

The image shows the front cover of a book. The background is a traditional marbled paper pattern, featuring large, irregular, rounded shapes in shades of green and grey, separated by thin lines of blue and red. In the center, there is a white rectangular area enclosed by a thin black border. Inside this white area, the title is printed in a black, serif, all-caps font. The title is arranged in three lines: 'A F E W' on the first line, 'B R A S S' on the second line, and 'T A C K S' on the third line. Below the title, there is a horizontal line, followed by the author's name 'LOUIS BROMFIELD' in a smaller, black, serif, all-caps font. Another horizontal line is positioned below the author's name.

A F E W
B R A S S
T A C K S

LOUIS BROMFIELD

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A F E W
B R A S S
T A C K S

LOUIS BROMFIELD



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FIRST EDITION

D-V

FOR

CHESTER C. DAVIS

*in friendship and admiration for his accomplishments in
behalf of the agriculture and sound economy of the nation
and*

FOR

HUGH S. BENNETT

*in friendship and admiration for his great services to the
American people as chief of the Soil Conservation Service of
the United States Department of Agriculture.*

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A F E W
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Apologia

THIS book is no more than the thinking aloud of one man who makes no pretension at being a specialist in economics nor at solving the problems of the world, the nation or even of the township in which he lives. It is simply the record of the intellectual processes of one individual trying to find his way, indeed at times to *force* his way, out of the jungle and morass of man's troubled life in this Age of Irritation in which man, caught in the maze of his own selfishness, stupidity, ambition, greed and intricate mechanical ingenuity, lives in a perpetual state of nerves with his neighbors, with fellow men on the other side of the earth whom he has never seen, indeed with his own wife and children. It is a record born out of experience of one politically-minded citizen who happens to like the human race, without regard for race, religion, creed or color, and who has lived closely and intimately with inflations and booms and depressions, wars and invasions and revolutions, and the oppression and exploitation of his fellow men, not only in his own country but in many others. Out of this experience he has come to regard with some cynicism the term "civilized man" and to arrive at the conclusion that the bases of man's wretchedness and bewilderment are far more of economic than of political or social or racial or national origins. He is almost persuaded that the violent political differences, the social unrest, the racial hatreds are largely only manifestations of economic inequalities, maladjustments and injustices, and that, if the economic ills of this badly managed, complex, industrialized world could be adjusted,

many of these evils would presently disappear and we should make a great advance in civilization itself, which in the end is the only real justification for man's existence.

The author has seen the sense of co-operation, of neighborliness, of patriotism (which may or may not be a bad thing, according to its manifestation) disappear from the village, from the great city, from the nation and from the rapidly intensifying interrelationship among nations until the average man has come to live perpetually in a state of pessimism, accepting dully a conviction that wars are inevitable, that economic depression and misery and starvation are simply the common lot of mankind and that the only course for the individual is to look out for the interests of himself and those immediately dependent upon him. Such a despair, such a disillusionment and cynicism were largely responsible for the disintegration and defeat of a great nation like France. Her forty million people ceased to be a united nation; they became simply forty million individuals each looking out for himself.

It would be well for other Western nations to regard France as a barometer, for being the most civilized of nations (and I am not speaking in terms of plumbing and country clubs but of true civilization) and the leader of Western civilization which has kept alive the fire of Greece, of Rome and of the Renaissance, she serves well and accurately as a gauge of the social and political weather which lies ahead just beyond the horizon. The signs of national disintegration are present in every country in Europe, in every modern empire, even in these United States, standing apparently at the very peak of her power and wealth.

As man looks about him today for leadership or a solution of the demoralizing perplexities which surround him, he finds himself confronted by hordes of soothsayers and midget messiahs, gigantic humbugs (no less humbugs for all their sincerity and sentimentality), by demagogues ranging from Hitler and Mussolini to the politicians of the democratic states, all talking loudly and intimately of “the people” and promising them the millennium. And man in the Western world is an easy victim of all this rabble rousing and superficiality since he seeks pitifully for some leader or some faith that will clarify his confusion and ease the pain of his bewilderment and despair.

Man is not naturally a cynic; he wants pitifully to believe, in himself, in his future, in his community and in the nation in which he is a part. Hitler was born of the despair of the German people. As history has already shown, he was neither a great man nor a great leader, but only a windy demagogue who promised the German people salvation and an end to their misery, spiritual as well as economic. The end, as with all leadership by demagogues, was tragedy and disaster, not only for the people of Germany but for the whole of the world. The Hitler story might well serve as a symbol of caution to the rest of us, warning of the inefficacy of short-cuts, of intolerance, of economic panaceas, of loose and visionary thinking. And it should never be forgotten that both Hitler and Mussolini began their careers as *radicals*, promising “the people” everything.

Largely speaking, salvation in these times is held forth to troubled mankind either by the demagogues and the superficial, ecstatic visionaries wallowing in self-conscious reflection upon their own virtues and superiority, or by the

reactionaries who would have man betray himself by turning backward into his own dark and painful past. These are the elements which, without reason or profundity or balance, scream at each other the shrill and meaningless epithets of “Red” and “Fascist,” “Bolshevik” and “Reactionary.”

The word “liberal” once had a real meaning which implied reason, dignity, intelligence, balance and tolerance. That meaning is lost. The “liberal” of our times has become all too often little more than a sentimentalist “with both feet planted firmly in mid-air” or a vicious name caller in the school playground at recess time.

Economic prosperity and the privileges of growth and development which accompany it, are not achieved by short-cuts and fanciful and visionary theories, but by work and experience and faith and wisdom. The whole of the history of man’s long struggle upward out of the steaming ooze is evidence of this irrefutable fact. In his capacity for work and in his faith in himself and the ideals by which he lives, modern man in the twentieth century is tragically deficient. More and more he looks wearily toward the easy way out, toward something for nothing, toward doles and subsidies, toward the political leader who promises utopia overnight. But the grim truth is that there are no short-cuts and panaceas.

On the other hand, unhappy, bewildered, modern man finds those who would lead him backward into the dark world of the nineteenth century—a brutal, sentimental world of extremes in luxury and poverty, of incredible opportunity for the unscrupulous exploiter as well as for the genius, a world which can reappear only as a prelude to the anarchy of a demoralized and disintegrated Western world. The leaders of

this philosophy of the return to the “good old days” are themselves the very symbols of decay and despair, and offer no hope whatever of man’s advance but only of his retrogression toward the hazy blessings of a sentimentalized world which no longer exists and never did exist save in the experience of the gifted, the fortunate and the unscrupulous. Out of the reality of that nineteenth century world were born much of the evil and most of the perplexities that torment us today.

In most of the panaceas offered either from the extreme Left or from the extreme Right, one element seems to have been almost wholly overlooked and that is consideration for the nature of man—that he is a creature which must move upward toward a greater realization of his capacity and his dignity as an individual, that he must have gods in which to believe and results which justify, regardless of illusion, his faith in these gods, that there is in any man, save for the physiologically handicapped and debased, a desire to work and to create which is the foundation of his neighbor’s respect for him, and what is more important, his respect for himself.

In our modern world these things, which are the very foundations of man’s rise in the world of animals, are too much lacking both in himself and in his community as well as in the community of nations. One thing is certain—that he cannot go backward either into the world of Fascism or of Marxian Communism without losing his liberty of action and the freedom and dignity which are his right as an individual man who walks erect and thinks.

It is sad that so many of the soothsayers offer him economic security and even a state-supported indolence at the

price of his independence, his dignity, his freedom and his very soul. The short-cuts, the panaceas are, at best, but the Devil's bargain—which dangle a short-time paradise in the scales of civilization as a balance against retrogression and eternal damnation, political, social, spiritual and even economic on this earth.

No less puzzled and confused by the cynicism and evangelical visions, the irritations, the pressures of his day, the author felt long ago—indeed years ago while living in the midst of a European civilization already in the process of disintegration—a passionate desire to cut his way somehow through the jungle of disillusionment and false gods back to fundamentals, to those things and beliefs and thoughts by which man can and has, at certain epochs of his existence, lived well and sanely, however briefly. The impulse of escape took the form of a driving desire to return to his own roots, to find some base, solid and eternal, even perhaps primitive, upon which to build the structure of his own thought, uncontaminated either by the propaganda of those who would turn backward or those who with hosannas would rush forward into the treacherous mirages of what is too frequently no more than man's hunger for a paradise for which he is not yet prepared, a mirage of wishful thinking which sails serenely over all the realities of nature and of the nature of man himself.

It was inevitable that in the search for some base in truth and reality, the author should have turned to the earth, to the soil and to agriculture. There were two very strong reasons for this (1) that he came of an ancestry and background which for generations had been rural rather than urban and that by interest as well as by experience, he had faith in the

philosophy and in the character of things rural and small town rather than urban; (2) that he found out of daily living and a widespread experience that the farmers and gardeners of the world, however poor or prosperous, whatever their nationality or race or faith, possessed a common basic philosophy which proved a bulwark against the uncertainty of existence and the periods of crisis which the men who lived in great cities lacked conspicuously and immeasurably.

The farmer, the gardener, is inevitably a pragmatist who believes in what works. This is so because he lives nearer to the basic and eternal laws of nature than any other element of society. These laws are a part of his daily life. He lives with them and in a sense by them. The rain, the sun, the ice and snow, the soil, the breeding of his animals, are constant and eternal reminders of the laws by which man must live whether he chooses to or not, those laws which, if ignored or tampered with, only encompass his own disintegration and destruction. The farm, the earth, appeared to be the sound base from which a man, especially one who was weary and disillusioned through too much experience in the modern, complex, industrial, imperialist world, could re-examine his own significance, if any, and that of the confused and confusing period in which he lived.

The wisdom of the good farmer is an eternal wisdom and indestructible. As Liberty Hyde Bailey once wrote and as history has testified so many times, "The farmer is the first man and he will be the last man." The good farmer, working with soil and plants and animals, living in peace and co-operation with his neighbors, outwitting the weather or profiting by it but never ignoring it, is far nearer to the eternal truths and laws of our existence, by which we must live and

within which we must find our salvation, than the workers of the industrial age, fitting similar nuts onto similar bolts eight hours a day five days a week throughout the whole of his life. When all industry lies in ruins and the industrial worker has died either in riots or against a wall in the war of brother against brother or by starvation, the farmer will still be there, tilling his bit of earth—in China, in Russia, in Germany, in the United States, everywhere.

Few thinkers would disagree with the premise that much of our cynicism and discontent, most of our ills, a great part of our perplexities and irritation, much of our ill-health and insanity, are the results of the rapid industrialization of the modern world. We have not had time to adjust ourselves to this monstrous change and the staggering increases of population which have accompanied it nor to fit industry itself into the pattern of a wise and balanced economy or existence. No change in the history of the world has ever come so rapidly or with such devastating effects as the brief industrial revolution with steam power, the telephone, the telegraph, the railway, the automobile, the airplane, the radio and countless other developments which have shrunken the world and made neighbors, however unhappy or perilous, of all of us. This headlong change has led us, especially in America, to confuse plumbing and automobiles, which have to do only with the body, with civilization, which has to do with the mind, the spirit, the soul and with man's relation to his fellow men. It has led man into a conceit in his own ingenuity which may in the end achieve only his destruction. It has immensely enhanced the growth of his baser side by encouraging his faith in the material and the mechanical and by these things he certainly cannot live alone, save in eventual brutishness and misery. The atomic bomb, the

Bofors gun, the jet plane, a hundred other examples of man's material ingenuity, all become symbols of a materialism by which the best efforts of scientists and inventors, which should be directed toward civilization, are in an utterly material and badly adjusted world instead aimed only at the destruction of civilization and eventually of man himself.

This modern world, this Age of Irritation is not one in which man can take pride. This is so, I think, because man himself has established false values and false gods, often in defiance of his own nature and certainly of natural law. He is in the process of selling his great birthright of aspiration, of achievement, of growth and advance for a mess of pottage composed of selfishness, materialism, indolence, confusion, pride and despair.

The problem is not to do away with mechanics, with industry and scientific discovery. These things are with us and of inestimable value, if they can be used by man instead of *using* man. The problem is how to live *with* these things, how to adjust the daily life of man, of cities and of nations to the vast and complicated problems which machines, industry and scientific discovery have themselves created. In all of history there has never been such a hot potato as the atomic bomb. It is indeed so hot a potato that there is, despite all the highfalutin talk, *no* solution but for men and nations to learn the lesson of living together in peace.

We shall never learn by turning backward and we shall never find the answer by following the soothsayers and demagogues who promise paradise overnight or those whose panaceas are all founded upon *money* or the manipulation of money. Man's problems are not and have never been solely *material* problems, nor can they be solved by inflations and

deflations or the manipulation of currencies. When they become so, as they threaten to do in our trying times, civilization dies to be revived again only when man through misery and defeat and disillusionment touches bottom and begins again. For civilized man, for those leaders who have influenced the long journey upward of mankind, money or rewards in material were not the great and ultimately desired rewards. When they become so, man dies spiritually and his civilization dies with him.

The author, in the thinking aloud recorded here, is aware that he will probably be accused of many things—as many indeed as there are soothsayers and reactionaries, as many as there are panaceas and economic short-cuts. The whole science of economics (and the belief of the author is that it is a science as well as an art and a philosophic exercise) is a difficult and complex one which in the end may be justified perhaps only in the farmer's pragmatic way—that it works. In our age and especially in our own country, we have been treated during the past few years to such an appalling array of unorthodox and experimental economics, that the sound rules which the experience of the world has proven workable, have tended to become unorthodox. In other words, orthodoxy has become unorthodoxy and vice versa. To put forward some new and interesting short-cuts, some fresh panacea which is “good for man, child or beast” has become orthodox or conventional procedure. Few if any of these panaceas have produced noticeable results; few if any have worked by solving any of the complex problems which confront us. Many of them have only done harm by further confusing the desperately important problems involved and by adding further to man's perplexities.

Too many of the panaceas, sometimes through the necessity of emergency, have been improvised, superficial or based upon money and the manipulation of money, while overlooking completely the fundamental causes of the crises involved. Reforms in terms of money and of the manipulation of currencies are not signs of wisdom nor of deep thinking nor of statesmanship but rather symptoms of the chronic weakness of a nation or a world or a civilization, symptoms of shallow makeshift thinking, of shiftlessness, of demagoguery, of fear and of desperation. In this realm of action the San Francisco and Bretton Woods conferences, despite all the good will of their most enthusiastic supporters, stand somehow as symbols of the superficiality and the futility of these methods. In the one case a vague and powerless *political* structure was erected and in the other arrangements for the manipulations of international exchange were established, while the fundamental causes of war, of economic depressions, of misery, of hunger—the access and distribution on a fair basis of raw materials, food and markets—were passed over with averted gaze. It was as if both conferences had been thrown out cynically as a sop to those who hope passionately and tragically for a better world without ever understanding how to achieve one. Already the results of both conferences show the pallid signs of futility, because the nations of the world or the leaders who represent them are either not yet able to save themselves or are unwilling to do so. Surely there must have been among the distinguished men assembled at San Francisco and Bretton Woods some who knew in their hearts that they were only making gestures and solving nothing at all. Is it that there are no more great leaders in the world or only that the problems

of this modern industrial imperialist world have become so vast and so complex as to dwarf all men however great?

This is not a book written for the economist closeted behind a desk in some college or university. Humbly it attempts to reveal the mental processes of an ordinary layman trying to understand something of the increasingly complex world in which he lives and to fight his way to fairly simple fundamentals, despite the confusion created by the aggregate opinions of the professional economists. The author in his reading of and conversation with the economists is led to believe that all too often many of these gentlemen suffer from multiple vision and cannot discern very clearly either the forest *or* even a single tree. The immense diversity of their opinions and theories and the spectacle of their intense animosity toward each other, both fail to encourage a belief in their infallibility, either singly or as a whole. The truth is that probably no one man, or even a school of men, thinking together, has either sufficient learning or sufficient experience to permit a complete understanding of the immensely complex economic problems of our time.

In any case the author has put his thoughts and conclusions on paper with the primary purpose of clarifying his own thinking. If they serve to stimulate either discussion or abuse or are of any value whatever to others, so much the better.

I. Real Wealth Versus Money

ALONG with a common belief in the omnipotency of industry in our economy there has grown up in the mind of the average man a delusion that money is wealth. Indeed, whole nations including our own seem from time to time, especially in moments of economic depression, to fall victims of this error. It is one of the oldest delusions in the world.

Essentially, money itself, whether it is represented by sea shells or the cumbersome stone currency of the Easter Islanders or by paper money run off government presses by the bale or even by gold, is not wealth. It may become a symbol of wealth as in the rock piles outside the hut of a rich Easter Islands chief or it may represent wealth so long as it is used to provide employment or to promote the processing of metals or the growing of crops or it may serve as a means of simplifying the primitive process of barter among men, corporations or nations, but in itself in these times it is worth no more than the current value to commerce or industry of the stone, shells, paper, silver or gold which may determine its form. In any period of bitter crisis this fact becomes painfully apparent.

In another sense, money as currency is a means of gauging the value of real wealth such as oil or timber or land, just as a barometer gauges the pressure of the air, yet even as a barometer it is not reliable, save by an infinite, constantly altering and impossible process of calculation, since its value is never wholly stable in this modern world, but dependent upon the scarcity or the abundance of real wealth itself such

as timber, oil, iron, food, cotton, tobacco or labor which in itself is a form of real wealth.

I have lived with the money of many people and many nations in times of revolution, of war, of inflation, and year by year my respect for money, as anything more than oil in the ball bearings of commerce, has declined. I have seen the German mark valued at approximately four marks to the dollar and at many millions of marks to the dollar. I have seen men pay as much as ten million paper marks for a newspaper and I have seen a farmer in a small German town exchange a single wheelbarrow load of potatoes for enough money to pay off in one day the mortgage which he and his father had struggled for two generations to pay off—until money became cheap and real wealth, as represented by the wheelbarrow load of potatoes, became scarce and increasingly valuable and barter became the sole means of exchange. I have seen the printing presses of France working day and night, under the stress of an inflationary spiral, until income from the savings of a whole middle class was wiped out and one got used to seeing nothing but *new* bank notes—because in a time of rapidly rising prices there was never enough money in circulation from day to day to carry on the payment of rising wages or meet the needs of ordinary transactions in a grocery store between the merchant and the customer.

