

BOOK REVIEWS

THE MENACE OF RECOVERY*

This book carefully details the history of the Federal recovery programme as it was developed and applied up to the end of 1933. Eleven chapters cover the historic details, accompanied occasionally by comments which indicate the author's critical points of view, and a last chapter sums up Mr. MacDonald's appraisal of results and his beliefs as to the inevitability of what amounts to a Presidential Dictatorship, marked with a pronounced State Socialist interest. An appendix furnishes significant extracts from the emergency banking, the agricultural adjustment, the securities, the home-owners and the national recovery acts, and the laws passed relating to the Tennessee Valley Authority, and gold contracts and legal tender. An index to contents is included.

The writer of this review has not seen anything referring to the present volume, but it can be here testified that in it "the new deal" has been very competently examined and explained.

Among the concluding sentences of the last chapter are the following: "President Roosevelt has staked his political future and that of his party upon the success of a recovery programme which was to bring order out of chaos and place the economic activities of the nation on new and solid foundations. The aim, now that the programme has been unfolded, is seen to be the reorganization of our society on collectivist lines, with the federal government as the central source of authority and Federal power the directing and compelling force. The fruits of the programme (to the end of 1933) have been some artificial stimulation of business and industry, some artificial relief for the farmers, and some artificial mitigation of unemployment and personal suffering, but in their pursuit the administration has become a dictatorship, the public debt has been swollen to unprecedented peace-time proportions, the gold standard as it had existed for ninety years has been abandoned, and the dollar has been left to find its level in the shifting sands of commodity prices. There is no dictionary which defines 'recovery' in such terms."

This useful book should be followed by one which undertakes to show that our people may be led to see that the revolutionary departures which have been made for citizens to agree to give any programme rank and rational attention when the failure of collectivist and state socialist policies, so far adopted by Mr. Roosevelt, make it necessary to turn back if possible to original United States ideas of human association in conditions of freedom and equal opportunity. It may yet be seen that the source of prosperity is human labor when applied without hindrance to natural resources, the fundamental condition being that there must be a natural division of labor products. A natural and ethical division is demonstrable. There must be the full share of workers and the managers which they really employ. There must be a return to the owners of wealth (labor products) used to aid production, such return covering both replacement and the market rate of interest which may from time to time arrange itself without legislative attention. There also will be a surplus to which neither labor nor "capital" are entitled—the item of "economic rent," or annual rent of land. This surplus is properly a concern of the whole social aggregate, and can be ethically used for public purposes after being gathered with that expectation in mind. An end can be made of codes and price-fixing, of subsidies and processing taxes, of rules for methods of labor organization and the fixing of minimum or any other kind of wages.

Thirty-five or more years ago Henry George, who is entitled to be considered as absolutely unique in his equipment and methods of economic analysis and scientific explication, was subsidized and set apart for the very purpose of laying the foundation of a just social order, and his book, only partly unfinished, is available in any quantities or which a demand is created. Free from financial embarrassment by reason of the financial assistance of two business men, he gave his best to the world, and it is high time right now that American citizens, with or without the hearty co-operation of President Roosevelt, should

begin another economic research, to start where George left off in his search for truth to be developed by a scientific examination of the natural laws which are concerned with the distribution of good things—with abundance and not scarcity—with leisure and a chance to enjoy it without fear or favor, and without dread of want or lack of gainful employment.—GEORGE WHITE.

*The Menace of Recovery. By William MacDonald; cloth, 400 pp. Price \$1.75. The MacMillan Company, N. Y. City.

DOLLARS AND SENSE

This book is a practical questionnaire with answers covering the realm of finance including debts, monetary standards, inflations, currencies, etc. It deals with economics as an underlying base of all finance and business. It puts in simple terms technical financial language so that anyone who is interested may understand.

The author displays not only a clear detailed knowledge of economics and finance but a broad knowledge of their applications. If this book is read carefully and the information digested the reader will have an excellent background for a keen appreciation of current financial events and policies.

Examples of this series of questions (and answers) taken at random are: What is money? What is the purpose of the National Industrial Recovery Act? What is its Constitutional base?—its provisions?—its weakness? Other questions are what are bank deposits, ear-marked gold, call loans, stocks and bonds?

Separate chapters in questionnaire form, are devoted to simplifying inflation, guarantee of bank deposits, public works, devaluation of the gold dollar, and the public debt.

The last few chapters are especially illuminating, dealing, as they do, with such intricate subjects as taxes, taxation, the tariff wall, etc. The followers of the philosophy of Henry George might find some minor points debatable but otherwise thoroughly approve the book and its integrity of purpose.

In considering the problem of taxation the author is vivid, stressing the power of taxation for weal or woe. He is very clear in stating that certain taxes may be shifted, enriching some at the expense of others, and in emphasizing the "Single Tax" cannot be shifted, he voices a vital truth.

Also one finds varied brief explanations of different tax systems and social movements, their strength and weakness. It is evident that the author makes no attempt to give a complete picture as his personal appraisals of these are sometimes contradictory.

In recommending this book we note some deficiencies and ignore some important lapses, but in most respects and as a whole we believe it to be the best book of its kind as yet brought to our attention.

The sentiment expressed is one of the concluding paragraphs which we quote in part should appeal to all:

"Our descendants will look back upon this day of starvation wages, long hours, child labor, ruthless competition, bulging quarries and hungry men with the same incredulity that comes over us as we look back upon the unrestrained violence and cruelty of the Middle Ages."

C. H. KENDAL.

*Dollars and Sense. 172 pp., cloth. Price \$1.75. John Day, Inc., N. Y. City.

Correspondence

RATS!

EDITOR LAND AND FREEDOM:

We read of efforts by government to reduce surpluses. We are paying farmers to refrain from raising wheat or cotton or hogs. We are paying others to plow under every third row of cotton, and the end is not yet.

