

no time to discuss what we may call academic principles, or to paint undue roseate pictures, which have no place in this practical campaign. We must always keep "our eye on the ball," as the golf players say, and that ball is our constitutional amendment as supported by the California State Federation of Labor.

JACKSON H. RALSTON.

News From Alaska

THE conditions in Alaska may be briefly summarized as follows: The Alaska interior is a one industry gold mining. It is estimated that there are 25,000 gold mining claims in the territory free of taxes. Only a small percentage of these claims are being worked. A large majority are held speculatively. Most of them have been acquired fraudulently and are held so. They comprise all the known auriferous area.

The government has spent over one hundred million dollars in the construction of roads, railroads, trails, etc., since 1913. This expenditure has not and is not assisting in the development expected. The value contributed by these projects has been absorbed in speculative values.

One obstacle to use is being substituted by another. Because of low tonnage, and because the adjacent areas are held out of use, high freight and passenger rates result. This of course penalizes the genuine developer. It is stated that the railroads have not paid in the sense that the operating costs exceed the revenues. They have not "paid" because the real values they create have escaped into private pockets.

Because of the high freight rates caused by the above conditions an uneconomic competition by automobile and airplane has resulted, tending to further diminish tonnage. As a result a system of tolls on the highways is being installed. Thus a vicious circle against development is being instituted, so that a few speculative holders can charge through their holdings for governmental facilities. This condition is being aggravated by the recent increase in the value of gold. Claims are jumping rapidly. The whole country is being "staked" illegally and without "discovery." A certain fool in Congress with the help of Burton K. Wheeler, has removed the "assessment work" provision, the last vestige of the pioneer requirement, that a man could not hold land without using it. This because, as one Senator has put it, "the owners are poor men," and "this is all they have," etc. A fool form of charity that creates the very unemployment the N.R.A. is designed to relieve! It is a crime to hoard gold in banks but apparently it is a virtue to hoard it in the ground. Of course, the latter is more vicious as it creates unemployment.

As a partial solution of this mess I am proposing that an area 120 miles wide having 60 miles of such wealth on

either side of the center line of the Alaskan R.R. and the road system, be called a transportation zone and within that area all unused gold claims be taxed \$2.00 an acre annually, all base metal claims \$1.00 an acre, and all agricultural claims ten cents an acre. Also that all payments made by purchase of existing development agencies be taxed ten per cent and also all royalties received. All funds thus realized to be applied to reduction of freight rates, the construction of roads, etc. I am confident that the solution, imperfect as I know it to be, is practical, and will result in the opening up of the country.

Most of the right thinking people of the territory are cognizant of existing conditions but are afraid to tackle them. As an illustration, last winter I succeeded in convincing the Fairbanks Chamber of Commerce, and the president of the Alaskan College, of the soundness of my position. A memorial was drawn up and submitted to the Alaskan legislature, but they were scared to death.

It is difficult to do anything from here. It must be presented to Congress through the President's advisers. I am not financially equipped to do it myself. But I am confident that Frederick C. Howe might be able to do something.

Alaska presents a great field for our philosophy and there is a crying need for immediate action. If any of your readers can place me in contact with any one that can be of service it would be a great help.

DONALD MACDONALD.

Statement of Mr. Harry Weinberger

AT PUBLIC HEARING ON THE N. R. A., WASHINGTON, D.C.

I SAT here this morning and heard labor representatives talk about \$13.50 a week, and when I heard the Upholsterers' Union say that they were getting \$13.50, a minimum wage, which was now the maximum, and that they had twenty-five weeks of work a year, and then when I went out for lunch and read in the newspapers about the million dollar salaries that certain industries give to certain officers because they happen to be in the position where they can mulct the public, I wondered whether I was really living in a democracy where the people of the United States in reality are supposed to control the government. I wondered why it was that, having the richest country in the world, we still seemed unable to give human beings sufficient money to have what we used to call the American standard of living.