Today in this country some billions of dollars in bank notes are locked away in safe-deposit boxes by people suffering from the delusion that they have locked away wealth. To none of them has it ever occurred that they have merely locked away packages of paper symbols and that ten years from now they might easily open their safe deposit vaults and

discover that ten thousand dollars in bank notes might not buy a loaf of bread or even a newspaper. It has never occurred to them that if they had locked away ten thousand dollars in 1938 and left it there, it had already by 1946 shrunk at least four thousand dollars in terms of living and other costs and in terms of what it would buy. It will shrink further before it begins to regain its value, if it ever does; that depends upon the course taken by our government and upon the will of the people. So long as the vicious spiral of rising wages, followed by rising prices of manufactured commodities, followed by rising prices for farm commodities, continues, that ten thousand dollars will shrink in value, one thousand or two thousand dollars a year, because it is not in any sense real wealth. At best it is potential wealth and it is so only in the case where it is working to create more factories or provide more employment or produce more bushels of wheat at a lower cost to the people of the nation as a whole. So long as it remains locked away it remains merely so much paper or metal, valuable intrinsically only as industrial raw material.

The truth is that money—the dollar, the pound, the franc, or what you will—is, in our complex, modern world, only worth what it will buy. This was really true in an industrial age even at a time when gold reserves backed the currency of most of the great nations. It is especially true today when there is so little gold backing among the currencies of the world that nations attempt to fix values for their currencies by law, or by “sterling blocs” or by “blocked marks” rather than by their real value.

Even the fact that we in the United States have nearly three-quarters of the gold of the world buried at Fort Knox in

Kentucky does not make us a rich nation. In the next decade we shall find it difficult not to acquire the *whole* of the remaining gold in the world to add to the already useless hoard at Fort Knox. That gold, like most of the world's silver, may one day be more valuable as a metal used in the manufacture of our intricate modern machinery than as wealth or as the backing for currency. Indeed, I am not certain that this is not already true save for the fictitious value given it by the age-old superstitions regarding gold as wealth. We, during the Second World War, approached very nearly a point where copper, tin and even lead became more valuable to the needs and the economy of the modern world than silver or gold.

In India and China—countries where silver is almost universally the medium of exchange, the silver coin has in reality little more value than a piece of inflated paper money. Its value is exactly what it will buy plus the superstition with which the peasant and the small shopkeeper regards its value—an estimate which is clearly fictitious and exists chiefly in the minds of the illiterate and the ignorant. One cannot survive upon a diet of silver or gold but there comes at times a moment when a single egg becomes more valuable to a starving man than all the gold in Fort Knox.

In Rajputana, in India, the women have a custom of melting down silver rupees into bracelets and anklets and collars which they wear, like walking banks. Instead of locking money in the safe-deposit vault they *wear* it to safeguard it. Yet under conditions of inflation, it is shrinking in value exactly as the ten thousand dollar bundle of bank notes is shrinking in its carefully locked safe-deposit vault. If the shrinkage were manifested in a physical way, many a

Rajput woman would already have been choked to death. If silver itself had much *real* value beyond that of a metal useful in the manufacture of certain machinery, there would be no need for Congress to pass laws giving it an artificial and fictitious price to benefit the silver bloc and the mine owners it represents. Of silver it could be said that it is *real* wealth in so far as it is a metal useful in the manufacture of machinery but as currency it is worth exactly what it will buy, no more and no less. Intrinsically a silver dollar is worth more than a one dollar bank note only because the silver in it is worth more as industrial raw material or real wealth than the paper in the bank note. This difference becomes apparent when all money, metallic or paper, becomes sufficiently debased.

No one will ever be able to calculate in money what World War II has cost the United States as a nation. This is true for many reasons but for two that are notable: (1) because of the changing value of the dollar which in 1945, at the close of the war, was in buying power worth approximately only sixty cents or less as against a 100 cent dollar of 1939; (2) because by far the greater part of the money expended did not actually leave the country but circulated about inside its borders from government to industry to industrial workers to farmer and back again into the government in taxes levied upon all of those elements and the products they produced.

Actually while spending vast sums of government money collected in taxes, this process produced employment at high wages and consequently markets for farm or industrial commodities at high prices. This is a familiar process in the artificial stress of wartime when the government becomes the principal buyer of specialized commodities—armament, building, ships, etc., and when an artificial scarcity is

produced and the world cannot get enough of all of these things plus food, clothing and countless other commodities in the form of either real or processed real wealth. It is a process which leads, if not controlled by some means, into spiraling inflation which lowers the buying power and consequently the value of the dollar steadily. Government purchasing or spending on a similar scale in peacetime cannot produce the same employment, high wages and high prices because the government actually needs only roads, dams, public buildings and similar commodities which, unlike guns, ships, ammunition and other war commodities, are not or at least only slowly expendable. Beyond a certain reasonable point the spending of government money upon such projects only creates growing deficits, and inroads into free and private capital which should be working to produce more wealth and employment, increasing taxation, industrial stagnation, shortages and inflation. It is true that this spending, if wisely done, represents not spending at all but actual *investment* (the translation of money into real wealth) but in the past too much of this spending has been wasted or actually destructive of real wealth.

While the dollar is an inaccurate and variable gauge for the cost of the war or for anything else for that matter, the cost of the war can be measured in real wealth which is eventually and in the long run the only cost which is of fundamental importance to this nation. Currency, whether gold or paper, is worth what it can buy, but the expenditure of real wealth is the true gauge of real cost.

Real wealth is primarily the natural resources of a nation—its forests, its minerals, its oils, its agricultural land, the health, the vigor, the working capacity and the ingenuity of

its people. Without these things, any nation becomes a poor nation economically and a weak nation militarily and politically. Once these resources have been wasted or used up, it will not matter how much gold is buried in Fort Knox nor how many thousand bales of bank notes are printed by the Treasury, the United States will inevitably become, like nations in the past suffering the same exhaustion of real wealth, an insignificant and unimportant nation with its people surviving at a very low standard of living. The only alternative would be for the nation to become a banking-processing nation like the United Kingdom with all the insecurity and perils which the late war have made evident as accompanying such a *money* economy. ...

The cost in real wealth of the Second World War to this nation has been enormous in agricultural land overworked, eroded and depleted by the strain of production, in the minerals processed and sent out of the country either to be destroyed or abandoned abroad, in the colossal expenditures of oil resources, in the forests we have been cutting down five times as rapidly as we are replacing them, in the health of children and citizens forced in certain areas by shortages of food into a protein-deficient diet, in the thousands of our strongest, youngest and healthiest citizens maimed or killed in conflict.

In pleas for a loan or a financial grant, Lord Halifax and Lord Keynes put forward the argument that Great Britain deserved special consideration because her expenditure in money per capita during the war was greater than our own. While this is true, the real cost of the war was, to this country and to its individual citizens, far *greater* than the expenditures made by the British because it was an

expenditure of *real wealth* as represented by natural resources. If Great Britain had paid us in full in currency or even in gold bullion for all the material supplied her and the other Allies through lend-lease, the cost of the war in real wealth per capita in the United States would still have been far greater than the cost paid by any or perhaps all other nations put together. In the final reckoning, the cost of wars can only be measured in real wealth and the cost in real wealth is the only cost of any importance. Nations can print money by the ton and they have often done so, but no one can invent iron ore or copper or underground deposits of oil. Today the United Kingdom is desperately in need of dollars to purchase the real wealth in the form of raw materials which she does not have, and she wants *dollars* because dollars are the most stable of currencies in the world and possess the greatest purchasing power. Essentially both stability and purchasing power are established not by the gold buried in Fort Knox but by the real wealth which remains in the United States and by the great and modern industrial potential for turning that real wealth—iron, copper, etc.—into processed real wealth—refrigerators, radios, etc.

If the premise regarding the cost of wars in real wealth as against money is accepted, then the lend-lease arrangement was by far the most costly bargain ever made by this nation or any other nation in history. We received in exchange for this huge depletion of our real wealth only a tiny fraction of its value in real wealth (timber, oil, minerals, etc.) from other nations and only a fraction in money or credits which might have been used to replenish by purchase these vast losses out of the real wealth belonging to other nations. The great source of our strength and power as a nation and of our ability to survive two wars in which we paid by far the

greatest share of the cost in real wealth, lay not in money or banking but in our reserves of real wealth in the form of natural resources, in our vast industrial potential, and in population reserves, in terms of labor and vast *interior* markets. In the sense of real wealth and the dissipation of the natural resources upon which our economy is founded, we paid in both world wars a greater real cost than any other nation or perhaps more than all the others put together. We are already feeling the economic pressure of so gigantic a contribution and our children and grandchildren will be feeling them more and more in the generations to come.

Although these facts may be obscured at the moment by the confusion over *money* costs and by the economic theories of men like Lord Keynes, based upon a banking economy and the manipulation of currencies, they will, as we approach the exhaustion of these great reserves of real wealth, become as clear as they are disastrous. It will then be evident, and clearly so, which nations paid the real costs of the two wars. When history draws up its final reckoning it will inevitably be the nations which exhausted most their reserves of real wealth. What we gave away in the winning of two world wars was not paper money or even gold but real wealth, the very foundation of our independent economy and the very heart's blood of this nation and the rightful heritage of our children and grandchildren.

The plea that the British Isles are desperately poor in real wealth such as oil, agricultural land, and minerals, does not alter the case. They were poor in these things before the war and were scarcely poorer on the day the war was finished. The *real* wealth expended in the war came from us, from the colonies and dominions of the Empire and to a small extent

from other Allied or neutral countries. Money, currency, even credits assume an exaggerated and superficial importance in the case of the United Kingdom because she is almost wholly a banking and processing nation whose income is based not upon real wealth but upon servicing and processing in which *money* in its various manifestations is of great importance.

Great Britain's tragedy and the dilemma which confronts her now as a world power lie in the fact of her poverty in the raw materials which are real wealth. Her wealth, her power in the nineteenth century and the beginning of the twentieth, were based not upon real wealth but upon the money earned by the buying, processing and selling, of raw materials (real wealth) bought elsewhere and sold elsewhere, and in the transportation of raw materials and processed commodities from and to sources and markets. Her wealth was also based upon banking which means the manipulation of *working* money, and upon investments by individual citizens of *working* money in *real* wealth such as coffee, rubber, jute, oil and agricultural land *outside* the British Isles.

When during the war overseas sources of her real wealth were invaded and occupied and, under the stress of two wars within a generation, she was forced to liquidate many of her foreign and colonial holdings in real wealth, she became poor indeed. But added to this bitter necessity were the immense losses of money revenue, which, as a processing rather than a *basic* nation rich in real wealth, she suffered by the suppression of her carrying trade and the disappearance of the foreign markets which they formerly served. In other words, the United Kingdom, poor both in internal real wealth and internal markets, lost not only the real wealth which she had *bought* and owned within the borders of foreign nations

and in her own colonies but she lost as well the processing basis which provided money with which to buy more real wealth.

The crisis confronting the Great Britain of today—and a desperate one it is—is that she no longer controls sources of real wealth nor has the money, gained through banking, shipping and processing, with which to regain them. Moreover, world markets for processed industrial commodities are materially declining as other nations possessing real wealth within their own borders are becoming more self-sufficient industrially and actually in some cases invading the fringes of Britain's former markets.

The growing self-sufficiency of the Orient and of India in particular was already having its effect upon British industry and markets before the Second World War. Not only did India come to produce the bulk of the cheap cotton goods consumed within India and a considerable portion of the steel as well, but even the cheap cotton goods manufactured in India out of cheaply grown cotton at low labor costs, found itself being pressed by even *cheaper* goods manufactured in Japan and exported to India. The rapid decline of the once great cotton industry in the British Isles came about largely through the competition of other nations and even her own colonies which possess real wealth and cheap labor (also real wealth) to exploit and convert that real wealth. It also declined through the unwillingness of a large segment of the British cotton industry to overcome the handicaps of cheap labor and cheap raw materials by more efficient and modern machinery and processing methods.

Adding to these difficulties the economy of the United Kingdom is far out of balance in the economically vital

relationship between agriculture and industry. Her agricultural population is small and its income comparatively low so that it provides no great internal market for the products of her industry and no cushion at all in terms of purchasing power to fall back upon. And the lack of agricultural-industrial balance is aggravated by the fact that the United Kingdom cannot even feed itself and consequently is forced to give first call on the money she possesses or can borrow or earn through servicing to the grim necessity of food instead of the repurchase of real wealth which is the source of money so vital to a banking and processing or to any nation. The United Kingdom was moving toward this crisis even as far back as 1914 but two disastrous wars within a generation greatly accelerated the process of world economic revolution and made quickly evident a condition which had already begun and which was inevitable in any but a nineteenth century imperialist world subject to no change.

These grim economic conditions force an imperialist policy upon any government of the United Kingdom—Tory, Socialist or Communist. Her foreign policy can never change regardless of the character of her government. Because she has no real wealth and no adequate markets within her borders, she must control seaways and colonies and even other nations in order to safeguard the sources of her raw materials, the markets for her manufactured commodities and transportation for both. Otherwise her population would sink in its living standards to the level of the Balkan States or, in her overpopulated islands, even be threatened by starvation. Those “liberals” who saw in the victory of a Labor government the hope of a change in Britain’s foreign policy were blind indeed. Her foreign policy will remain the same even under a Communist government because it is a policy

dictated to her by hard economic realities. She has no choice in the matter; if she is to provide employment or ultimately even food for a population of forty million inhabitants living under an economy virtually devoid of real wealth, of a great internal market based upon agriculture or the certainty of a great export trade, she must remain an imperialist, banking-processing nation.

Pouring unlimited money or credits into the present economy of the British Isles is a little like pouring money into a suburban grocery store from which the population has moved away. In her present situation it is doubtful whether any amount of money or credits can restore the United Kingdom to her former position of prosperity, power and authority. It is possible, however, that some of the grave problems of the United Kingdom can be solved by the establishment of a federated partnership on a basis of economic and political *equality* with her own colonies and dominions (which in real wealth are far richer than herself) or by a much closer economic relationship with the United States—a relationship in which world markets as well as sources of raw materials are pooled and freely distributed.

Such a plan—that of *federation* with dominions and colonies and at least economic federation with the United States—would do much to solve the existing troubles of the world as well as provide employment and even food for the inhabitants of the home islands. It would release vast areas of the earth's surface and vast populations from the throttling economic effects of trade barriers, tariffs, currency “blocs,” cartels, etc., and bring about an equalization of living standards over the same areas and populations with currencies possessing higher purchasing power for all. It is

true that such a plan, based upon free access and distribution of food, raw materials and markets over a vast area, would reduce the importance of the United Kingdom but might at the same time prove its salvation and would certainly do much toward establishing world peace and government.

No facet of such a partnership would be easy to achieve nor would it be welcomed by the Tory die-hard elements in the United Kingdom, but it may be that the choice will be a narrow one—compromise or perish. Under existing economic political and even geographical conditions (as modified by planes, atomic bombs, etc.) it seems unlikely that she will ever be able to regain her old position in the world, no matter how many loans are extended her.

Most of the economic theories of Lord Keynes, considered by some an economic genius, are based not upon the facts of *real* wealth and its fundamental and eternal importance but upon the manipulation of money through banking and processing and shipping services, both inside the British Isles and in the world outside. Under the strain of crisis few if any of the Keynes theories have in the end proven effective, and certainly they have not been able to sustain and preserve the economy of the British Isles and would not have been able to do so in the long run regardless of disastrous wars.

Like all economic theories based upon spending of great sums of money by government, the various plans fostered by Keynes are founded upon a presumption that economic ills can be cured by money or by the manipulation of money. Inevitably such a basis leads to measures which may for a brief period appear brilliantly successful, but in the long run solve nothing. Even when, in this country, with all its still great reservoir of real wealth, certain economists and

government officials took a leaf from Lord Keynes' book and sought by "pump priming" higher government expenditures, deficit financing, etc. to correct economic conditions, the results proved only superficial and transitory in effect, without solving the real illness. Even the deliberate devaluation of the dollar, a measure undertaken by the Roosevelt administration to better depression conditions, achieved only a futile and transitory effect, without any real or lasting result whatever.

Many of Keynes' American disciples, hopeful, enthusiastic and superficial, failed to discern the differences in the character and functions of real wealth as opposed to money and fell into the common age-old error of regarding money as wealth. They also failed to understand that Keynes' economic philosophy was designed eventually for the benefit of small, overpopulated processing and banking nations, like the United Kingdom, Holland, Belgium and to some extent France and Germany—nations poor in real wealth without agricultural-industrial balance and forced by economic circumstances to maintain great and scattered empires as sources of raw material and marketing. The Keynes philosophy is badly adapted to the economy of great, underpopulated nations, possessing enormous real wealth and markets located inside their borders, countries like Russia and the United States which are empires within themselves and at any time can be very largely self-sufficient as to raw materials, food and markets.

The Great Depression in the United States was not cured or even ameliorated by the Keynes methods based upon the manipulation of money but eventually only by the abnormal boom conditions arising from the huge demands for the

processing of real wealth arising during the Second World War. Once the demands arising from that war and from the shortage of civilian manufactured commodities linked with it have been assuaged, we shall be back again exactly where we were, confronted again by the *same* problems which can create a second Great Depression, unless we find in terms of *fundamentals* some solution to the problem of establishing a more stable and really prosperous economy. In other words the great war boom came not out of higher wages and higher prices or out of *money* in any of its intricate manifestations but out of the huge demands for real wealth in processed form and out of the fact that we *possessed the real wealth to meet those demands*. Otherwise we should be today in the same tragic position as the United Kingdom.

