory interests—they are owned by them. And right here may be told a story, well authenticated. At a meeting held some years ago by a group of eminent financiers who own pretty nearly all the natural resources and railroads of the country, one of them expressed a fear of socialism. Another, by all odds the leader among them, said there was nothing to fear from that source, for the American people would not countenance socialism. "What about the Single Tax?" queried another. "Ah," said the gentleman who had first spoken, "that is different, that has teeth." Is it any wonder that these men who own and control the newspapers will not be likely to favor its discussion, and will not this explain the silence of our great metropolitan organs and others on the only remedy that will solve the situation?

YES, "that has teeth." It will clip the wings of monopoly. It is insidious, because easy of adoption. It can be accomplished without revolution. When really started it will move fast. Do our readers suppose that these gentlemen, many of them at least, do not know this? They do. And the newspapers they own outright will not give undue publicity to it. They will not even mention it save only by reason of its value as news, for they are still newspapers. And up to a certain point, or as long as they dare, the newspapers that are owned by privilege will maintain a discreet silence.

IT was a good suggestion offered by a subscriber, H. Arnold Jacobson, that we publish for the benefit of some of those who seem to be confused as to terms, a few definitions for the enlightenment of socialists, communists and not a few political economists. These gentlemen will be challenged to accept or reject them and furnish definitions of their own. "I will talk with you, my friend, but you must first define your terms," said Voltaire. Happily we have been supplied by a series of definitions of economic terms by M. L. Kathan, of Coquille, Ore. Mr. Kathan is a new convert, about twenty-five years of age, and a teacher in the local schools.

Here these definitions follow:

Land: All natural opportunity. That which is included between the center of the Earth and the extremities of the atmosphere. NOT produced by Labor.

Rent: That which is paid for the use of Land. The "unearned increment" in Land. Produced by the activity and growth of numbers (the people).

Labor: Man, himself. Human exertion. Effort expended to satisfy desire.

Wages: The return to Labor out of Wealth produced by Labor.

Capital: Stored-up Labor. That part of Wealth aiding in the production of more Wealth. $\text{Land} + \text{Labor} = \text{Capital}$.

Interest: In reality, Wages. That which is paid for the use of Capital (stored-up Labor.) Governed by the same law that governs Wages.

Wealth: The resultant of useful Labor upon Land. The true circulating medium. $\text{Land} + \text{Labor} = \text{Wealth}$.

Money: A symbol of Wealth. A guarantee of credit. Circulates only when actual Wealth circulates.

Taxes: That portion of Wealth appropriated by the State for public expenditures. Legalized theft, as long as public wealth (land values) is sufficient to meet public expenses.

Land Value: Same as Rent. That value which attaches itself to Land as population and activity increase.

DOUBTLESS these definitions might be elaborated, but they do very nicely. We beg to add two of our own to the collection of Mr. Kathan.

Real Estate: One name for two things, never permissible in logic or reason. Consists of land and improvements, and is used for the purpose of confusing, or at all events causes confusion. For the same justification of ownership cannot apply to both, and indeed does not so apply in law. Each is affected differently by taxes, and there are other differences which render the term perfectly meaningless.

Capitalism: Used in different senses by economists and socialists alike. Meaning at times in loose terminology and equally loose reasoning, *the reign of capital*, a reign peculiarly hazardous, since the return to capital is a constantly diminishing return under present economic conditions. A variation of this faulty terminology sometimes finds expression in what is called *the era of capitalism*, which is supposed to have begun only a few short years ago, but which really began when the second man borrowed a spade from the first man.

A PHRASE used in Mr. Kathan's series of definitions is "as long as public wealth is sufficient to meet public expenses." In a recent two-column letter from Hon. George Foster Peabody in the *New York Times* is embodied more sound political economy than is contained in many books. Here are a few of the things he says: "Wealth is not all of one character." "There are different lines of division between public and private wealth." He speaks of "the subtle temptations of the unearned increment," and it is clear what he means, rent as reflected in land values and "stockholdings and bondholdings in corporations based on monopolies." He asks that the difference be recognized "between the land and monopolies which are public wealth, and the productions of brawn and brain, which constitute private wealth." He could not have more clearly indicated the true source of public revenue, and we thank the *Times* for printing this admirable letter, even though it seems to conflict with what we have said regarding our newspapers. It is now up to the *Times* to reiterate what it said editorially some years ago: "*Undoubtedly the Single Tax is the ideal form of taxation.*" Has the *Times* forgotten this?

WE must again compliment the *Times* on the publication following Mr. George Foster Peabody's article of a letter of more than a column from the pen of Edwin J. Jones, of Westfield, N. J., in which Mr. Jones urges the adoption of a tax on land values. Commenting on the wild era of land speculation which preceded the depression he goes on to say:

"The result was that land values rose to unprecedented heights, and during the period which constitutes the last phases of the boom—namely, from 1925 to 1929—capital, in order to finance the great building programme, was forced to pay prices for land greatly in excess of its real value. The banks readily financed mortgage loans on mammoth undertakings, and all seemed safe; for were not our great statesmen at Washington and our leading financiers certain that the United States had entered upon an era of prosperity of such magnitude that it would attain still further heights and never end?"

AND Mr. Jones clinches his argument with the following:

"There is but one source from which such income can be drawn by government and that is land values, the tremendous advance of which caused most of the mischief during every pre-panic era this country has witnessed. Taking by taxation the annual value of land everywhere and abolishing all other forms of tax burdens would stay any movement in the cost of land, and the taking of such annual value would be just, since such values are caused by the presence and activities of all the people and not by individuals who may be owners. In other words, land speculation would be impossible and land would be taken for use and not held out of use for a rise.

RETURNING again to the need of definitions of economic terms and explanations for the benefit of what Joseph H. Fink is this issue (see Correspondence) calls the "best minds," let us revert to a few errors into which some of these minds have fallen. Here we have Mark Sullivan, in his Washington letter in a recent number of the *Herald-Tribune*, saying: "The reason a Japanese yen whose value is 21 cents permits the sending of more goods across the tariff barrier than a yen at its former value of 52 cents is intricate. But the fact is it does." But is that the fact? Maybe Mr. Sullivan will take a few days off and explain how this happens to be.

AND then we have Frank Morrison, a good man, and secretary of the American Federation of Labor, who was a friend of Louis F. Post, declaring that organized labor stands firmly for the purchase by Americans of goods produced in America as a means of giving more people work. It would of course be a waste of time to try to explain to Mr. Morrison that every dollar of foreign goods imported calls for a dollar's worth of American labor to pay for it. But what shall be said of Secretary of the Treasury Woodin who speaking of the issue of new currency by the Federal Reserve says that this "should result in a natural increase in stock prices and land values," as if the increase in land values were a good thing, really an asset, and not a liability?