I came down here today, not as a representative of labor, but just as part of the public, because I felt that the N. R. A. seemed to be barking up the wrong tree. The N. R. A. has gone on the basis that we in America here are suffering from overproduction, that the things that we have got to do is to cut down the number of hours, cut down the use of machinery, take land out of use, pay farmers for doing nothing, and think that that was going to solve our problems.

America is not suffering from overproduction. American people are suffering from underconsumption. America can not buy the things that they can produce. With all of the natural wealth from coast to coast, with all of the improvements of machinery, with all of the inventions of science, we can still have men come here and,

like that song, "Please, Mister, give me a dime," think that the N. R. A. is doing something for them.

What is it that makes us go on in such a manner that all of the philosophy of life, all of the economics that we once were taught, all of the simple rules of two plus two makes four,—why is it that we have thrown it all out of the window, and have listened to the N. R. A., as if that were a new Moses to take us out of the land of bondage, when, as a matter of fact, all they are giving us are beautiful words.

Do not think, now, however, that I do not understand that the President of the United States and General Johnson and the N. R. A. have a difficult problem. I know it. For their ideals and the things that they are trying to do, I honor them, but I believe that fundamentally they are wrong when they think that the solution of American problems is to reduce the production of goods, destroy pigs, destroy wheat, put cotton underneath the plow and turn it under, which even the mules down South have refused to do, because they were always taught, in going up the furrow, to step over the plants.

Many of the economists here in Washington have been talking about overproduction. That fallacious point of view, that shortsightedness, is like the marvelous description in one of the old fables about a king who had a wonderful costume made and every body said how beautiful and wonderful it was, because only the good were supposed to be able to see it. Suddenly a child said "Why, the King is naked." We need the eyes of a child today to look at our economic situation, trying not to be smart, but trying to understand that there can be no overproduction; there is only underconsumption. We have wonderful machinery making two much clothing so that millions are without clothes and without jobs. We have agriculture that produces so much wheat and corn and fruits and vegetables that millions have to go hungry; we have so many houses so that millions are homeless. There is no limit to human consumptive power; there is only underconsumption caused by inability to purchase, and the question is how or why.

The most that I can possibly do in my few minutes is drop a thought in your mind that may grow and lead you to investigate and find out whether, if you took all taxes off industry, if you took all taxes off buildings and put them upon the bare rental value of the ground, a community-created value amply sufficient for community needs it would not create more jobs—create more jobs than men. When you have more jobs than men, wages go up, and you don't have to say, "Please, Mister, give me a dime," and you don't have to say "\$13.50 is the maximum or minimum salary for men for support of a family. When you have more jobs than men, wages go up, and the consumption power and the demand for goods and food is increased. By employing the unemployed, you produce more goods and under the law of supply and demand prices will be normal and not abnormal, neither too high nor too low.

In New York City, and the same is true of other cities, every time they build a new subway or propose to build a new subway,—we had a man here asking for \$25,000,000 this afternoon, to finish the subway in the City of New York,—every time they build a bridge, every time science creates a new and better form of living, every time population increases, the individual who gets the most benefit is the one who owns the bare land, but who did not create it.

When we had a tremendous housing shortage in New York City, it was proposed that all houses built within a certain period would be tax-exempt for ten years; that law of exemption of houses from taxation was passed. Thousands of houses were built, the housing shortage was solved, hundreds of thousands of people were given jobs directly and indirectly, and rents came down.

I know it is claimed that the N. R. A. is an emergency measure; that is what was said at first. Now there is talk of making it permanent. At first it was hinted that there would be a licensing of the press and then when a furor was raised, that feeler was withdrawn.

If it is an emergency measure we must have, we should not cut down the production of food and clothing and shelter to raise prices by making a scarcity. We might also say we will use the army in this emergency instead of for war and defense only; we might say we will turn the army loose, with its army kitchens to feed the hungry, and use the armories for men and women to at least keep warm; use army engineers to supervise C. W. A. workers, many of whom seem to be making holes in the ocean, or sweeping back the waves, as far as effective work is concerned. Use the C. W. A. workers for a real constructive work in line with their ability and training.