In one sense, at least—the economic one—the New Deal will have passed having had little lasting effect upon the grave and deep problems which confront us in our complex, modern industrial society. The principal reason for the failure probably lies in the fact that nearly all the countless remedies attempted were in terms of the manipulation of money which can for a very brief period have the effect of a tablet of benzedrine but in the long run, like benzedrine, can only create a demand for more and more of the same treatment while the whole system deteriorates internally.

The use and manipulation of money can be basically effective only when money is used by government for *investment* in real wealth and the machinery for creating real wealth such as dams, highways, reforestation, soil conservation or when it is used as a wedge or a lever to force the citizenry which, through ignorance or shiftlessness, is

guilty of extravagance and poor economic practices, to mend its ways.

The Farm Security Administration which lends money to farmers only on condition that they carry out better farming methods which will benefit the nation as well as themselves, is an example of how money or credits can be wisely and beneficially employed. The same is true of the practices set up under the original Agricultural Adjustment Administration Act before it became “political” and hopelessly complicated by all sorts of functions it should never have assumed. The pouring out of money simply to promote spending is inevitably inflationary, defeating itself inevitably by lowering the purchasing power of the dollar in ratio with the increasing number of dollars poured out. Such a process is real *spending*, as opposed to *investment* in real wealth as the means of increasing real wealth. The Tennessee Valley Authority, the Farm Security Administration, and *some* of the public and road-building projects were examples of the wise use of money as investment. Many of the New Deal measures, especially where bad or ineffective planning and administration by well-meaning or political amateurs were involved, was simply squandering of *money* which produced inflationary values, raised taxes and tended to cripple the initiative of private enterprise and of free capital which should have been producing or creating more basic real wealth.

Manipulation of money, going backward and forward on and off the gold standard, unbalanced budgets, pump priming, the constant raising of wages and of prices, and all the other methods of the juggling act school of *money* economists do not stabilize the economy of a nation or of a

world. They are as superficial as treating a stomach ulcer by applying a plaster to the outside of the abdomen. No more superficial or idiotic plan for meeting an economic crisis has ever been witnessed in all history than the agricultural scarcity plan of the early New Deal which set out destroying or limiting the production of real wealth in the form of pigs and wheat and corn in order to raise the money prices of the farmer and at the same time lower the buying power of the consumer's dollar, not only of the declining number of people still employed but of all those receiving miserable wages on "made-work" projects. These projects were in turn paid for by the money of government itself and hence of those taxpayers who still remained prosperous enough to pay any taxes. Higher and higher taxes in turn paralyzed industrial initiative and devoured the capital which should have provided employment. If a scheme were designed to depress further the economy of an already distressed nation, to aggravate unemployment and create artificially an inflation for the very people it sought to aid, a better one could scarcely have been devised. The whole absurd spectacle did provide, however, a fine example of the futility of that school of economists who would cure all our ills through scarcity cartels and the manipulation of money.

The long-range answer to a stabilized and prosperous economy (not one based upon booms and depressions) can in this modern world be based only upon abundance both of agricultural and industrial commodities produced through efficiency and with profit at low prices to the consumer with a dollar which possesses a high and *stabilized* buying power.

The odd thing is that organized labor, industry and agriculture will give lip service to the philosophy of

abundance yet, in action, they behave on exactly the opposite principle, that of scarcity and high wages and prices. Organized labor by “feather-bedding,” by apprentice rules, by slow-downs, by strikes, by high union dues and initiation fees, by seniority, by the limiting of union memberships, is perpetually working for scarcity and the very high prices which destroy the buying power of the dollar the industrial worker is earning. Too many industries look for high profits in the prices of individual commodities in a restricted market rather than all-out markets with low prices. Farmers, the greatest of individualists, are the worst enemies of government supervision and control, yet when prices begin to fall, farm organizations are the first ones to come running to government for restrictions, price floors, mild forms of subsidy, parity prices, etc., to protect a minority group artificially by creating scarcities, and the high prices which in turn create both surpluses and lower living standards. The individual farmer would do much better to increase the quality and efficiency of his farming so that he could produce wheat at fifty cents a bushel with a profit rather than dollar-a-bushel wheat at a loss which can only be cured by subsidies or by raising the price of food—a raise which in time, after being passed through wages and manufactured commodities prices, comes back and hits him in the face.

Taking into consideration the differences between money and real wealth, the safeguarding preservation and renewal of our natural wealth becomes item one on the nation’s program, not only for its prosperity but eventually for its very self-preservation. Certain of this real wealth or natural resources, notably the minerals, are not by any known process renewable. There is no way of making iron or copper or nickel ores or of refilling depleted vast underground deposits

of oil. The great Mesabi iron ore deposits at Duluth are good for about thirty years more and then will have become virtually exhausted. Deposits of other valuable minerals like lead and nickel and even copper are diminishing rapidly. Our known supply of phosphorus, perhaps the most vital of all our minerals, since without it man cannot live, is definitely limited. Reports regarding our supply of underground oil are at such variance as to be wholly unreliable ranging as they do from exhaustion in thirty to fifty years, to virtual inexhaustibility, according to whether the report comes from a pessimist or an optimist. The known fact is that we have been draining away our supply of underground oil at the rate of billions of gallons a year and are continuing to do so. The drain in wartime was colossal.

It is true that further resources in the form of real wealth may be available in the form of low-grade ores, oil-bearing sands and shales, and in the case of phosphorus, magnesium and certain other minerals in the form of sea water. In most cases, however, no reasonably economic process for the recovery of these minerals has been realized. Engineers and scientists have made considerable progress in this direction. The ultimate question is whether scientists and engineers can devise soon enough an economically practical means of recovering this real wealth before available real wealth in the form of economically possible raw materials becomes exhausted. Much the same situation exists regarding the salvaging of raw materials already processed, used and thrown onto the dump heap.

Certain others of these resources which comprise our real wealth are renewable, such as timber and to a limited extent, agricultural land and its products, many of which in the form

of vegetable oils and plastics are beginning to replace the shortages of exhausted and unrenovable minerals.

Yet even in the field of our wealth and resources which are *renewable* the record is on the side of decline and debit. Throughout the war we cut down our forests five times as fast as we have restored them and forests, as Germany discovered, are the greatest potential basis of many of the substitutes which must eventually replace our *nonrenewable* resources and real wealth. Besides their use as timber for construction, forests are of increasing value in the production of plastics, of alcohol and in Germany and Sweden even of high protein foods for cattle and humans.

Nearly a quarter of our good agricultural land, perhaps the most important item in our invoice of real wealth, has been destroyed by erosion and bad land use, much of it beyond the stage where it can be utilized for any purpose other than reforestation. Some of it is no longer fit even to grow trees. Another quarter is badly damaged but still capable of restoration in most areas. As for the rest, it is suffering, more slowly but just as inevitably, from erosion and greedy farming. Dr. Hugh Bennett, head of the Soil Conservation Department of the United States Department of Agriculture estimates that if the topsoil lost annually by erosion in this country were placed in cars used for transporting coal, it would fill a train passing four times around the earth at the equator. Tests at Athens, Georgia, over a period of seven years on a one-acre plot farmed as most cotton land is farmed in the South, showed an annual loss of 128 tons of topsoil a year by erosion. As Dr. Bennett has so often emphasized, the economy and indeed the civilization of this nation are founded upon an original average depth of nine inches of

topsoil. This has already been reduced to an average depth of six inches. When it is gone, the economy of the nation and indeed its civilization will vanish with it. Least of all will juggling with money in the form of subsidies, tariffs, parity prices and price guarantees have any effect upon the tragic situation.

The problem of floods and of aridity and decreasing supplies of both surface and underground water for urban and industrial usage is closely tied in with a careless wasteful agriculture and the problem of soil erosion. Each year some millions of acres of agricultural land (real wealth in its very essence) are destroyed, either by being swept away by the action of flooding water or by being buried beneath sand and gravel. The same forces annually destroy or damage millions of dollars worth of houses and industrial installations (processed real wealth). Floods have always existed in certain areas even in prehistoric times, but the areas affected and the violence of the floods have increased immeasurably with a civilization and economy based, at present in the minds of many, upon industry and the rapid greedy exploitation of natural wealth in the form of soil, forests and mineral resources.

The warning of Bernard Baruch advocating an appraisal of our real wealth before we carelessly distributed it about the world with a lavish hand was the recognition by perhaps the world's most experienced, practical economist of the fundamental values of real wealth as opposed to the illusion of money wealth. Granting wholesale credits to other nations or even lending them dollars with which to pay us (with or without hope of repayment or interest) for processed real wealth in the form of gasoline, machine tools, or other

manufactured commodities, all of which are as well the products of our citizens' labor, is simply a process of draining off the economic lifeblood and the real wealth of the nation in exchange for money which, as scarcities of real or processed wealth develop, serves only to create inflation of prices and wages and lower living standards and the purchasing power of every dollar. Only by actual barter or exchange of real or processed real wealth in the form of raw materials or of manufactured commodities is the balance to be kept up and our real wealth protected upon a sound basis. The only value of money is to facilitate by credit deposits or an actual exchange of currency the bartering of these raw materials and commodities. Upon this basis credits or actual loans extended to the United Kingdom or to other nations with an economy based upon banking and processing can only result in a perpetual drain upon our real wealth since, except by a three-cornered bartering process which includes one or more nations or dominions or colonies, England has nothing to exchange since she herself possesses few raw materials and is in desperate need of them, and few of her processed commodities are available to this country since they are largely barred by tariff walls and the opposition of American industry and American organized labor (despite the double-talk of both) as threats to industrial prosperity and employment.

Money received from the United Kingdom can, it is true, be used to buy from other nations or from the British Dominions or colonies the raw materials which we have already exploited or exhausted or the processed real wealth in terms of manufactured commodities which we do not or cannot produce, but this process again becomes merely barter

or three-cornered barter in which money is merely the oil which facilitates the process.

If we exhaust by exploitation, or sale or gift our real wealth—and we dissipated much of it through lend-lease and the war effort—it does not matter in the end how much foreign currency we have accumulated or how much gold we have buried at Fort Knox, we shall become merely a poor and powerless nation. This is the problem in essence which confronts Great Britain or the Netherlands or any nation dependent upon remote colonial or foreign areas for her raw materials and her real wealth. That is why the United Kingdom must cling desperately to her colonies and maintain the best possible relations with her dominions and commonwealths in order to exist as anything more than a small nation with its principal income derived from the tourist trade. That is why the Netherlands fights bitterly to retain dominance in the Dutch East Indies, and why Great Britain employs troops, planes, guns and ships to safeguard the Far Eastern sources of real wealth belonging not only to herself but to other imperialist nations. The future of the processing nation, drawing its raw materials from remote areas and marketing its manufactured commodities in equally remote areas and profiting by the transportation of both, has become perilous indeed as nations become more and more self-sufficient either within their own borders or by close economic and political *bloc* associations with less powerful adjoining nations.

Much propaganda has been made by those favoring heavy credits or long-term loans to the United Kingdom on the basis that if we fail to extend this aid to the British, free exchange of trade in the world and in particular our trade with the

British Empire and the areas dominated by the so-called “sterling bloc” will suffer immensely. The fact is that our internal markets and their prosperity, most of all that of our agricultural buying power, and the real wealth upon which our economy is inevitably founded, is of much greater importance to our prosperity and a sound, stabilized economy than any foreign trade which brings us merely money or gold but not real wealth in return. Even at its peak our foreign trade has represented less than ten per cent of our total industrial production. In a more and more self-sufficient world we cannot and should not attempt to build an economy which is wholly that of a processing and banking nation, distributing either with or without money profit, our real and processed wealth wholesale throughout the world. Rather we should establish or at least estimate our trade upon a basis whereby we receive as much real wealth or processed real wealth from other nations as we export from this country.

The United Kingdom can offer us out of her borders neither the one nor the other. As a nation she makes her living by taking the real wealth of other nations and colonies, processing it and reselling it while she loses from within her own borders little or no real wealth. Trade with Russia offers us much greater compensation for she has immense reserves of real wealth which she can exchange on equal terms for the *processed* real wealth which we are able to supply and which at the moment she needs badly. She can supply us with timber, paper pulp, tungsten, and many other minerals and even oil, all of which we need or will eventually need and which represent an exchange of real wealth which supplements, preserves and prolongs our own supply of real wealth. Upon either the basis of an exchange of real wealth or upon a basis of loan security backed by immense real wealth

Russia is a much safer prospective debtor than Great Britain, especially in view of the declining status both economic and political of all banking processing nations with scattered, unprotectable and unruly colonies.

There is, moreover, great danger of creating money inflation in this country by exporting to nations paying in return only currency or gold or operating upon future credits, real wealth or manufactured commodities in such volume that scarcities are created at home and the buying power of our agricultural and industrial populations is imperiled by the shrinking value of their dollars under that inflation. It is dangerous for us to imperil the buying power of our vast internal markets in order to build up a great foreign trade which is not absolutely essential but only contributory to our well-being. It is of far greater importance that we safeguard, preserve and increase the sources of our real wealth in agricultural land, forests, water power, health, vigor, than it is to build up a great foreign trade by exporting real and natural wealth in return for credits or loaned money which may or may not be repaid and with which we can through three-cornered barter oiled by currency or gold, replenish the real or processed real wealth which we have exported. In other words, as a vast and rich nation still possessing great resources of real wealth, it is folly for us to become, by devouring our own insides, simply a processing banking nation like the United Kingdom which is forced by poverty of real wealth and lack of internal markets and buying power into an increasingly hopeless position.

I repeat that those who in this country follow the economic philosophy of Lord Keynes are guilty of a great and fundamental error. The Keynes economy was developed

primarily to solve the problems of a processing nation with little or no real wealth and a deficient internal market and purchasing power. Our problems are those of a great nation, virtually self-sufficient or potentially so with great resources and potentially enormous internal markets and purchasing power. The applications of the “money” economy of Keynes to the problems of Russia would be as absurd as its application to our own problems. The Keynes economy is essentially a philosophy of desperation conceived to solve the problems of a processing banking nation living upon services and the manipulation of money over remote areas in a world which tends more and more toward industrial self-sufficiency in nations or tightly bound blocs of nations and upon the exchange virtually by barter of real wealth.

One of the principal causes of the two world wars, indeed perhaps the principal one, was the fierce need of two processing nations—Japan and Germany—for real wealth in the form of raw materials and for market for the manufactured commodities made from that real wealth. Both have temporarily at least, been reduced virtually to the level of agricultural nations handicapped even by a shortage of agricultural land, with a purchasing power which will remain negligible so long as sources of real wealth and markets are denied them. With these two nations eliminated, temporarily at least, from economic and political importance in the world and with the slow but inevitable disintegration of widely scattered colonial empires, Great Britain, Belgium and the Netherlands become the “have-not” nations and the world moves toward complete domination by the great “have” nations with great resources of real wealth, great populations, internal markets and control of vast areas of land or of blocs of smaller nations. The realization of these facts undoubtedly

lay behind the tentative efforts of the Churchill government to bring about such a bloc in western Europe that would include the United Kingdom, France, Belgium, the Netherlands and perhaps other small nations. The necessity creating the pressure is more economic than military although the two are largely inseparable.

Much has been written of the “genius” of the American industrialist and the bankers who financed him, but history will show, I believe, that the quality of their “genius” was greatly exaggerated. They had before them during the past century or more opportunities never before offered men in the history of the world. At a time when the industrial revolution was in full swing, a time when, largely speaking, capital was available in great quantities and money was cheap, when labor and imported immigrant labor were to be had at low cost, these men fell upon a continent which from the point of view of concentrated natural and real wealth was the richest area of its size on the surface of the earth. All this wealth was to be had virtually for the taking, indeed in some instances it *was* actually free. The whole of the era from the beginning of this republic to the present moment has been largely one of ruthless and rapid exploitation of the nation’s real and natural wealth. The superior “genius” of the men guilty of the exploitation who acquired huge fortunes in money under fantastically favorable conditions is an element extremely open to doubt.

The methods and tactics of the average farmer and cattleman have followed very largely the same course as those of the industrialists and bankers. Largely speaking they exploited the land as the industrialists exploited other natural resources, ruining one farm to move westward and claim

another for a dollar an acre or for the taking, ruining this one in turn and moving westward again until at last they reached the Pacific and there was no more free virgin land save a little that could be drained or irrigated.

It can be said without fear of contradiction that no nation in the history of the world ever set about destroying its natural and real wealth at so appalling a rate.

The result of this reckless exploitation, imperceptible to most citizens in its true form and difficult to dissect and project, has been that we have been falling rapidly to the level of the poorer, more heavily populated nations of the world. In our economic and social existence and even on the political side, we are being squeezed by the shrinking of natural resources and of real wealth to the lower standards and the social handicaps which Europe has known since the beginning of the industrial revolution. The manifestations of this change in our economic and social well-being include high taxes, scarcities (sometimes artificial through poor distribution) which push prices upward and decrease the buying power of money, low wages, low returns on invested capital, poor housing, and high cost of remaining good and productive agricultural land, etc.

The shortage of free, rich virgin agricultural land or even good land at low prices has become acutely apparent with the demobilization of a large army of young men. In past wars—even to some extent after the First World War—there existed free rich land upon which the veterans could make a start in life with excellent prospects of economic security and material success in life. Today, no such vast reservoirs of available free or cheap agricultural lands exist. The price of good and productive agricultural land is too high to permit

purchase by the average veteran, especially since investment in machinery has become a vital necessity in any agricultural enterprise. The situation has thrown back into terms of money the rewards or bonuses given veterans and creates one more item representing billions of dollars which must be paid by taxpayers and largely out of the *working* money of the nation. At the same time a veteran, rewarded in money, subject to increasing inflation and decreasing purchasing power, is infinitely less secure and well off than the veteran rewarded in the past with real wealth in the form of forests and agricultural land. In simple language, if we had not already destroyed a fourth of our good agricultural land and badly damaged the rest of it, we should still have reserves of real wealth in the form of good agricultural land with which to compensate and reward the veteran instead of having to give him out of taxes paid by all of us the infinitely less real and secure rewards of a currency with a constantly shrinking purchasing power.

