

Economics and Bankers

OUR American banking institutions, it is pleasant to note, are giving increasing attention to the study and teaching of economics.

In some cases, however, and with lamentable results, the teaching precedes the study. The Bankers Trust Company of New York, for instance, has just issued for circulation a 78-page pamphlet, entitled "Ten Minute Talks with Workers." A brief introduction confidently describes the pamphlet as "a contribution to straight thinking about the relations between Capital and Labor, which is essential to the progress and peace of the world." But the matter and the argument are admitted to be borrowed and "re-printed by special permission from the Trade Supplement of the *London Times*." It is, therefore, an imported production, and not the result of the Bankers Trust Company's own study and thinking. It must be confessed that in the borrowed plumes of the *London Times* the Bankers Trust Company does not gain in dignity and respect.

For the "straight thinking" of the *London Times* on the problems of Capital and Labor turns out, as might have been expected from the traditional policy of that partisan organ, to be a characteristic specimen of loose and crooked thinking.

In proof of this criticism, it is quite sufficient to point out the fact that, in all the 78 pages of the pamphlet, there are but two allusions to land, the primary factor in wealth production. On page 17, we find conceded the first place in production to land, as follows: "(1) The gifts of nature, land in particular." And then, on page 18, it is admitted that "the first requisite of wealth production is one which man does not create and cannot do much to control." But throughout the rest of the pamphlet no further mention is made of this "first requisite of wealth production!"

The relation of Capital and Labor to this basic condition of existence and its bearing on their relations toward each other, apparently do not concern the *London Times*, except perhaps as matters whose discussion must be avoided. Transparently, the pamphlet is an attempt to stage the play of Hamlet without the Prince of Denmark.

It is hard to believe that the same class motives which inspire the *London Times* in its suppression and distortion of economic truth can exist in an American banking institution. The interests of such an institution might be supposed to be identified with productive American industry rather than with that limited non-producing class which enjoys control of "the gifts of nature," "the first requisite of wealth production," and by grace of unjust fiscal laws extorts a vast and increasingly heavy tribute of economic rent from American industry and the mass of the American people.

The Bankers Trust Company manifestly owes it to itself and to the American public to make an independent study of economics and a frank statement of its stand on basic economic issues, upon whose just and speedy solution un-

doubtedly depends the progress and peace of this country and the world. Straight thinking and plain speaking on fundamental economics was perhaps never before so urgently needed. Civilization has reached a critical stage. The decisions of misguided statesmen are apt to be catastrophic. Those who imagine that unjust economic conditions, however advantageous to a class, can safely be prolonged, are living in a fool's paradise. Henry George foresaw the approaching and irrevocable test of our civilization, when he wrote: "The struggle that must either revivify or convulse in ruin, is near at hand, if it be not already begun."

Our leading industrial men and bankers seem already to have sensed the danger, even if they have not diagnosed its cause. May we count on their sound sense as well as courage in meeting the situation? Do they realize that temporizing subterfuges and palliative devices are now utterly futile, that we are at last face to face with a final settlement and that our only salvation lies in the complete surrender to the demands of Justice?

Iowa's Farm Land Boom

LAST year, 1919, Iowa was the land speculator's paradise. Now what is the land speculator's paradise one year is everybody's hell the next. According to a recent issue of the *Weekly News Letter*, issued from Washington by the Department of Agriculture, the land boom that swept Iowa "forced land up to a level at which it was impossible for any but exceptional farmers to make more than 3 per cent. on his capitalization and made it out of the question for a large proportion of the tenants to buy land on borrowed capital with a fair chance of paying out."

The Department of Agriculture, in co-operation with the Iowa State College, made an investigation of the conditions, and brought out some interesting facts. It was found that the increase in the average value of farm lands in sections of Iowa where the investigation was conducted was greater during the year of the boom than during the fifty years from 1850 to 1900.

Whereas the general increase in value of farm land for the country was 21 per cent., in Iowa it was 32 per cent. One of the conclusions arrived at by the investigators was that about two-thirds of the increased value on farms bought and resold during the boom was appropriated by residents of towns and cities.

The report is not very frank as indicating the possible consequences of this boom, but it does say that "the current prices of land (in Iowa) are not justified by the earning power of the soil, and at current prices for land it is not financially profitable for the tenant to become an owner, and that for the great majority it is practically impossible."

The *Weekly News Letter*, after stating the conditions thus gingerly, touches—but just touches—upon the burning problem:

"A logical inference from these facts is that an improve-