Now we have more and more taxes; every kind of tax that the ingenuity of man can devise. I am not going into the question of whether the N. R. A. is wiping out the little fellow, the little producer, but I am definitely opposed to doing away with the anti-trust laws and allowing monopolies under any excuse, as the history of this country too often has shown that the owners of monopolies, like public utilities and the railroads in the past, control the controllers instead of being controlled.

Historian, scientists and economists, tell you that in the pioneer form of society you did not have unemployment. That only if nature failed did you have starvation. That is the very thing that our complicated form of society stops us from seeing. If a savage, if a pioneer in a new country, without the help of civilization and machinery can produce enough commodities to support himself and his family and by exchange have all he needs, where does the tremendous increase of products go to when science teaches man how to turn out by the millions things that man could not do with his bare hands?

There stands progress, under our civilization, like a glorified monument, but in its shadow also stands slinking dangerous poverty, clawing at its foundations and threatening to overthrow it. It is the riddle which the sphinx of fate puts to our civilization.

Every nation of the world is facing this problem so it cannot be the form of government we live under. Luckily, under our form of government, economic changes can be made without losing our liberty.

Why, every few years, should the ability of the community to buy and consume the products produced cease? Can it be that the cause of it all is the increasing value of land caused by increasing population and advance of civilization, causing higher and higher rent leaving less money in the pockets of the producers to buy the commodities produced, leaving less return on capital invested?

Recurring depressions, recurring panics, must be prevented for the future, by society taking the full rental value of the bare ground removing all other taxes from industry and improvements on land, all of which will force all land, including farm land, into its fullest economic use, and thus will create more jobs than men. Wages will go up and the cost of living will come down and involuntary unemployment will cease in the land.

One would think, to hear the N. R. A. orators, including General Johnson and Mr. Richberg, that this depression, closed banks, for closed mortgages, and unemployment, are new in the history of our country. The history of other panics and depressions shows all the same manifestations. They are all described in a book known "Progress and Poverty," by Henry George, and in that book is given the cause and the cure. If you overlook the date on that book, published in 1879, you will imagine it was written yesterday to make a morning edition of the newspapers. If you read Henry George's speech entitled "The Crime of Poverty," published in 1885, and overlook the date, you will imagine it was delivered this morning because it takes up the same so-called overproduction, the same unemployment, the same question of free trade or tariff, and in the speech Henry George pointed, in his opinion and in mine, a way out.

Three million people additionally employed, said General Johnson. Eleven million unemployed, says Mr. Green of the American Federation of Labor. What is it? In the greatest country in the world as far as natural resources are concerned, why is it that, as you p

through the country you see thousands of acres of land, absolutely unused, and the people unable to use it, to raise anything on it, and they tell us this is all new. Go back and see all of the other panics of the past.

All over the country today we are hearing about slum clearance and the taking of millions of dollars of the people's money to do it. We should have slum clearance. But what happens when the city, state, or nation begins to buy land? The price is run up and the land speculators are relieved of their land at high prices, or the owners of the land get rid of white elephants, all at the expense of the people.

When you build great roads or great improvements like the Boulder Dam, or when you build a great bridge like the George Washington Bridge in the city of New York, or the proposed Tri-Boro Bridge, costing millions of dollars, all the land, in and around the improvement, goes up in value because of this expenditure of money by the government, and those who desire thereafter to use the land or buy a piece of land for a home, an apartment house, factory, et cetera, find they cannot afford to buy it and you have what you have in New Jersey—miles of land in and around the end of the George Washington Bridge with very few buildings being erected, because the land is being held out of use for a further rise in value—that value created by the community or the community's money or the growth of population.

In the City of New York, the new School for Social Research wanted to build a building on Twelfth Street, and they paid two hundred thousand dollars for the mere fee of the land on which to erect the building. No one produced that land—no one except the community produced the value of that land, yet someone pocketed two hundred thousand dollars. The Wendel home on Fifth Avenue and Thirty-Ninth Street, with its dog-yard, has been going up in value and some day someone will pay millions for it and put up a skyscraper. The Wendels never lifted a finger to create that value.