On the political side, the rapid shrinking of natural and real wealth has pushed our conception of government farther and farther to the Left and farther and farther toward an intolerable bureaucratic state in which our lives will eventually be regulated as to occupation, wages, working hours and even place of residence.

Too little notice has been taken of the fundamental economic reasons for the movement—and it is considerable especially in times of depression—toward the Left and toward government interference, regulations and bureaucracy. This swing has come about much less through any change in ideology than from economic pressure. Ideologies *per se* normally affect only a tiny minority of the population—that

portion which includes the politically literate, the “intellectuals” and the “fuzzy thinkers”; economic pressure and dislocation affect millions in all classes and in every economic category, causing them to embrace *any* doctrine, Left or Right, which appears at the moment to offer relief. Since economic depressions and pressures inevitably operate to handicap private enterprise and capital (through declining profits, rising taxes and diminishing markets) the pressure forces public opinion in all categories to look more and more toward government interference and regulation and bureaucracy.

The fundamental and decisive pressure is always in these times toward what is called “the Left.” This is in no sense a question of changing ideology. If we were able to establish a stable economy on a prosperous basis, with abundance at low costs and a dollar with a value stabilized at a high level of purchasing power or with an increasing purchasing power, the pressure would be in the opposite direction, away from government interference toward less government and an emphasis upon the rights of the citizen rather than those of the state. In that case totalitarian ideas would become reactionary ideas and “the Left” as we know it today would within a generation or two become “the Right.” If we have a “boom” during the decade following the war some such reaction will occur upon a temporary and superficial basis. It was undoubtedly recognition of this fact which led large unions to call strikes and demand higher wages immediately following V-J Day at a difficult, transitional period when they had greater opportunities to gain their objectives than in prosperous times when the pressure was *away* from rather than toward more and more government interference and

regulation. It may have been that in the long run as John L. Lewis suggested, the timing of the union leaders was bad.

The real danger of a wholesale move toward the Left and totalitarianism will come in any depression which may follow a postwar inflationary or boom period. If such a depression occurs, the economic pressure will *force* the average citizen, whether farmer, industrialist or white collar worker or small businessman, to turn toward government for the solution of their economic problems and indeed their very existence. For those who believe in Western democracy, in individualism, in free enterprise, in Western civilization in the true sense, it becomes imperative to prevent such a depression.

These economic pressures and the steadily declining purchasing power of the dollar have not only led to strikes and increasing demands for higher wages and prices but have created in the public mind a philosophy of turning toward government or the “state” to settle all troubles, economic, social, political and otherwise. It is a feeble philosophy and a dangerous one, based upon the assumption that there is something all-knowing, all wise about government when it is nothing more or nothing better than the men who go to make it up and inevitably brings with it, as its powers expand, the confusion, extravagance, red tape and inefficiency which afflicts *all* complicated administrative bureaucracy. Such a bureaucracy through the taxes levied to support it, inevitably eats into the savings, economic security and working capital of the nation, thus creating in a vicious circle more and more dependence upon government and steadily increasing inroads into the liberty and dignity of the people. As I have observed elsewhere in this book, democracy is largely the luxury of nations possessed of great resources and reserves of real

wealth and the economy based upon these things. As nations grow poorer the necessity of a regulated, statist, totalitarian economy, whether manifested as Socialism, Communism or Fascism, becomes more and more imperative.

Great Britain has been forced toward state socialism more by the pressure of a weakened and failing economy than by any wholesale conversion of the people to a new ideology. It is extremely unlikely under existing conditions in the world, that this processing nation, with little real wealth and virtually no agricultural base, will turn back in our time toward the democracy of free enterprise. She cannot today afford the democracy and free enterprise which built the wealth and power of the British Empire during the nineteenth century because, without the almost unlimited sources of raw materials and the almost unlimited markets, free enterprise can no longer produce the domination through money and the manipulation of money (a secondary form of barter) which permitted within the borders of the United Kingdom the operation of wide-open political democracy in the Western sense. Weakened by two great wars and by changing circumstances in the outside world, by the lack of *interior* markets and purchasing power, Great Britain has been forced to consider the welfare of her individual citizens, each of whom possesses a vote which in turn is used to establish a government and economy which will give the individual voter, in an overcrowded island incapable of feeding itself, not wealth and a high living standard or even individual opportunity and self-earned security, but food and the mere means of employment and existence. The United Kingdom has embraced socialization of industry and banking and cradle-to-grave security plans less because her people desired them intellectually than because economically the nation has

become too poor to enjoy the luxury of unrestricted democracy and free enterprise.

Most of the political ideologies of the world have economic bases. Revolutions, except in the Latin American sense, are caused more by economic depression and oppression than by any new ideology. People in rich countries, endowed with real wealth wisely developed, do not need liberty and freedom from dictatorship. They already have it. Russia, if and when she develops wisely her immense natural wealth, will lean more and more toward unrestricted Western democracy and the rewards of individual enterprise in one form or another, because she will be able to do so. Conversely the people of the poorer nations as they grow poorer in real wealth, in food, in markets, are certain to vote more and more responsibility upon the state until at last free enterprise and individualism are extinguished entirely. Russia had already begun the trek upward toward Western democracy when the progress was disrupted by the disorganizing impact of a great war imposed upon an expanding economy scarcely out of its infancy. The effect of this check is as yet uncertain but if serious enough, it can overthrow the present Communist domination and disrupt the whole of the Soviet Republic, perhaps divide it into military dictatorships and set back the whole of Russia's progress by a century.

Czarist Russia had the same great reserves of real wealth in the form of natural resources as Soviet Russia, but because these were not (even agricultural land and forests) properly developed and used, the nation remained essentially a poor nation with miserable living standards for the great majority of the people. Soviet Russia has persistently sought to unlock

and utilize these great reserves of real wealth, and as she continues to do so the living standards of her people will rise and the political structure of the nation will move away from that of totalitarian Marxian Communism toward Western democracy or at least toward state socialism in the liberal, classical sense.

No group on earth has understood so well as the men ruling Soviet Russia the fundamental importance of real wealth and its wise development in opposition to money wealth. They have understood that in essence all world trade is barter of real wealth and that money is no more than the means of accomplishing this barter conveniently and speedily. In a sense the rapid rise in power and wealth of Great Britain was founded upon the manipulation of money through trade in times of peace and abundance, and the planned economy of Russia as well as her immense strength (a potential rather than a real strength) in the world today is based upon an immense and real wealth. In time of world crisis when facts of world economy have been stripped to their essentials, the insecurity of Great Britain's processing money empire became evident as against the immense even though potential and undeveloped strength of Russia's base of *real* wealth. Soviet Russia's great weight in the world today is not based upon great fleets of ships and planes or even upon great armies but upon her potential and inevitable wealth, power and strength as a nation with a large and growing population available as workers or soldiers, upon her vitality as a nation, upon her almost limitless and virtually unexploited natural resources and real wealth, and upon the vast markets, based largely upon agriculture, both inside Russia and in the smaller nations in the east and west over which she has assumed virtual domination. Her actual

strength as a military nation is relatively small. She has no fleet worth mentioning beside the vast fleet of this country or even beside that of Great Britain. Her air forces are weak. Her armies at the time of writing appear to be disorganized and are in the process of rapid demobilization in order to prevent any threat of domination by the Marshals or to return men and women to the mines and the fields and forests where the sources of her immense natural and *real* wealth await the pressing need of development. She is a great self-contained nation occupying or dominating about one-fifth of the earth with huge reserves of real wealth and immense markets within her borders and those of the nations within the immediate zone of her influence. Her problem is to find a form of political peace and order under which her people can work to develop, wisely if possible, the sources of her real wealth and power. Although Soviet Russia (and a generation or less from now it might be no longer a Soviet league of Marxian governments but a vast federated democratic empire in the sense of Western democracy) is a comparatively weak nation so far as military power is concerned and a nation with a future as yet undetermined and politically uncertain, when she speaks the world listens.

Conversely it might be said that Great Britain, whose voice receives less and less attention from the world and which leans more and more for support upon the wealth and the power of the United States, is a nation with an immensely rich and powerful past, with that wealth and power disintegrating because of her poverty in real wealth and the fact that the sources of her raw materials and her markets are scattered far and wide over the surface of a world which has shrunk to a fifth its former size and is infected with political and economic difficulties and unrest. Russia, sitting

within her own borders dominates a whole world of real wealth and markets. Great Britain in her manifestation as a scattered empire has become both unmanageable and unprotectable as the war revealed so bitterly. Great Britain in her manifestation of the United Kingdom of the British Isles has become a poor nation, unable to feed herself and without interior markets to support her huge overbalanced industry.

These contrasts are founded upon the differences between a nation possessing vast stores of real wealth, even though undeveloped, and one (the United Kingdom as apart from the loosely integrated British commonwealth of nations and the British colonial empire) essentially poor in real wealth and based upon a processing banking money economy. In this modern world, the differences between the two nations on the grounds of military security stand in even greater contrast. In an era of atomic bombs, of rockets, of planes, no navy or army, however great, can protect in case of conflict the Suez Canal or any of the more remote sea passages or even colonies and dominions which are vitally important as access or sources both of raw materials and of markets for processed commodities.

That the dollar is today the standard by which the value of the currency of other nations is measured is a fact based not upon the gold buried at Fort Knox but really upon the value of the natural resources of this nation and upon the machinery she possesses with which to process them, her great *internal* markets, her labor and agricultural potentialities, or in other words upon the real wealth of this nation as compared with that of other nations. Provided Soviet Russia is able to achieve political stability and develop efficiently and wisely the great sources of natural wealth, the ruble will be infinitely

more stable than the franc or the pound sterling in the immediate future and, if we continue to waste our real wealth at the present rate may eventually replace the dollar as the world gauge of currency value.

If most of the world displays signs of moving toward the Left, it is not because any world-strong, highfalutin ideology has swept the world but because most countries, weakened by war and by the attendant invasion, destruction of real wealth and disintegration of markets and of the colonial sources of raw materials, are growing poorer and poorer. They are being forced to the Left and toward management and domination by government through the pressure of declining economies. In other words political ideologies are born of economic conditions and follow rather than precede economic crises of which the results or even the character are not at once clear or perfectly understood. No one knew this better than Karl Marx in the rather fusty academic visions he had long ago. He was regarded as a visionary in his time only because he saw more profoundly and more clearly than others the inevitable results of the industrial world beginning to grow up all about him and understood the direction in which they were leading—to vast industrial cities, and utter economic insecurity for most of the rapidly increasing population of the industrial world. He was in reality Germany's first totalitarian thinker.

No one is a greater victim of the illusion of money as wealth than the industrial worker in his constant struggle for higher wages. In the whole of our society only the farmer who is in debt and a few shrewd and nimble speculators ever really benefit by inflation. The farmer, under inflation, receives increasingly higher money prices for what he produces and if he is a wise man, he does not, under inflation,

seek to expand horizontally by acquiring more land when the cost of land rises with the steadily lessening purchasing power of his dollar, but rather to expand vertically by increasing production upon the land he already possesses and thereby augmenting his income and profits *both* by increasing his production and through the benefit of higher and higher prices for what he produces. If, as is frequently the case, he has mortgages or old debts established at a time when the purchasing power of the dollar was high, he can pay these off with the inflated dollar (or any other currency) at a fraction of what the loan or the debt originally cost him. This has been common practice in all countries throughout the world in periods of currency inflation. It is essentially the story of the German farmer who paid off his long-standing mortgage with a wheelbarrow load of potatoes.

The reasons for the advantage of the farmer over other members of society in periods of serious inflation are two: (1) His needs in money are less than those of the industrial and white-collar worker, since he pays no rent for his house, and if he is a good farmer, his living, his fuel, even perhaps the roof over his head come largely from the land he owns. (2) Because he is dealing in real wealth and both the soil he tills and the commodities which he produces from it are real wealth and have a real and an eternally stable, fundamental and unchangeable value. They are essentials without which man cannot exist. In hard times a family may be willing to forego a new car or a radio, or even contrive makeshift repairs to the roof which shelters it; it can even patch its own clothes without buying new ones at inflated prices, but it cannot go without bread and potatoes.

The dollar of the industrial or white-collar worker, under inflation, buys less and less each day. Even if wages and salaries are increased constantly, they never quite catch up with the soaring value of the currency. Each day the average nonagricultural citizen grows poorer, as each day the farmer receives more and more in dollars for the bitterly essential commodities which he produces. The farmer owns real wealth and the sources of processed real wealth in terms of food and certain commodities. He is forced to buy very little with an inflated dollar and can even benefit by paying off old *money* debts at fifty cents or less on the dollar. The worker, on the contrary, is perpetually struggling to make his wages and the decreasing buying power of the dollar come together and balance, which in times of inflation they never do because he is perpetually being paid in an illusion of wealth and himself possesses no real wealth.

Even in times of extreme inflation such as occurred in Germany when on the foreign exchange market the mark was quoted at millions to the dollar and inside Germany ten million marks were needed to buy a newspaper, the farmer was well off because the commodities he produced, plus coal and wood and other real wealth, actually replaced the currency of the nation—a process which occurs when the real value of money breaks down completely under inflation and we return to the original and primitive form of trade which is barter. No process illustrates more clearly the true function of money which is no more than that of the oil in the bearings of modern commerce.

Under ultimate inflation in Germany our elaborate and complicated modern economy, with its banks and stock exchanges and capital investments in industrial enterprises,

disintegrated completely and the economy of Germany, stripped bare of all this machinery, returned again to the primitive and ultimate system of barter when the value of *real* wealth became sharply apparent. When the whole income of a millionaire from interest money on investments in mortgages or urban real estate or industrial stocks, or even government bonds, could not buy food for the household for a day, the farmer could barter a duck for shoes for the whole family or trade a sheep for an automobile. Each morning the German countryside provided a spectacle of bankers and industrialists and millionaires driving into the country to offer jewelry or automobiles or works of art in exchange for eggs, milk and other necessities. The farmer did not want and would not accept millions of marks in currency or in government bonds in exchange for real wealth which he produced from the real wealth which was his good agricultural land.

Inflation is also the worst enemy of those members of society who have invested money in the stocks of banks, industries or even government bonds in order to provide for themselves an income from the dividends of these investments. As prices rise and the value of the dollar declines, the returns from investments shrink proportionately until a point is reached at which an invested income of ten thousand dollars a year will not buy a loaf of bread and the investor who has perhaps counted upon this income for his old age, is left penniless holding great bundles of bank notes or stock certificates or government bonds more valuable to start a fire in the stove (if he can afford to buy fuel) than as a means of buying food, or clothing or shelter or anything at all. That is what happened in Germany and a little later came

very nearly to pass in France when the money-investing middle classes were virtually wiped out of existence.

Your industrial wage-earning or salaried employee finds himself in the same situation, since wages or salaries *are* his income, from the labor which is his capital, unless wages and salaries are perpetually raised and even then he remains a victim since these raises eventually force up in turn the prices of whatever it is he produces, and lower the dollar value of wage or salary in terms of purchasing power.

The stability of the farmer and his real wealth in the face of inflation is reflected in the fact that under extreme or ultimate inflation agricultural land alone represents a wholly stable and desirable investment. At such times no one wants to buy urban real estate since it produces returns only in a currency which has little or no value. Valuable banking and industrial stock and even government bonds go begging since the returns from them are equally valueless when they can buy nothing, but agricultural land becomes more and more precious as real wealth and the creative renewable source of *more* real wealth.

In France and in other European countries, with a long experience in wars, inflations and deflations, it has been at times almost impossible to buy good agricultural lands at any price. The reasoning can best be demonstrated by an incident out of the author's own experience. He sought to buy a small farm in France and finally offered approximately five times what it was worth to the old woman who owned it (an offer he was able to make since his income was largely in dollars and the franc, inflated both at home and abroad, brought him approximately forty francs for every dollar—another manifestation of the vagaries of money). When he asked the

old woman why she would not accept such an offer, she replied, “I could take the money, but what could I do with it?”

Events have since proven her right, for at the time of writing, the value of the franc stands not at 40 francs as at the time of the sale, but at 120 francs to the dollar. In other words, if she had taken the money and locked it up, it would have shrunk by now to one-third the amount she locked away, or if she had invested it even in government bonds, her income from these bonds would have shrunk to a third; and the end of French inflation is not yet in sight. Meanwhile, she has the small farm. It has real wealth and what it produces can always be exchanged for money at prices which equal the value of the franc at 120 to the dollar, or in the black market for several times the value of the franc at 120 to the dollar. When and if the franc ever approached during inflation the vanishing point which the reichsmark reached in the twenties and the barter system returned, the old woman would still be secure and even impregnable for she could exchange potatoes for clothing and chickens for medicine, clothes or other commodities she might need.

During the long threat of wartime and postwar inflation, much buying of agricultural land has taken place among individuals and even family trust funds and public foundations as a hedge against the possibility of unlimited inflation in the future. In fact, a survey would probably show that, save for certain areas of very rich agricultural land, most of the buying has been done not by farmers but by city dwellers and investment organizations of one sort or another—all of them seeking to stabilize the value of their money by investing it in real wealth.

The farmer, badly burned after the last war by horizontal expansion at inflated prices, has been cautious. In this buying the motive has been neither speculative nor profit on investment for returns but for the anchoring of liquid money in *real* wealth unaffected through inflation and deflation by the vagaries in the value of the dollar. Many individuals, fearful of the prospects of the coming decade, have bought farms simply for security, for a shelter and food if and when the time comes when the buying power of the dollar becomes negligible or nonexistent, as it may well become through higher and higher taxes, lack of money with any real purchasing power, scarcity of industrial production, deficit financing and all the other evils which arise when the manipulation of money is used in an attempt to cure profound economic ills.