Surpluses are just beginning. I would plead for consideration of a plan I am about to disclose. It seems very strange that the monu-

mental brains among the "brain trust" should have overlooked the simple plan I propose. My recommendations are as follows:

A. Pass a law raising the tax on rat poison and rat traps.
B. Use half of this return to establish rat-propagating and after there were enough rats so that a continuous supply were assured the surplus rats could be released.

C. Have one section of the law arranged so as to make it a criminal offense to kill any rats.

D. Another feature of the law should provide for the taxing of cats or rat-terrier dogs.

Now it is well known that rats are able to eat up a great amount of food. They are not at all particular as to what they eat, whether meat, grain or other food products. We would be able to save paying on a "processing tax" and we would not need to go to the trouble of killing young pigs. In fact if rats were encouraged to do their part in keeping down the surpluses many of the ills we now have would disappear.

Of course, it is no use trying to argue that if people could get access to land through a land value tax we would be in a position to do away with poverty and thereby increase consumption and in this way take care of any surplus. Such a simple plan is not fantastic enough to appeal to the "brain trust" but there is no doubt that my plan of taking care of the surplus by increasing the rat population to develop would appeal to them.

I have no patent on this idea and offer it freely.

Minneapolis, Minn.

WALTER MUNSCH.

VILLAGE OF MILK RIVER, ALTA, CAN.

EDITOR LAND AND FREEDOM:

Population estimated		-	-	-	-	460
No. of	-	-	-	-	title holders	93
" " non resident	"	"				36
" " Voting "	"	"				57
" " Population not	"	"				403
" " Voters total	-	-	-	-	-	150
" " " Title holders	-	-	-	-	-	57
" " " Not title holders	-	-	-	-	-	93
460	Population creates Milk River land values.					
150	Voters decide how it will be distributed.					
57	Residents will benefit and—					
36	Non residents will benefit if land value is not taxed.					
403	of the population will be defrauded if land value is free from taxation.					

Do we believe in justice or in allowing a special privilege for some to rob others to continue. Think it over.

The land owners of the U. S. rob the population of the U. S. to the tune of \$14,000,000,000 every year.

If the Single Tax was not in operation in Milk River the land owners here would rob the whole people of \$3,500 every year. We have an assessed value of \$70,000 and a 50 mill rate.

Milk River.

FRED PEASE.

WHY DOES THE MOVEMENT LAG?

EDITOR LAND AND FREEDOM:

As you will know I have been a subscriber to the Single Tax Review and its successor, LAND AND FREEDOM, for about twenty-five years. Longer ago than that I became a convert to the Henry George philosophy. As a young man I was more energetic and tried at times at least to help the cause. I wish I was physically and financially able to help more now.

However the immediate thing that I have in mind is that a highly

educated friend of mine says that if the Single Tax contained a sound economic philosophy which would apply to our present dilemma, the great professors of political economy in our colleges and universities would accept it and proclaim it.

I have tried to answer him but he does not seem to accept my reason.

Fremont, Neb.

J. TILTON YOUNG.

REPLY

There are many truths in the world that have waited long for their acceptance. Some of them are moral truths, some spiritual, some economic. For the failure of their accomplishment there are many answers, ignorance, inertia, selfishness and what not.

Machiavelli divided men into three classes, the first (and they are very few in number) who discover great truths and announce them. Then there is the second group who are able to perceive truth when announced—and these too are few in number. Then there is the mass of mankind who remain wholly unable to comprehend—and these are overwhelmingly the largest in number.

Now if we accept this classification, and we may do so with perhaps some qualification, this truth remains. The mass of mankind are sound enough at heart to discern if dimly, a principle that is just. So the second group in Machiavelli's classification wield an influence over the third group—the great majority of mankind—who are intellectually disqualified, but who follow the leadership of those who speak with authority. Slowly but finally even they are influenced and a great truth if sufficiently reiterated is accepted and takes on the character of an echo.

That the third group will not see or are incapable of seeing the whole truth accounts for the slow and piece-meal acceptance of great reforms. When such a change as Henry George proposed is up for consideration it encounters all the opposition that is included in inertia, ignorance, distortion, fear, selfishness and greed. Its slow progress is not slow if we take all the obstacles into consideration; it will only appear slow to those who are righteously impatient.

Here is a note of hopefulness for our friends. We seem to be living in a time when the principle for which we contend is on the verge of a signal triumph. The last thing—a planned economy—that being tried out in Washington exhausts the series of inventions that are introduced as substitutes for justice. Dove has told us in his "Theory of Human Progression" (1850) that mankind will try everything before they accept our remedy. The Roosevelt program may be regarded as the last redoubt to which the enemy has retreated. For however well intentioned the N. R. A. may be, it must be regarded as the last formal surrender of all previous methods of warfare against poverty, as well as a gesture of hopelessness that nothing else is possible. Its failure therefore—and it must fail—will result in making more visible what are now but the shadowy outlines of the problem and clear the way for the triumphant advance of the friends of liberty. Editor LAND AND FREEDOM.

RENT, INTEREST AND MORTGAGES

EDITOR LAND AND FREEDOM:

Upon what percentage basis is the economic rent calculated present? At 5% or 6% or? Please give several concrete examples from actual cases, if possible.

Will this rate still prevail under the Single Tax? If not, what will be the percentage?

What is the prevailing house interest?

How would you classify mortgages (1) on land (2) on real estate? Would you classify the returns as interest, or rent, or profits of monopoly? The Schenley Estate, for instance, holds a million dollars worth of mortgages. I contend that in such cases, the "interest" in mortgages is really "rent," or at least profits of monopoly? What do you think?

Knowing that few persons have a more comprehensive grasp