In New York City we have land value and improvement value separate on our tax rolls. The land value of the City of New York is given as nine billion dollars; the improvement value is about the same. The community created that value of the land, and yet we permit the owners of the land to take the full rental value less taxes before either capital or labor can get any return on its investment or on its labor.

The Mayor of New York states the city is bankrupt, and yet if the city should put a one per cent additional tax on the land value of the City of New York, it would give to the city ninety million dollars additional revenue, and that land could not run away as the stock brokers and bankers threatened when in the last administration additional taxes were proposed.

If we had the best police department, the best fire department, the best schools and the cleanest streets, the best water, the best theatres, the best roads, as we now have a Mayor who seems as good as our old Mayor Gaynor of years ago, we would have an influx of people into the City of New York, because it would be a better place to live in and do business in and there would be an increase in value of the ground, and higher rents. If one million people move into the City of New York tomorrow, the value of the land and rents would go up tremendously, caused by the community having increased in population. And yet those values or a return on them are allowed to be taken by the owners of the land or speculators in land.

Mr. Chairman, my feelings about the N.R.A. is not that the purposes are not good, not that the men who are trying to enforce it are not trying to move in the right direction, but any thought that what we need to day is to cut down production instead of having a better distribution of wealth is wrong; my feeling is to let all machinery be used to the fullest, and let men work as long as they want to, commensurate with what is good for human beings, protecting them to the extent where they need protection, where they can not protect themselves by labor unions or voluntary cooperation. Increase pro-

duction, but for Heaven's sake stop the private taking of the community-created value of farm lands and other lands, and also the value added by public improvements that the United States and local governments make. Take that community-created value by taxing the full rental value of the land, without considering the improvements.

I feel, Mr. Chairman, that that is the crux in the entire situation, not overproduction, but underconsumption. That is where, it seems to me, the "brain trust," down here in Washington, has really become "brain dust" and not a "brain trust."

We want America to produce; we want men to be able to stand up and not come down to Washington with their hats in their hands asking a minimum of \$13.50 a week, with twenty-five weeks of employment a year.

Where are these Americans that, once upon a time, established a government, a government of free men on this soil? \$13.50 should be marked as an epitaph on the graves of those Americans who can not live on \$13.50, and remain free men.

Youth of America News

AT the last meeting of the Central Council, the President, Walter Hecht, Jr., tendered his resignation, giving as his reasons a shortage of time available for the work to be done. His employment demands the greatest amount of his time—page Mr. Johnson and the Blue Eagle.

His resignation was unanimously rejected with a vote of complete confidence and his lack of time objection was answered by the election of N. Newstad Epstein as executive secretary. He is to devote full time to his duties, his first being to secure an office for a permanent headquarters for the Youth of America.

The Chicago setup is very strong (on paper), since its council boasts as its members officers of the Student-Citizen Federation, University Student's Club, Evanston Alliance and several others. Such a group sits in an enviable position because of its educational reform programme, for the matter of schools and education will be of prime importance here this coming year.

1934—A SUPER-YEAR OF PROGRESS IN CHICAGO

With this as a slogan—timely following our celebration of a Century of Progress—we plan to call together the heads of important groups, tax associations, organizations such as the Citizen's Committee on Public Expenditures, Civic Federation and all other groups apparently bent upon civic reform, yet appearing to be devoid of political ambition. The Youth of America, representing several thousand Chicago and suburban young men and women, will sponsor the programme and act as a clearing house of ideas.

A meeting will be called of these heads of the various organizations. Each will have been instructed to bring a ten-point programme of *achievable* objects. This purpose will again be outlined at the meeting by some man such as Dr. Robert Maynard Hutchins, President of the University of Chicago (available at this writing), and other highly respected citizens of non-political fame may