Wars and inflations of currency are virtually inseparable and the ceilings and price controls established through the Office of Price Administration were set up during the Second World War to check or at least partially control this inflation. For at least two reasons these measures, designed to control prices and consequently the value of the dollar artificially and by government decree, proved ineffective: (1) because living costs and especially the basic costs of food rose, according to varying estimates from 40 per cent to 60 per cent during the period of the war. These figures, and even those put forward by organized labor which placed a higher estimate on the inflationary rise to support its demands for higher wages, were actually incorrect and too low, for they were taken as an average of all living costs including rent, food, clothing, etc. In calculating the rise in the cost of food two elements were overlooked—the fact that certain items in the food list rose as much as 300 per cent over the prices of 1940 and the fact that

some foods, notably poultry, became more or less permanently black market items which, in an era of high wages and abundant buying power, in some areas rose at times as much as 700 per cent or 800 per cent above prewar prices. The poultry market was at least an 80 per cent black market throughout the war.

(2) The O.P.A. measures failed to control prices and prevent inflations because ceilings were placed on some commodities and not upon others. In the beginning ceilings were placed upon pork and beef or milk but not on the prices of forage and feed grains. Consequently, the price of feeds rose under the strain of war production to a point where it became unprofitable or even disastrous to feed out pork or beef or poultry and serious shortages occurred. When an attempt was made later to place ceilings on both feed and animals, dairy and poultry products, these ceilings were constantly out of proper adjustment and this produced periodic gluts or shortages paid for on the one hand by the disillusioned farmer and on the other by the consumer who was deprived of food or was forced to go for it to the black market where he paid enormously inflated prices.

The fundamental error arose from fuzzy thinking and the failure to understand that, as Mr. Baruch pointed out in the beginning, price control and ceiling are effective in preventing both inflation and shortages only if they are placed on *everything* and are then kept in a state of constant adjustment. In addition to this, the rising costs of commodities and the poor yields of an inefficient agriculture made it necessary to subsidize certain farm commodities in order to hold down prices and secure sufficient production. The consumer, under the illusion that prices had been held

down, was only paying the higher price out of his own pocket in the form of taxes.

Without much doubt some of the bureaucrats who planned the price control system were influenced by political rather than by sound economic motives. These experimental reformers sought to prove artificially certain of their economic theories or to acquire an economic and eventually a political control over the farmer and his sources of real wealth. One social and political school of thought also sought to control not only production but profits by adjustments in ceilings. This effort succeeded only in producing a shuttling back and forth between acute shortages and black markets on the one hand and gluts of certain food items on the other. The result was a muddle, ineffective as organized labor itself contended, both as to preventing inflationary rises in prices and in checking black markets.

A wholly effective system of controlling prices, with ceilings constantly adjusted to conditions and production and in relation to each other, would require a staff of bureaucrats as large as the armed forces at their peak, and even with such a colossal force it is to be doubted whether an absolute control of prices could be achieved.

On the whole the O.P.A. regulations were a failure in what they were set up to accomplish. They failed both at controlling inflation which, as the housewife knows best of all, they did not do, and they failed in producing a balanced and adequate supply of food at all times and in preventing black markets which in such commodities as butter, poultry, meat and many other items were rampant during the whole of the war, and persisted in some items even after controls were

removed largely because of scarcities that were actually created by these regulations.

In such simple direct items as housing rentals, they were effective, but in other fields such as meat production with its complications of range cattle, feeder cattle, large and small packing houses, feeding prices, industrial wages, etc., the system was a failure and produced only actual losses to many small packing houses which were forced to shut down, checked the feeding out of fat cattle and a consequent loss in 1944 of approximately five hundred billion pounds of beef, and in the end brought about only the fantastically inflated prices of the black market. Fundamentally, there were two great errors: (1) that an attempt was made to control real wealth and processed real wealth by the manipulation of money; (2) that at times at least the controls produced not the sound abundance desperately needed but only disastrous gluts and shortages.

Of course, in all of this the old law of supply and demand asserted itself with the violence of a bursting boiler. The fundamental truth is that neither price ceilings nor appeals to the morality of individual citizens have any real effect upon black markets even in a small, closely knit and organized country like the United Kingdom which is notable for the law-abiding habits of its citizens. The only cure for black markets, especially in food, is a combination of abundance, low prices and good distribution. During the war period the first existed only spasmodically. Good distribution and low prices never existed at all. Ceilings had constantly to be revised upward and black market prices went sky high. The truth is that we as a nation were able to endure much of the O.P.A. floundering only because our real wealth was so great

that we could afford meddling with the production buzz saw and because war boom wages were so high that the average citizen was able and even willing to buy in the black market. A poor country like the United Kingdom could not have endured the immense complications and blunderings of the O.P.A. system and did not attempt it.

To be sure, many of the grave errors of the original system were through bitter experience corrected as time went on and it is equally true that if the original planning of the O.P.A. regulations had been in the hands of experienced economists or men familiar in a practical way with problems of production, distribution and processing, the record would have been different and undoubtedly the purpose of the O.P.A. would have been much nearer to achievement. At one period during the early days of the bureau, of the six men who held the principal authority for its operation, only one had had any practical experience whatever with problems of distribution, production or processing. He had worked for a short time in a village general store. The others were theorists or budding lawyers. With the appointment of Chester Bowles to the post of O.P.A. administrator, the record of control improved greatly, despite the confusion created by his predecessors.

Meanwhile the dollar of the industrial or white-collar worker continued to shrink and efforts at wage control along the line of ceilings worked serious hardships especially among white-collar workers who rarely benefited by payments for overtime at an increased wage schedule and were in the majority of cases not permitted by government bureaus the raises in wages which most employers were willing to give them under a wartime economy through cost-

plus and tax deduction arrangements that would have absorbed these added costs.

On a basis of \$300 a month paid the white-collar worker in the face of inflated prices, he earned less and less each month as his dollar shrank in buying power. Presently he was earning \$250 a month and then \$200 and \$175 and the end is not yet in sight. Meanwhile the prospects of his securing a raise in salary to compensate for the shrinking buying power of his dollar grows less as the employer's willingness to raise his salary decreases as tax benefits and cost-plus arrangements are withdrawn or nullified. In other words, our white-collar worker and a large segment of our middle class are gradually finding themselves in the same situation as the same group in Germany which were ruined by an inflation which eventually created mass unemployment for the industrial worker as well. As a footnote it might be added that out of this situation was born Adolf Hitler, the greatest demagogue of our time, and the politico-economic theory of state domination known as Fascism.

Meanwhile, organized labor fights for raises in wages because that is the only way in which the industrial worker can secure the means of living decently in the face of a constantly inflating dollar with a constantly diminishing buying power. That he achieves anything by the raise in wages over more than a transitory period of six months to a year is an illusion or at least doubtful. The increase in wages is passed along to the consumer in an increase in prices of manufactured commodities and processed food and eventually to the prices of raw farm commodities as well, and within a short period of time, the organized industrial worker is back exactly where he started; he is receiving more dollars

than at the same period a year earlier but each of them constantly buys less and less.

The efforts of organized labor to achieve wage raises for industrial workers while holding down the prices of manufactured commodities is a commendable effort to check temporarily the progress of the vicious seesaw described above, but as a permanent policy it is doomed either to failure or to create shattering economic and political results. Granting that industry could absorb initial wage increases of 30 per cent and still make a reasonable profit without increasing prices, there can be no assurance that demands for a second increase may not come within a year or less, and then a third and a fourth. These demands may be made for legitimate reasons—to increase the number of dollars paid the worker to a ratio that would balance the diminishing purchasing power of his dollar outside the particular industry which employs him, but there is no assurance that by checking price rises for example in the automobile industry, prices of other commodities, particularly those of basic agricultural products will not continue to rise. Recurring demands for industrial wage raises and economically disruptive strikes to achieve them, become increasingly dangerous under existing labor laws which at the time of writing, give organized labor great power and liberties without responsibility and make no provision for the keeping of contracts made by labor with industry. Meanwhile the strikes disrupt production and create more scarcities which are a principal cause of inflation and of the industrial workers' own distress.

It seems obvious, I think, that steadily recurring increases in wages made without increases in the price of manufactured

commodities finally arrive at that point where industry cannot longer operate at a profit. Then one of the three things must occur: (1) that industry ceases to operate, creating unemployment and violent deflation and economic depressions for the whole of the nation; (2) government permits increases in prices to allow profits and the vicious seesaw of inflation begins all over again; (3) industry is taken over and operated by government wastefully and inefficiently. This step in turn is accompanied by a political revolution in which free enterprise is completely abolished and the worker loses his right to strike and is forced to accept whatever government sees fit or can afford to pay him. Inevitably, as in Russia, this will be much less than he is receiving under a system of free enterprise either in currency or the purchasing power of that currency.

One of the errors in modern thought which has grown out of the fantastic industrial revolution is that our prosperity begins with the pay check of the industrial worker. This may be so in such a nation as Great Britain which is chiefly dependent upon industry and the sale of industrial commodities in foreign markets, but it is not so in a nation like the United States or Russia which have their principal markets within their own borders, markets which are largely based upon agriculture and the processing of its own real wealth and the sale of the processed commodities to its own people. In such a situation, the base of prosperity or a stabilized economy must rest as I hope to show in a later chapter upon a base of the nation's real wealth and principally upon agriculture and its immense economic ramifications and the purchasing power represented by those ramifications.

Periodic raises in wages and prices are not the means of restoring or increasing the value of the workingman's dollar nor of checking the inflationary increase in prices over the whole of the nation. Neither will we achieve a stabilized economy or a dollar with higher purchasing power through attempted artificial *money* regulations of the buying power of the dollar which are purely illusionary and uncontrollable. (The devaluation of the dollar under the New Deal produced little perceptible effect upon our economic problems at the time and none whatever in the long run.) Systems of ceilings and price regulations are fundamentally unworkable unless operated by a gigantic bureaucracy which would employ a great percentage of the nation's citizens in order to be effective at all and in any case, as experience has shown, such systems dislocate production and serve to check production and hinder the action to lower prices which is the only means of increasing the purchasing power of the dollar.

The real answer to prosperity for the industrial and white-collar worker, for the farmer and the professional man is not more dollars but dollars with a stabilized and if possible increasing purchasing power, and this can be achieved only by greater and greater abundance of real and processed wealth, and more and more commodities produced at a reasonable profit through greater efficiency at low cost. The answer lies not in strikes for higher wages which inevitably increase prices, or subsidies and parities for farmers which only preserve and promote his inefficiency, or in higher prices for the products of industry. The answer to a stabilized economy and a dollar with real value lies with the American people themselves—with the greater efficiency and productivity of the industrial worker and his abstinence from destructive and disruptive strikes, the efficiency and planning

skill of the individualist, and perhaps most of all with the farmer who should be farming efficiently enough to be making a profit on twice as many bushels of corn at fifty cents a bushel rather than asking for help through parities and subsidies while producing half as many bushels at a loss at twice that price (see Chapter II). In other words, profitable production of wheat at fifty cents a bushel rather than subsidized wheat produced with loss at a dollar a bushel.

In the illusion, grown up during our brief and fantastic period of industrial development, that industry and the industrial worker's pay check are the true basis of prosperity, we have confused basic real wealth with *processed* real wealth. In the first place without real wealth in terms of agricultural land, mines, oil wells, forests, etc., industry, which is based upon the processing of real wealth, could not exist. And without real wealth, notably agricultural land with the vast and complicated structure of economy and society based upon it and the huge markets which it represents, there would be small demand indeed for the processed commodities produced by industry. This last fact is one which India and China in their progress toward industrialization are doomed to discover painfully.

Another element is worth consideration. Industrial workers and their families represent approximately 20 per cent of our population. So do farmers and their families represent about 20 per cent of the population. But the industrial 20 per cent is directly dependent upon its daily wages, and neither owns real wealth nor produces it save as the labor of this group, its health, efficiency and ingenuity represents real wealth, which it certainly does. On the other hand, the 20 per cent represented by the farm population forms the base of an

immense network both of real and processed wealth and buying power founded upon real wealth both in the production of food and raw materials and in the purchasing power derived from the employment provided by the processing and servicing of the fundamental raw materials and real wealth which the farmer produces.

With all these facts in mind it would appear that the industrial worker and even more so the white-collar worker are the principal victims of inflation, since they exist in a kind of economic vacuum, living upon money wages and thus subject acutely to the diminishing purchasing power of the dollar in times of severe inflation. Outside of themselves and their skill and capacity for work they possess neither real wealth nor the sources of real wealth and can never benefit by inflation as the farmer frequently does in paying off old debts contracted at periods before the dollar becomes inflated.

The remedy, I repeat, would appear to be not an increase in the number of dollars paid the industrial or white-collar worker, which only aggravates further inflation, but an increase in the purchasing power of the dollars he already receives by lowering the prices of what he buys. The basic item in his living costs being food, that obviously is the point at which to begin. The prices of food and of other farm commodities and raw materials cannot at present be lowered much without compensating government subsidies which are at best destructive and superficial measures based upon the manipulation of money and as such *solve* nothing. Only through a more efficient and less wasteful agriculture which permits greater production at lowered costs, thereby permitting the farmer to sell at lower prices and still make a

better profit than he is making today, can the price of food and its constantly inflationary pressure be lessened or stabilized. Actually our agricultural production, through poor land practices, erosion and lack of mechanization, operates in exactly the opposite fashion upon a basis of low production and high costs. As agricultural production per acre declines, as it is doing despite any government statistics to the contrary, costs increase in almost exact ratio, and in order to make a profit and provide himself with purchasing power so necessary to national prosperity, the farmer is compelled to ask either for government subsidies or for higher prices.

It would appear then, to at least one citizen, that the place to begin the stabilization of our economy is at the very base, agriculture, itself founded upon the eternally fundamental item of real wealth, the soil. This stabilization or check to spiraling inflation can never be accomplished by subsidies which only aggravate the evils of a poor agriculture or by scarcities and higher prices which only aggravate inflation and diminish the buying power of the dollar for *all* other elements of the population, but by efficiency of production and the abundance which arises from it. There is no reason why, with proper distribution inside this country and in the world, the farmer should not, as proponents of mass production in industry have done, produce more, at a lower cost with a greater net profit on the whole and attain the status of farmers in some European countries where a *poor* farmer is a curiosity.

II. Agriculture in Relation to Our National Economy

IN the rapid and overwhelming advance of the industrial revolution during the past one hundred and fifty years the values of agriculture, soil and forests as real wealth and the values of agriculture both as a great source of purchasing power and of raw materials have been largely overlooked or forgotten by the average citizen. During that brief period in historical time—in reality scarcely more than a second—the businessman, the banker, the industrialist became the gods of the people, and gradually the farmer became in many countries of the world and most of all in this country, the real Forgotten Man. His economic status declined steadily and in the social scale he became known all too often as a “hick.” Yet upon his shoulders, in great self-contained, self-sufficient nations like Soviet Russia and the United States, rests the very foundations of any economy based upon real wealth. Equally important is the fact that the farmer is primarily the custodian of the largest single segment of our real wealth, the soil. Not only is it the largest single segment; it is doubly important because, unlike deposits of ores or even reservoirs of oil, soil, like forests, is capable of preservation and even of renewal and eternal rebirth in its productivity of real wealth. Indeed, as the supply of our oil and our minerals becomes more and more rapidly exhausted, we are forced to turn more and more toward soil and forests to produce the substitutes for these diminishing or lacking oils or minerals.

Germany, under the pressure of war and of serious permanent shortages of raw materials and real wealth, was the first among nations to realize the immense value and

range of the products which could be derived from soil and forests and the first nation to develop these products. To a considerable degree, the First World War and to an even greater degree, the Second World War were carried on with substitute products developed from soil and forests. The range was immense from plastics, through alcohol to high protein foods for cattle and even people, made from sawdust.

The situation in Germany was simply that of any nation which possesses little real wealth in the form of raw materials or which eventually exhausts a supply which may have been abundant. We are steadily approaching the position in which Germany found herself in 1914 and again in 1939, not only steadily but far more rapidly than the great majority of citizens believe or understand. Indeed, no country in the history of the world has ever established so rapid and so appalling a record of the destruction of its real wealth as we have done in this country.

At the beginning of the nineteenth century less than five million people inhabited what was then the richest single area of its size on the surface of the globe. Most of these lived along the Atlantic seaboard, a narrow strip of land in itself fabulously rich as compared to most European countries, in minerals, forests and agricultural lands. But beyond the long-ribbed backbone of the Appalachians lay a huge almost unexplored region of truly fabulous natural wealth in mineral ores, in vast deposits of undiscovered oil, in the finest agricultural and grazing land in the world. The beginning of the nineteenth century is less than a century and a half ago, less than six full generations!

West of the Appalachians lay the vast basin of the Mississippi River, a region sparsely inhabited by American

Indians, largely barbaric and nomadic in character. Along the eastern, southern and northern borders of the basin lay vast forests containing the finest soft and hard wood trees in the world, growing so lushly that in certain regions in summer, they resembled in character the tropical forests of Brazil or Sumatra. In the heart of the basin lay millions of acres of deep, black rich prairie soil covered over with tall succulent grass, and to the west and southwest there extended a vast area of the richest grazing land in the world. It was an area on which fed and fattened millions of American bison and antelope, far greater in number than the cattle which roam the range today in the same area. Beside the richness of this area, the abundance and potential richness of the Promised Land of the Old Testament was the ridiculous dream of a child.

At the beginning of the nineteenth century—less than one hundred and fifty years ago—the development of that rich area at the hands of men and women with a background of European tradition and civilization began. At first they came over the mountains in a trickle of migration from the east. Then as they fanned out through the forest, prairie and grazing land, their numbers, increased by millions of new arrivals from Europe, grew into a horde which came to resemble more a plague of locusts than an army of men and women bent upon the cultivation, preservation and wise exploitation of the great riches of that virgin area.

Never in the history of mankind were there such vast and incredible opportunities. There were forests, agricultural lands, mines, furs, wild game to be had for the taking with little or no investment of capital beyond the shrewdness, the brawn and the energy to take possession of them and develop them.

The very first assaults came upon the forests and the rich prairie land. In the first stages tough and energetic settlers cut down the forests wholesale, burning the great virgin trees in heaps to clear the land for agricultural purposes. On the prairies the tall grass was burned off and the heavy sod, rich with the deep, slowly deposited humus of millions of years, was plowed up and left bare. Further west and south the bison were exterminated and the first cattle appeared on the great ranges.

In the second stage came industry and the railroads to tear up the earth and rip out the valuable minerals and to advance at an increasing rate of speed the on-sweeping hordes of settlers. Lumbermen came into the forest regions and cut down wholesale what remained of the glorious forests, leaving the debris where it fell to be burned over and over until the once rich forest lands were turned into barren wilderness and an acre or two of virgin forest became a curiosity to be purchased and preserved by the archaeological societies of the various states which sought to preserve for future generations a glimpse of what that fabulously rich land had once been.

In the hilly once forested regions, the slopes were plowed up and left bare to the terrible violence of a climate which produced blizzards, hurricanes, floods and violent changes of temperature ranging in some areas from 120 degrees in summer to 30 or 40 degrees below zero in winter. The same destructive process was followed in the rich, deep, black lands of the prairie country. Farther west huge herds of cattle replaced the bison, which together with every sort of wild life—beavers, wood pigeons, wild ducks, mink and foxes, began to disappear together with the game fish of the newly

polluted streams and lakes. The rich grazing land was overgrazed by greedy herds of cattle and burned over each year until the succulent plants which had once served to fatten the countless herds of bison began to die away and be replaced by coarse grasses of comparatively small nutritive value.

Much of the country was plowed up and put to wholesale wheat production under an agriculture which sought to rape the soil of everything as quickly as possible with no thought of returning even a fraction of what was taken from it. In these areas and in the overgrazed and burned-over grazing country the topsoil began presently not only to wash away under the infrequent rains of the semiarid region but to blow away in great clouds of dust that spread as far east as the Atlantic Ocean. In the single-crop cotton and tobacco areas of the South a similar agriculture sought only for quick, easy wealth, growing year after year the same crops, returning nothing to the soil and leaving it bare to be washed away by the billions of tons a year down the stream from which the game fish, suffocated, disappeared and only a few carp and catfish and turtles remained.

Meanwhile, other results of an abominable and greedy agricultural practice became evident in gigantic floods which washed away some agricultural land altogether and buried other areas under millions of tons of unproductive sand and gravel. In the overwhelming greed for quick, easy profits, tributary streams were straightened and natural marshes drained to channel the flood waters quickly into the Mississippi and its vast tributaries where the floods destroyed in a short period millions of dollars worth of property (processed real wealth), thousands of lives and tore open the

levees upon which millions of dollars a year of taxpayers' money had to be spent on upkeep and repairs.

With all of these floods billions of tons of precious topsoil, which it took nature millions of years to produce and which are our most valuable and essential asset as real wealth, were swept far out into the Gulf of Mexico. And in many states where growing cities and industry made more and more demands upon both surface and underground water, the water supply began to grow short because the water no longer stayed where it fell, sinking into the ground slowly to maintain the supplies of underground water and stabilize the flow of the surface streams, but rushed off the bare land once covered with grass and trees and marshes down straightened streams into the great rivers where it only created more and more damage until at last it reached the ocean where it was of no use to anyone. Today in some areas of the great Mississippi Basin it is no longer possible for cities to bring in one more industry and in some towns not even one more family because the once abundant water supply, both above and below ground, is giving out. In some regions the underground water table is falling lower and lower at the rate of five feet and more a year and in a few areas underground water has vanished altogether.

In the meanwhile, there grew up here and there, at points strategically located for raw materials and shipping purposes, monstrous, unplanned industrial cities, filled with slums into which were crowded the millions of immigrants drawn from the lower levels of European society to keep down the cost of labor in the vast headlong industrial exploitation of the great once rich area. These cities not only fostered disease, physical as well as moral, they also polluted the lakes and

streams and poured into them as sewage, billions of tons of precious fertilizer and minerals such as potassium, nitrogen and scarce and irreplaceable phosphorus, all of which were drawn out of the land and dumped into the ocean from which, by no economically practical process yet discovered, they can be reclaimed.

In the whole of that era of industrial and agricultural development, the one criterion was greed and great profits and the one aim was to exploit, waste and destroy the incredible riches of the Mississippi Basin as rapidly as possible. Small wonder that great fortunes were built up and that rich farmers and cattlemen were commonplace. The great Mesabi Range of iron ore is nearly played out. Oil and gas wells over large areas have ceased to flow. Underground water supplies of most urban areas reek so violently of chlorine that one has the impression of living, not in a modern well-run city, but in the midst of a devastated war-torn country. The rich cattlemen and the rich farmer are rapidly becoming anomalies. Agricultural production per acre diminishes steadily, with higher and higher costs of production, and the areas of marginal and submarginal agricultural lands with families possessing almost invisible cash incomes and producing little or nothing more than they consume, are constantly increasing.

The record is a tragic one. In plain fact we have reduced the richest area of its size in the world to the first stages of becoming a desert within the short period of less than six generations. In some areas once covered by rich productive topsoil, farms by the thousand have been abandoned and the country has become an unmanaged, unproductive wilderness where even trees and weeds grow painfully and aridly. In

other once rich areas the land has become so unproductive that hundreds of thousands of families on wretched diets grown on exhausted soils, live below the level of poor European peasants, some on the level of the Chinese or Indian peasants. In some of the once rich cotton states the average annual cash income of the farmer, white or Negro, is as low as \$168 a year with some families possessing as little as five dollars or less spending money in a year.

This is what happened within a century and a half in a country where, as Thomas Jefferson had dreamed, there was enough real wealth to make every man economically secure, a stockholder in the nation's welfare and a good, intelligent, educated citizen of a living and prosperous democracy.

What is written here is no exaggeration. It is, if anything, an understatement. The story lies open for anyone to discover if he wishes to take the trouble. Indeed, it lies open before the eyes of anyone who chooses to make a comprehensive tour of that once fabulously rich area, the great basin of the Mississippi River.

Too few citizens, especially those living in the great cities and even many of those living in villages or rural areas, have any idea how this great rape of our natural wealth affects their lives, the value of the dollar they receive in wages or profits, the amount of taxes they pay, the level of their prosperity, or how eventually it affects even their health and their political and social liberties. Too few understand at all that as the production of one more farm continues to fall, as another farm becomes abandoned, it means simply a greater burden upon their pockets. It means that each year their dollars buy less and less and that no amount of increase in

wages or prices of industrial commodities and no amount of money turned out by government printing presses, can ever compensate for the loss of real wealth and productivity, or ever bring the purchasing power of the dollars they receive as wages or salary to a point where that purchasing power will be stabilized or begin to increase. Too many people fail to understand that high prices do not mean high standards of living. Exactly the reverse is true. As we destroy real wealth or weaken its productivity, whether per acre on the farm or per man hour efficiency in the factory, prices rise and living standards decline. That is exactly what has been happening in this country for a generation or more. The war boom was and is temporary and of no permanent significance.

Few understand that inflation in its most persistent and insidious form is not merely the quick hysterical inflation which accompanies wars and boom periods but the slow, persistent, creeping inflation which grows slowly as a nation's real wealth and capacity for abundance at low prices becomes depleted. It is this slow and creeping inflation, varying at times, but mounting steadily, which forces the living standards of a people slowly and almost imperceptibly downward. It is the path of China, of India and of some European nations and we are following the same path save that we are following it in an industrial age greedy in the consumption of real wealth far more rapidly than any nation in history. The first signs of the final stage are when food becomes both scarce and expensive, when the price of food over a half century continues to rise steadily and never to decline for more than a brief period at a time. As the dollar buys less and less we are simply following the path of decline that reduced India and China to levels upon which millions of people are born and die without ever having had more than a

dollar or two a year to spend or without having had enough to eat for one day. As populations increase and the real wealth and productivity of a nation declines, there comes a point where the two graphs cross and that is the point where decline in power and wealth and living standards becomes more and more rapid. When that point is reached, neither government spending, nor Communism nor any other political or social doctrine will be able to check the decline. Our own population is increasing, our real wealth is being depleted and the productivity of our agricultural land per acre is declining at a rate more rapid than that of any nation in the history of the world. We are much nearer to the point where the two lines cross than most citizens realize. It is the pressure brought about by the approaching lines which lies at the very root of the economic and, secondarily, the political social strains by which all of us are affected.

You who live in the city flat, who may never have seen a farm or noticed a blade of grass, are feeling the pinch far more than the farmer, whatever his problems, for in a fashion he can take care of himself until he falls to the level of the poor sharecropper and tenant farmer who in many cases have already reached the level of the Chinese peasant. You in the cities will feel the pressure in the decline of our real wealth more and more, and your children after you, until many of them reach the level and living standards of the city-dwelling Chinese coolie.

You will feel it more and more in higher and higher prices of food or in higher and higher taxes, visible or invisible, to pay the increasing subsidies on food which politicians provide, both to coddle a miserably inefficient agriculture and to create the illusion in the minds of everyday citizens that

prices of food have not risen. And remember that higher and higher prices for food means demands for higher and higher wages and finally higher and higher prices for the whole range of manufactured commodities, and the servicing of our intricate industrial civilization. If the price of food is held down artificially and government subsidies are employed as a compensation and to encourage sufficient production, those subsidies are paid by taxpayers out of potential savings and reserve capital which should be available as purchasing power or working capital to bolster the economy of free enterprise. All of this situation arises from the destruction of real wealth without adequate measures for replenishing it or from the low and diminishing productivity of real wealth in such forms as forests and agricultural land. The whole process operates to create a “creeping” inflation and steadily to push our living standards downward to the level of those less fortunate nations.

The rape of our real wealth in agricultural lands (the most important source of preservable or renewable real wealth) affects all of us in two ways: (1) the purchasing power of the farmer; (2) the cost of food which is the basic element in the cost of living. They can and will affect us in a third way eventually as our population increases and our agricultural productivity and real wealth decline. The actual shortage of food, such as China, India and some European nations know so tragically, will inevitably become a reality. Indeed, that extreme pressure is already in existence in certain miserably poor agricultural areas and occasionally in some slum areas of our great industrial cities.

Few people realize that approximately 50 per cent or more of our population derives its income or the source of its

employment from agriculture. I do not mean that 50 per cent or more are actually engaged in agriculture; approximately only 20 per cent of the population, a proportion equal to the segment engaged in industrial labor, actually live on farms and operate them. The remaining 30 per cent directly or indirectly dependent upon agriculture includes the inhabitants of the greater percentage of small towns and villages in the nation and even cities as large as Des Moines, Omaha, Kansas City or Minneapolis whose economic base is agriculture. It includes as well the whole of the milling and meat-packing industries and the whole range of factories engaged in processing foods, the whole of the huge agricultural machinery industry, the great mail-order companies and large sections of the oil and gas, steel, rubber and other industries. In addition are the hundreds of thousands of citizens engaged in servicing agriculture in stores, garages, filling stations and the railroads engaged in transporting yearly billions of tons of livestock, grain, fruit and vegetables. Upon examination the ramifications of agriculture and food in our economy become as immense as they are intricate.

Under such conditions it becomes apparent that when agriculture is economically sick, the illness pervades quickly the whole economic structure of the nation. When the farmer hasn't the money to go to town and buy a tire or a radio or a new automobile, it means that men are out of work in a factory in some distant city and that stores, warehouses and factories become overstocked with the manufactured commodities which he cannot buy, and stagnation creeps over the nation like disease germs infiltrating the blood stream running through the whole of the human body. When so great a segment of purchasing power collapses, it sooner

or later brings about the collapse of the whole economic structure. A study of depressions since the Civil War brings out the conclusion that if a decline in the agricultural purchasing power of the nation did not actually *start* the general economic collapse it added almost immediately its immense weight to the general collapse with a vast and devastating impetus.

It is the segment based upon agriculture whose purchasing power provides so important an element, perhaps the most important one, in the huge interior markets for our processed real wealth and our manufactured commodities. Without it we should be, in a changing world, in the perilous position of the United Kingdom which in the face of rapidly shrinking world markets for industrial commodities has virtually no compensating agricultural purchasing power to fall back upon for the disposal of her manufactured commodities.

The farmers of England are comparatively few in number and their purchasing power and prosperity is definitely limited and has little effect upon the over-all economy of the nation. Conversely, Soviet Russia has realized very early the fact that industrial development alone is not the answer to a balanced economy or to an enduring, real, and stabilized prosperity. Certainly as much effort has been spent in Soviet Russia upon developing an efficient and profitable agriculture as upon building dams and factories.

In an uncertain world, the purchasing power of agriculture provides the solid backlog of internal markets and frees great self-contained nations possessing real wealth from the necessity of depending entirely upon foreign markets for their economic stability and even their prosperity and survival. The United Kingdom, overpopulated in relation to its food

supply, cannot afford to raise tariff barriers against imported food which would tend to protect and raise the purchasing power of her farmers. She cannot pass on to her population, already in difficulties, the added burden imposed by protective tariffs on agricultural products nor risk shutting off the sources of food imported from the outside by tariff walls or measures which would increase the costs of that imported food. The causes of this dilemma arise again from the shortage of real wealth and the lack of a large internal market based upon agriculture for the consumption of the manufactured products which provide employment for the bulk of her population. It is one of the circumstances which made the economic difficulties now being faced by the United Kingdom very nearly insuperable. The truth is that the United Kingdom has favored free trade for a hundred years because it could not afford to adopt any other policy.

Both Soviet Russia and the United States, with their bases of real wealth and the real or potential purchasing power of large agricultural populations, can still afford a protective policy for agriculture and that is the principal reason why, regardless of the dubious advantages or the great disadvantages of such a policy, the question of subsidies or protection for agriculture remains perpetually alive in political United States.

All of these facts—regarding agricultural purchasing power and internal markets for industrial products—both India and China will have to learn. At present political groups in both countries are working toward their industrial development upon a large scale without creating at the same time in the ranks of their vast populations agricultural purchasing power to consume at least a large portion of the

products of industry and so provide wages for that portion of their agricultural population which will be drawn into industry or labor.

It is obviously unsound for either India or China to establish great industrial potentials while the purchasing power of approximately 80 per cent of their populations (the agricultural and village population) is limited to the equivalent of perhaps five dollars a year or less.

With all of these things in mind, it becomes vastly and fundamentally important that we have a prosperous agriculture with a high purchasing power. Actually we have, largely through destruction of our agricultural land by erosion, poor farming and other practices, been moving in exactly the opposite direction, toward a declining purchasing power and a declining production with steadily increasing costs of production. The result of this has been to reduce the purchasing power of the whole huge segment of the population dependent upon agriculture for its income and to raise steadily the cost of food and of other commodities produced from the soil. This is an example of the “creeping and permanent inflation” mentioned above which in the long run can be disastrous to a nation or indeed a whole civilization.

Government statisticians will point out, perhaps, that, at moments of high prices the farmer’s share of the national income increases, but this has no real significance if his costs of production increase proportionately. It does not mean that the farmer is making more money but only that the rest of the population is paying higher and higher prices for what they consume. The nation established a record of food production during the war, but never at any time in any nation has such

expensive food been produced because the production *per acre* was so low and the cost of production so high. This was so because much of the food was produced upon worn-out or essentially nonagricultural land of low yields.

The average reader will say at once that the farmer should have higher prices in order to increase his purchasing power in the national market for manufactured commodities, and for a time at least such a process might achieve some results. But actually higher prices whether achieved through government price fixing, or protective tariffs on such industrially used commodities as cotton, or by subsidies through government, are like all such “money” dodges, temporary and superficial in their results. None of them touch the fundamental evil of the situation or in any way correct these evils and in the end serve only to preserve and perpetuate them and aggravate the progress of destructive “creeping inflation.”

The truth is that, fundamentally speaking, regardless of high war prices and inflationary profits arising from the war, agriculture in the United States is sick and, unless conditions are changed, will become permanently and increasingly so. It is sick because it is a poor agriculture which has been engaged steadily in destroying the real base of its prosperity. It is sick because it is, on the whole, a greedy and inefficient agriculture of steadily declining production and steadily increasing production costs. The cure lies in the preservation of the real wealth of that portion of the soil which remains and the restoration of its productivity in the limited areas where it is possible to restore that production.

What we need is an agriculture of less acreage and greater and more efficient production, an agriculture following the rule of agriculture in Denmark, Holland, Belgium and most

of France where each acre produces the potential maximum without loss of soil fertility. Under such an agriculture, regardless of declines in market prices, there are no poor farmers. At worst a farmer can hold his own, at best he is a rich man. That rule is followed by probably less than 10 per cent of the farmers of the United States and that 10 per cent are the ones who are well off in times of depression as well as of prosperity. Of the remaining 90 per cent both profits and purchasing power are steadily declining and have been declining for the past hundred years, perceptibly or imperceptibly, until a large percentage are today producing little more than they consume with a narrow and steadily declining margin of purchasing power. At least two or three million live near the level of a Chinese peasant with virtually no purchasing power at all. The bulk of the food consumed by the nation is actually produced by about 10 per cent of its farmers (a figure which excludes naturally the great single-crop cotton and tobacco areas both of which, particularly in the case of cotton, are so inefficient and so unproductive as to produce little purchasing power). In the case of cotton, agricultural production has actually to be subsidized by taxpayers' money drawn from the rest of the nation.

The casual reader may say at once: "But never in the history of the nation have we produced such quantities of food as during the war." Such reasoning is, economically speaking, superficial and the delusion behind it is an example of the kind of impression given by unanalyzed and unreliable statistics, sometimes manipulated for political reasons. If one qualifies such a statement by saying: "Never have we produced so much food on so many acres and at so high a production cost" we should approximate the truth of the real situation. Even at high prices for food set by the O.P.A., in

many cases far above parity levels, it was necessary to subsidize the production of certain foods in order to provide the farmer with enough profit margin to produce them at all. The narrow or nonexistent margin of profit was only partly caused by inflationary rises in costs of feed, labor, etc., pressing against the established price ceilings. It was produced quite as much or more by the normally increasing costs of production and the declining production per acre which largely characterizes the whole of our agriculture.

In dealing with the statistics of food or indeed of any agricultural production, the *total* production is not important in relation to farm profits or in relation to the purchasing power of the agricultural segment of our society or in the cost of food to the consumer. *The only real measure in relation to our economy is the production per acre and the cost of that production.*

In other words, we set a record in food production at relatively high prices but that production was achieved, save in rare cases, not by producing more per acre but by putting more acres under cultivation. Much of this additional acreage was rolling or hilly land unsuited to production of such crops as corn, soya beans and others which create and promote erosion. Much of the land was partially destroyed and some of it wholly destroyed by the practice of bad agricultural methods induced by high prices or subsidies granted in order to get high production. This process by aggravating the greedy methods which had already worked so much evil not only caused high consumers' prices and low profits for the farmer but actually destroyed still more of the nation's real wealth and the capital of the individual farmer which is his soil.

How much was destroyed in order to get a vast over-all production total will probably never be estimated, yet it is one of the *real* and costly expenditures of the war.

During and after the last war, rolling grasslands in certain areas of the Middle West adapted to profitable breeding and feeding of livestock were plowed up in order to grow corn at three dollars a bushel. In some large areas, the land was virtually washed away or ruined within four or five years. The money gauge of its destruction showed a decrease in tax assessments from as high as \$150 an acre to as low as \$3 an acre. Only by a long and expensive process can the production value of such real wealth be restored. In some cases, it has been destroyed probably forever. The best to be hoped for much of it is that it may grow trees. Actually the process was that the farmer took his quick profits, destroyed his capital and got out, but in the process he and his fellows destroyed millions of dollars worth of real wealth and potential real wealth belonging properly to the nation and invaluable in stabilizing its economy and checking “creeping inflation.”

Actually city dwellers are today paying out more money in food costs and in taxes because that land was destroyed. This is something Lord Keynes and his school of thinkers overlook when they argue that the war cost the people of England more per capita than it cost the people of the United States. What it cost us was almost entirely in real wealth, which is the real basis of our American economy and the destruction of that real wealth in turn has brought about increasingly higher prices and taxes and lower profits and purchasing power for the farmer.

Another element of the greatest importance in calculating the high production cost of our increased production during the war (and consequently to the actual profits of the farmer and to his purchasing power) lies in the fact that much of the land put under cultivation in order to achieve the over-all goal was partly worn-out land, nonagricultural land or low-production land which produced a low yield per acre. Any practical farmer knows that the profits on a hundred bushels of corn raised on one acre are much greater than the same amount of corn produced upon two, three or five acres. Much of the great production achieved during the war period was uneconomic and costly production because *per acre* it was so low. In the larger sense, on the basis of a poor and wasteful agriculture, nearly all of it was costly production. Not the least important and devastating cost was the inroads made into our reserves of real wealth by the losses through erosion and the wearing out of land brought about by the pressure to produce that record production. It is an item of far greater gravity in the economic long run to the people of the United States than all the *money* spent on tanks or even upon battleships during the war.

The sickness of our agriculture which pervades the whole of our economic structure and at times of depression can be catastrophic, arises from two main factors—the rapid destruction of the real wealth represented by agricultural land and its potential productivity, and the fact that our American agriculture, until now, has been wasteful and greedy, an agriculture of quickly snatched profits, of decreasing production and steadily increasing production costs.

The truth is that in this country we farm on an average of five acres to produce what one acre should produce. It must

be remembered that such an average is not set up upon a basis of the still rich farm lands in certain areas of the Middle West but upon the agriculture of the whole of the nation including the millions of acres of eroded and farmed-out land in the South and the Southwest and isolated areas of considerable size elsewhere in the nation. Some officials of the Department of Agriculture have put the ratio even higher, as high as seven or eight acres to one.

As I pointed out above, any practical farmer knows that the profits on 100 bushels of corn grown on one acre are much greater than on 100 bushels of corn grown on five acres. The reasons are simple and should be apparent to any layman—that the costs in fertilizer, seed, labor, time, taxes, interest and wear and tear on machinery is approximately five times as great on the 100 bushels of corn grown on five acres than it is upon the 100 bushels grown on one acre.

The colossal effects of the wastefulness and inefficiency of the five-acre to one hundred bushels farmer are plainly evident not only in the diminished or nonexistent net profits to the farmer himself but even *more so* to the cost of food which is the basic figure in estimating our cost of living. In other words, with an efficient and really productive agriculture producing 100 per cent of potential production without loss of soil fertility, a bushel of corn or a pound of beef, coming from that corn, could be sold to the consumer at a price at least 40 per cent below the price levels of 1940 or even below parity prices, and the farmer would still be making a better profit than he is making at the current high prices. He would himself be secure in times of abnormally low prices and better off than he is today in times of high prices.

Department of Agriculture statistics dealing with cotton, wheat and corn will show a slight increase per acre in production during the past few years and to some extent these figures show evidence of an improving agriculture. Whether this slight increase in production will maintain itself and continue to climb remains to be seen. Like most statistics, especially when employed politically, they are not what they appear to be on the surface.

A part of the gains have been achieved by the retirement from production of thousands of marginal and submarginal farms of low productivity. In other words the gradual disappearance of these farms from circulation has concentrated production figures into the better and more productive agricultural areas or areas where improved agricultural practices are in evidence. Some of the gains were made also by “high pressuring” of soil during an era of high prices by excessive use of commercial fertilizer, to a level which cannot be maintained without soil conservation practices and the constant addition of great quantities of organic material. Some of this gain per acre, under war pressure, represents an actual loss in the long run through destruction of soil fertility from “high pressuring” of the soil for a few years or through the plowing up for production of highly erodible land that had once been safe in grass or small grain crops.

Certain rolling or hilly countries of the rich Middle West still bear devastating evidence of such processes employed during and immediately after the last war. Some of the finest cattle grazing hill country of the nation was plowed up during a period of high prices to produce corn. It produced heavily per acre for four or five years but eventually was completely

ruined by erosion and greedy farming *both* as corn and as grazing land. Today much of it is listed at a tax value as low as three dollars per acre or is wholly tax delinquent. Yet for a short period it contributed heavily to the *total* figures showing increased production per acre in these areas.

Statistics also fail to reveal the serious fact that steadily declining production on most farms is gradually forcing countless families off the land and concentrating production gradually into still rich farming areas or areas where a good agriculture is being practiced. Unfortunately much of the pressure operates in the direction of large production, efficient “industrialized” farms where production per acre is high and so affects *total* figures. Nor do statistics reveal the fact that this pressure is bad sociologically as well as economically and works toward the dispossession of a growing number of families based upon agriculture. This increasing number of dispossessed only serve to augment the number of the “proletariat” without property, paying no direct taxes and living as “wage slaves” either in the great industrial urban areas or as migratory workers on the road.

It is to be hoped that the slightly increased production per acre of the war years represents a permanent and real increase rather than one of the transient kind achieved at a great cost during the last war. The fact remains that the record of production per acre of the nation as a whole in all crops has been steadily declining since the soil was turned by the first plow and it is significant that the gains in production per acre registered by government statistics are so slight in relation to *potential* productivity and to the steady decline over a period of two to six generations that they can have little effect either upon increased profits for the farmer or lowered food costs

for the consumer. The fact still remains that the total food production of the war years was the most expensive per acre or per pound of any in history and that it neither represented abundance in a country so vast and so potentially rich as this one nor even a sound and efficient agriculture.

By the re-establishment through restoration of our great pool of real wealth in the form of good agricultural land and by an efficient agriculture, we should be adding not only to the vital basis of our real wealth with the immense lasting effects which that implies, but we should also be able to bring down by perhaps as much as a half the cost of food, the basic item in the cost of living. Quite obviously this is the first and perhaps the most important step in stabilizing our economy upon a sound base, in checking the “creeping inflation” which follows destruction of our real wealth and in making the dollar of the nonagricultural citizen have an increasing rather than a decreasing value. As I have pointed out before, a large majority of our citizens, especially organized labor, are suffering from the delusion that more dollars, rather than dollars with higher purchasing power, is the solution of their struggle against constantly rising costs of living, induced both by wartime and boom inflations and by the permanent steadily “creeping inflation” arising from the waste and destruction of our real wealth.

I know of no better example of the superficiality of money manipulations and of the fundamental importance of our real wealth than this one. Instead of moving toward higher production at declining production costs, we are constantly moving toward a choice between steadily increasing food costs and a wholly “kept” agriculture subsidized by taxpayers’ money.

Of course, the responsibility for the wholesale destruction of these important and basic reservoirs of renewable real wealth—agricultural land and forests—must be shared by the whole of the nation; it was simply a part of the rapid, gigantic and greedy exploitation of all the real wealth of the nation taking place during the comparatively brief era of industrial development, which has so completely distorted economic ideas regarding real wealth, money, markets and the bases of our economy. The task of the restoration of these agricultural lands insofar as they can be restored, rests largely on the shoulders of the farmer, although he cannot do the job alone without government planning aid and encouragement. The restoration of forests, insofar as they can be restored, rests almost wholly upon the shoulders of government, state and Federal, since it is a long-time proposition which will scarcely encourage the investment of large amounts of private capital. The destruction both of forests and of agricultural land has gone far beyond the point where the farmer or, in the case of the forests, private capital can be expected to undertake singlehanded so immense a task.

Again I know of no better example of how the destruction of real wealth eventually and inevitably brings about the intervention of the state through regulations, controls, subsidies and other money expenditures which are resented by the advocates of free enterprise, especially these eminently and ferociously rugged individualists who are themselves most guilty of that destruction—the farmer and the lumberman and the investing capitalist.

Another example of bitter resentment over government interference in the realm of real wealth is the attitude of the banker in general and the country and small-town bankers in

particular. With the decline in real wealth of agricultural land and its productiveness, more and more farms, both large and small have fallen into the category of marginal and submarginal farms, so poor in fertility and the production of profits that they become poor or impossible or actually illegal risks for the promotion of loans by banks. This situation came about not only because the farmer was looking always for quick, greedy profits which eventually destroyed his capital and real wealth (his land) but because the banker himself, like most of the nation, was looking only for quick, greedy profits. As a result of such a process it was the land, the real wealth of the nation, which suffered and, as its fertility was destroyed by erosion and poor farming over considerable areas, farms became poorer and poorer risks as security for loans until at last whole regions became virtually bankrupt, rural and small-town banks began to die out like flies, and eventually the government was *forced* to step in with the Farm Security Administration and many other agencies (too many) to take care of the poor marginal and submarginal farmers and also to make some effort to preserve or restore the diminishing and important base of our agricultural wealth and purchasing power.

The same process of soil destruction not only decreased the purchasing power of the farmer in those areas, but also extinguished his capacity to deposit or invest money in local banks or even to pay taxes. There exist millions of acres of once good agricultural land which not only are nonproductive but are actually tax delinquent and unwanted by anyone.

All the time, the answer lay, partly at least, with the rural and small-town banker who, by being more intelligent and more public-spirited, could have done much to help the

farmer by wise advice and even stipulations accompanying the loans he made. But he chose, on the whole, to grab what he could and forget the rest—the prosperity of his community as well as the real wealth of the nation, ignoring the fact that any rural bank is only as prosperous as the community in which it is located. That a different course—one which gave intelligent help and advice to the farmer—would inevitably have been profitable both to country banks and communities and to the nation itself is borne out by the records not only of the Farm Security Administration but also in the cases of country and rural bankers who *did* have the intelligence to understand that the real wealth (agricultural land) of their communities was the basis of their own *money* prosperity.

In the case of the Farm Security Administration, which with each loan makes stipulations regarding better land use and farm management, 93 per cent of farm loans, made almost entirely to farmers below the economic level which merited *legal* loans from banks, have been paid back with interest, a record that rural and country banks never quite attained even in the heyday of agricultural pilfering when all that was needed to get a good crop was to plow the rich virgin soil, fit and seed it. In this case the government not only got back its money with interest, but it has succeeded in improving and restoring the economic security and self-respect of the individual marginal or submarginal farmer (a point of great importance to the political and social welfare of the nation) and has managed to make a considerable step forward in the restoration of the most important segment in our pool of natural wealth.

The fact that this same wise course *could* have been taken by the rural and country bankers themselves is borne out by

the examples of C. W. Bailey in Tennessee, and W. N. Campbell of Arkansas and a few other rural bankers. Both the banks managed by these men lay in largely farmed-out single-crop areas where farmers were at the mercy not only of worn-out soil of declining production but of the erratic vagaries of an “all the eggs in one basket” single-crop economy. By working with the farmers of their respective regions, giving advice, stipulating good soil practices, diversification and a good livestock program, these men were able to change the economies of both regions from a level of near-bankruptcy in soil (real wealth and the farmer’s capital), money income, purchasing power and *working* money upon which banks are in turn dependent for their very existence to a level of profitable production and a fairly stabilized purchasing power.

The same opportunity lay before other rural and small-town bankers over the whole of the nation but they chose instead to avert their eyes and, in the vast boom of destructive exploitation, to play Shylock and grab what they could. The result of such a policy was the destruction of real wealth, the decay of countless once prosperous communities with purchasing power to support industry and create industrial employment, and eventually the death of the banks themselves, followed at last by government intervention and the setting up of great bureaucratic agencies paid for by taxpayers’ money.

One of the most striking evidences of the poverty and inefficiency of our agriculture has been the almost universal tendency of our farmers to expand horizontally rather than vertically when they sought to increase production. This habit is as prevalent as was the habit of “mining” farms and

moving on to other virgin territory where land was cheap or free and which slowly has come to end when the supply of free or cheap virgin land came to an end—a check which has turned marginal and failing farm populations back upon themselves to wither, die, take to the roads or go to the great cities in search of the meager living their worn-out land could no longer provide.

In every era of rising and high prices, usually stimulated by war inflations, this spectacle of horizontal expansion has taken place and has ended nearly always in disasters for the individual farmer which were felt through the whole of national economy. The process and the reasons for its inevitable failure should be evident even to a child, for they are simple enough, yet the temptation toward possessing more and more land (perhaps because we once had so much of it) has brought one farmer after another to financial ruin and done much toward the further depletion or destruction of our natural wealth.

To simplify the explanation, let us take the example of a single farmer who owns two hundred acres of good farm land. Very likely, if he is a typical American farmer, he is producing on that two hundred acres only about 60 per cent of its potentiality and is slowly but surely exhausting its fertility so that production is declining rather than increasing (this is probably a fair example of the average “good” American farmer in a good agricultural season). Stimulated by rising or high prices he wants to increase his production and so his gross income, but instead of farming more intelligently and productively on the two hundred acres he already possesses and achieving the extra 40 per cent of production of which his soil, well farmed, is capable, he goes

out and buys two hundred acres more land. Because prices of farm commodities are high, he is forced to pay inflated prices in order to get the new land, very often mortgaging the new place or the old or both in order to raise the money. The next step is that he farms the four hundred acres no better and probably less well than he farmed the original two hundred. He must invest twice as much or more in fertilizer, seed, labor, taxes, interest, etc. and, harried by labor or machinery shortages which are generally the accompaniment of war and high prices, ends up by producing 50 per cent or less of the potentiality of the *total* four hundred acres. He has actually decreased his production per acre, which is what matters in profits to the farmer and prices to the consumer, and has increased his total production costs by 100 per cent so that he is making, despite high prices, less profit on four hundred acres than if he had stayed at home and farmed his original two hundred acres at the 100 per cent of potentiality level. Of course, if he had farmed his original two hundred acres really well and produced its potential 100 per cent of production, the proceeds from the additional 40 per cent production would have been very nearly all net profit with little increase in expenditures and production costs and no increase whatever in tax and interest payments.

But the tragic story does not end there; once prices begin to fall this farmer's gross income and his net profits fall with them, but he still has taxes to pay on all four hundred acres and interest on the mortgages he has taken out upon the inflated price of the land. When prices fall low enough, he is liquidated on all four hundred acres at a level of farm land prices far below that which he originally paid for the two hundred additional acres. Of course, if he happened to live in one of those agricultural areas where the vagaries of the

weather, always a vital element in production of the farmer, could wipe out a whole crop in a single season, disaster was likely to descend upon him at any time as the result of his *horizontal* overexpansion.

This is exactly the process which occurred during and immediately after the last war when thousands of farmers in the very richest agricultural area of the nation—in Iowa, Indiana, Illinois and Missouri—lost their farms to banks and insurance companies which did not want them since the bottom had fallen out of the market both for agricultural products and land and it was very nearly impossible to maintain them properly or to sell them for the cost the banks needed desperately in order to maintain or increase their liquid funds in time of black depression. So once again a disaster in the important and fundamental agricultural sector of our economy shook the whole of our economic structure or at least contributed enormously to a general and cataclysmic collapse.

If the agricultural segment of the nation had been based upon a sound, efficient and productive agriculture (100 per cent of potentiality, high production and low production costs with little or no indebtedness) which meant *really* high net profits in time of high prices, this same farmer and others like him would have considerable cash reserves with which to protect himself in times of low prices and would have a great reserve of purchasing power to cushion the shock of the depression in the industrial segment and maintain at least to a considerable degree the employment of industrial workers.

Exactly the reverse was true. Because of a poor and inefficient agriculture, thousands of farmers not only lost the farms they owned, but virtually all the rest were left with

reduced purchasing power or none whatever, because at low prices an inefficient agriculture could not produce at any profit whatever. It managed barely to support itself and in fact could not do so without government support. In other words, everything and everybody collapsed at once in resounding disaster. It is probable that under an efficient and profitable agriculture the Great Depression would never have attained its catastrophic proportions and it is possible that the complete collapse of agricultural purchasing power at the first major decline in prices actually precipitated the depression itself with the subsequent wave of unemployment which cut off in turn the purchasing power of the important segment represented by the wages of the industrial worker. In other words, our agricultural segment, with the real wealth and purchasing power it could represent, should have exerted a cushioning and stabilizing effect; on the contrary it proved to be perhaps the weakest segment in our whole economic structure.

This problem of declining production at high and increasing costs exists in every county in the United States in varying degrees. One authority of the Department of Agriculture, who knows the whole of the nation as some people know their own townships, has expressed the opinion that not less than 75 per cent of farms in this country produce only about 30 per cent of their potentiality and less than 10 per cent produce anything approaching 100 per cent of potentiality. The others fall in between. I think any good practical and prosperous farmer would not dispute these figures. All this of course means low production at high costs and it also means that year after year more and more farms fall to the subsistence level where they neither produce real wealth in the form of commodities, thus contributing to the

wealth and well-being of the nation, but also cease to have the purchasing power which supports the market for the industrial commodities which in turn provides employment, wages and purchasing power for the industrial worker in the market *both* for farm and industrial commodities. It is evident that such a progression tends only toward growing scarcities as the population increases, higher prices, “creeping inflation” and a general lowering of living standards for the nation as a whole. It is also increasing, as farm after farm is abandoned, the dangerous number of citizens without property, paying no direct taxes and without economic security who can quietly vote democracy out of existence and replace it by a totalitarian government which regulates everyone and everything.

Any man or woman with a seeing eye and a modicum of agricultural experience can drive through the heart of our richest agricultural areas and find not one farm in ten which is producing 100 per cent of potentiality or maintaining fertility. All the others are the victims of declining production and increasing production costs and contribute thus to constantly mounting prices, lowered living standards and a narrowing profit margin for themselves—a margin which if eventually the nation is to live even upon the average diet standards of the past, must be made up by ever-increasing prices to the consumer or by subsidies which come from the pockets of everyone in the form of taxes.

All of these things seem to prove that it is not changing ideologies which bring about government intervention, “statism” and eventually totalitarian government but rather the economic pressure related to the decline or lack of real wealth and of internal markets and the purchasing power

which supports them. Certainly this is so in the United Kingdom and the signs of the truth of this process are increasingly manifest in the United States. The people as a whole are never subject to the influence of theories and ideologies or even demagogues but only to immediate economic pressure and the obvious and painful infringements upon their liberties which sometimes are linked with these pressures. The ideologies are, like Fascism, Nazism and Communism, only superficial, political manifestations arising from economic pressures which are much more profound. These pressures are always related far more to real wealth, its abundance, or lack, than they are to superficial influences of *money* or any manipulation of money. The conservation, sound exploitation and development of real wealth is preventive medicine, building up economic security, free enterprise and personal, individual liberty at the same time and preventing the economic social and political ills which eventually and inevitably assail a nation poor in real wealth. The use and manipulation of money as a cure, either for trade, to induce prosperity or to raise living standards of a nation, is like giving sugar pills to a patient suffering from cancer. The effect may be psychological but it is certain to be superficial, inducing a sense of improvement while the actual disease only continues its progress.

The effect of economic conditions and status upon ideology is clearly demonstrated in the larger farmers' organizations. The membership of the National Grange is predominantly a membership of good farmers or of farmers living upon good soil which has not worn out as rapidly in their particular areas as in other parts of the nation. The Grange is strongest in naturally rich agricultural regions or where livestock and diversified farming has kept the level of

fertility fairly high. They are therefore prosperous and *know* that the farmer who does a good job can take care of himself and his family under all conditions. Consequently the membership is moderately conservative, fiercely individualistic and resentful of government interference.

The Farm Bureau largely takes on the color of the predominant economic conditions of the state represented. Largely speaking, its members are prosperous, and on the whole more liberal and progressive in thought than the members of the Grange. They are, of course, the greatest proponents of the Farmers Co-operative and as such have built up in the various states co-operative organizations with an annual business in fertilizer, farm equipment, clothing, services and even insurance as large as some of our most important private corporations. Nevertheless the range of political reaction is very wide, ranging from the conservatism and even reaction of the big, rich farmers of the Corn Belt and that of the absentee land owners of the Deep South to the liberalism of the Farm Bureau of Ohio, which partly from economic conditions, partly from the special character of Ohio citizenry and largely from the leadership of its secretary, Murray Lincoln, follows a fairly independent course both inside and outside the national organization.

The Farmer's Union, on the whole, also represents a wide range of political ideology. Largely speaking it is much more loosely knit than the other two organizations and its membership in the richer agricultural states is comparatively small and scattered. It is largely radical in character, advocating government subsidies in one form or another and government planning and regulations, yet even in this case the character of the farm unions in the rich agricultural states

is middle-of-the-road. The radical pressure comes from the considerable membership among the poor farmers, tenant farmers and sharecroppers of the agriculturally poor south and southwest and from the able leadership of its president James Patton who, with his staff, works closely in politics and propaganda with the more radical elements of the C.I.O. He recognizes that co-operation between the mass of dispossessed, propertyless urbane industrial workers (Marx's proletariat) and the dispossessed or miserably poor farmer of the South and Southwest can bring about without violence, through the simple expedient of the exercise of voting franchise of an increasing population in both categories, a radical revolution and serious modification of democracy in the direction of statism, socialism and even Marxism.

Here again, in the case of the three great farm organizations, the political ideologies are almost purely determined by economic status. It is no more than the old battle of ideals—Jefferson versus Marx or Western democracy versus radicalism and statism in one form or another. The more radical reactions arise fundamentally from economic conditions; the ideologies take form and importance only as the already economically insecure become aware of them through education or propaganda. New ideologies, either radical or conservative rarely progress by conversion or through missionary zeal; they simply fall into place as economic evils prepare the way for them.

The Russian Revolution and the French Revolution were not revolutions *for* anything or to establish any theory; they were revolutions against oppression primarily economic and secondarily political, powered by the energy and numbers of those suffering the oppression.

A democracy in which, as Jefferson dreamed, every man paid direct taxes, owned a share in the nation and had economic security, would have nothing to fear from Nazism, Fascism, Communism or any other “ism.” The only inroads would be made among the precious, the unbalanced, the soothsayers and the “intellectuals.” Until now, because of our originally vast resources of real wealth we, as a democracy, have been comparatively safe, but today we have reached the crossroads and it is for us as a nation to choose the path we shall take. The path we take depends upon whether we understand and properly develop our reservoir of real wealth and whether we choose a profitable low-price abundance or high prices, money manipulations and scarcity. It is much later than most of us think.

The problem of checking the destruction of our agricultural land, of restoring its productiveness wherever possible and of restoring our forests is clearly too great to be accomplished by individuals or by private capital. The question then is how and how much must the government do in the process of preserving and restoring this segment of our real wealth so vital to our national economy. In the past much money has been spent to no purpose whatever save to keep a certain portion of our agricultural population on a kind of dole and protect and even encourage the evil processes of agriculture which are largely responsible for the destruction of agricultural land up to date. One is brought up at once against the question of what is merely government spending and what is *investment* of government money which will preserve real wealth, develop new sources of real wealth and yield returns to the government and the people of the nation.

Roughly speaking, the difference is fairly well demonstrated by the difference in the activities and results of the W.P.A. and of the P.W.A. during the period before the war. The first distributed money as a kind of government dole in order to provide shelter and prevent starvation in time of crisis. It was essentially an emergency agency, badly organized, badly planned, badly administered, requiring an immense and cumbersome bureaucracy which eventually became corrupted by party politics. No one could well question its purpose (to prevent starvation) but in the sum total of its accomplishments, in what it created in real wealth or in creating the machinery for education, employment or for safeguarding, preserving or restoring real wealth and natural resources, its results were futile and as I have pointed out elsewhere sometimes actually destructive to morale, real wealth and self-respect as well as actual real wealth. At its best it was an emergency measure, at its worst an example of actually destructive spending of government and taxpayers' money.

The P.W.A. on the other hand, equally an emergency measure, was far better planned, organized and administered. The money paid out was *invested* rather than spent foolishly and it left behind it a residue of schools, roads and highways, hospitals, post offices and other public works which contributed to the welfare, morale, real wealth of the nation and to the means of creating more real wealth. Likewise the C.C.C., admirably planned and administered, served to increase the wealth and the stability of the nation and its economy, not only in a material sense but in the sense of training, discipline and education. The N.Y.A. properly planned and administered, with experienced guidance, could have achieved similar results and have been an example of

investment rather than spending. In this as in many other cases during the Great Depression what might have been agencies for the preservation and creation of real wealth degenerated into agencies engaged simply in spending, largely owing to inexperienced and fuzzy-minded planning and administration or to political or ideological manipulation.

Of all the means of aiding our sick agriculture, subsidies are probably the worst, with government buying of agricultural commodities in order to support prices (actually a form of subsidy) playing a close second. Both represent the perfect example of trying to cure fundamental evils by the use and manipulation of money, the process of applying poultices on the exterior of the abdomen to cure a stomach ulcer. They solve nothing and only tend to preserve and augment the original and fundamental evils.

The government support of cotton prices (actually nothing more than a subsidy) is the best example I know of the superficiality and the idiocy of this process.

All sorts of reasons and excuses are given for the plight in which the poverty-stricken Cotton South finds itself. Nearly all of them are unimportant because fundamentally they are false and superficial. The reason that the Cotton South cannot produce cotton and sell it on the world markets at a profit is simply that the Cotton South in the past and to a great extent today practiced and is practicing one of the worst systems of agriculture known to the world.

The story goes back a long way, to the time the first acre of cotton was planted on virgin soil in the cotton area, and it is a story which parallels largely the story of our agriculture everywhere in the United States. The destruction and the progress toward poverty in the Deep South is more sharply

evident than that in other large areas of the nation only because much of the South has been under intense cultivation for a much longer period and because the deterioration and destruction of the soil by erosion, depletion and loss of organic material is much more rapid in a subtropical climate subject to heavy seasonal rains than in more temperate regions. Elsewhere in the United States the same process of deterioration has been in progress since the beginning of our agriculture, varying only in degree according to the region.

In some parts of the Deep South cotton, one of the greediest of plants, has been grown on the same land generation after generation until in many cases the land became so depleted and gullied that it was abandoned to grow up in puny weeds and scrub pine. In other areas production declined year after year until the great plantations fell into decay and the land was left to a wretched assortment of independent farmers, sharecroppers and tenant farmers living below the level of the European peasants. During a hundred to a hundred and fifty years of that period little or nothing was returned to replenish the minerals taken from the soil by the greedy cotton. In winter, generation after generation, the reddish, crumbling soil was left bare to wash away under the steady, heavy, seasonal rains (at Athens, Georgia, a test plot of cotton grown on a moderate slope under methods generally prevalent in the South even today, showed an average annual loss of topsoil amounting to 127 tons per acre). After the invention and use of chemical fertilizer, some effort was made to return minerals to the exhausted soil but even this process was largely ineffective in raising production per acre (the only real basis of computing agricultural profits) because the soil was so devoid of organic material or of any means of retaining moisture through the

long seasonally dry periods that the fertilizer rarely became available to the cotton plants at all. Moreover when the heavy winter rains fell on the bare fields, the topsoil and any remaining residue of minerals left in it were washed away, turning southern rivers in the cotton country into streams of liquid mud in which only lowly and hardy forms of aquatic life such as carp, catfish and turtles could survive. Most southern cotton land has never known barnyard manure or green manure and has never had anything plowed into the soil but the dried, woody stems of last year's crop (when they were not carried off with the soil during the winter rains). Some cotton land has never known fertilizer, green, barnyard or chemical of any kind.

This is the picture, and by no means an exaggerated or unfair one of southern single-crop agriculture until about a generation ago when consciousness of the evils and an effort to do something about them appeared. It is the record of one of the most abominable agricultures ever practiced by any country at any time in the history of the world. It had infinitely more to do with the appalling poverty of the Cotton South than the Civil War or the freeing of the slaves or the growing industrial monopoly of the North. Actually the rural citizens of the State of Georgia did infinitely more damage to themselves than Sherman's march to the sea ever accomplished. The decline of southern prosperity and wealth was well begun before the Civil War and the final progression would have been exactly the same; the Civil War and the freeing of the slaves may have contributed something toward its acceleration, but even that supposition remains doubtful. Great areas of the South have become pauperized largely through the sins of the cotton growers themselves.

The economic history is written in the figures of the production per acre of cotton, always a record of declining production both in quality and in quantity with a constantly increasing cost of production. When southern soil was virgin the production of two bales of cotton or nearly that per acre was a commonplace yield. From the first generation of cotton planters the yields declined for a period of two hundred years to a point where no cotton land produces two bales per acre and on much of the cotton land it is necessary to seed, cultivate, weed and harvest many acres, in some places seven or eight acres in order to produce *one* bale of fairly low-grade cotton. Beyond that point land is abandoned as wholly wrecked, to weeds and scrub pine because it is no longer profitable to cultivate it even with artificial prices supported by government money.

Under such conditions it is easy to see why cotton *cannot* be a profitable crop and certainly cannot compete with cotton produced elsewhere in the world. It is easy to see how even with a farm commodity produced under such a system of agriculture, protected by high tariffs or subsidized by the taxpayers of the rest of the nation, the abysmal poverty of large areas of the Cotton South were and are inevitable. It is also easy to see that *money* measures by government in the form of subsidies or tariffs can never raise the economic status of the Cotton South.

But the problem is much more than one of poor agriculture, or even of an unbalanced economy. The condition of much of the Deep South affects not only its own area but the whole of the nation as well. Every direct taxpayer and even those paying indirect taxes are each year contributing hard-earned money to pauperize certain southern

agricultural areas. This is spending of money at its worst since it does little to improve the diet or the economic standards of those areas or to raise the abysmally low standard of living. It only serves to preserve and continue the abominable agriculture responsible for these miserable conditions and to perpetuate an evil social system grown up since the Civil War of tenant farming, sharecropping and absentee landlordism. It manages to preserve a whole population at a bare subsistence level, actually in many areas little above starvation, which would do better to escape from these areas and take to the roads. The tragedy is that many of that population are so undernourished and such poor specimens physically that they have not the energy to escape.

This is an important point and one which cannot be overlooked. It is a point also which demonstrates clearly the fact that when real wealth is destroyed and with it the economic security of the individual, government is forced to step in and take over. Not only is it true that the people of the cotton areas, through increasing poverty over generations, have come to exist upon a poor, monotonous, limited and unbalanced diet (corn bread, fat pork, hominy grits and turnip greens) but the ingredients of that wretched diet are grown upon soil so impoverished that the earth contains little or no phosphorus, calcium, potassium or trace minerals such as iodine, manganese, copper, etc. Without these elements it is difficult or impossible to produce human creatures with health, intelligence, energy and a capacity for education. That is what was meant by Dr. Hugh Bennett of the Soil Conservation Department when he wrote, "Poor soil makes poor people." It is a fact demonstrated when one seeks out the areas of the earth inhabited by the more feeble and backward races. Those areas coincide almost exactly with the

areas which are poor minerally or where the fertility of the soil has been exhausted. The same rule holds true in this country. As soils are depleted, human health, vitality and intelligence go with them. Selective Service statistics show that in one southern state in the single-crop cotton area 70 per cent of the young men called up for service were found to be hopelessly unfit physically. Many of them were unfit mentally and many of them completely illiterate.

Such a condition opens up appalling vistas for the future of the nation as each year its soil becomes more eroded and depleted over steadily increasing areas. The evidence of the effects on physique, health and intelligence of wretched diet and soil conditions has already shown up among industrial workers who have flooded into northern factories from our poorer agricultural areas during the war. Efficiency, capacity for learning, declined in factory after factory and it is well to remember what has been remarked elsewhere in this book, that the populations of our great cities do not maintain themselves but are replenished from our agricultural areas, more and more from those areas where worn-out soil or fantastically low cash incomes have forced the populations of farms into the cities. The destruction of our agricultural land results not only in the depletion of our greatest reservoir of real wealth, creates high prices, creeping inflation and lower standards of living for the whole of the nation; it creates poorer and poorer citizens with respect to health, vitality and intelligence.

On the political side the wretched economic condition of the farmer in worn-out agricultural areas and of the migratory worker who comes largely from these areas make them the natural victims for ideologies opposed to democracy and

inevitably and rightly so. Where else have they to go? All of them, save in the poll-tax areas, have a vote and, properly organized and regimented by extreme radical elements and added to the great numbers of the economically dispossessed in our great cities, they can overthrow this republic and establish a totalitarian state simply by exercising their rightful franchise under democracy. The zeal and anxiety of the extreme radicals to repeal the poll tax in the southern states where it still exists, is motivated in many cases less by sentimentality or a sense of justice and democracy than by a desire to get possession of that large pool of economically wretched and dispossessed voters. “Artificial” efforts to prevent the organization or the articulation of this growing class of voters by disfranchisement or by violence are no solution and are essentially futile. Again the only real answer lies in the improvement of their economic condition, with the improvement of other conditions of diet, health, intelligence and education which will accompany this improvement.

None of the above should be taken as an attack upon the Deep South alone. The Cotton South stands as an extreme example of the results of the destruction of agricultural land in what is largely an agricultural area, but the same process has been going on steadily elsewhere in the nation, either more slowly or because in some regions the land has been settled only recently and there has not yet been time for the full effects of an evil agriculture to make themselves apparent.

If it is obvious that subsidies or money *spent* rather than invested is not the cure for such conditions, then the question is what should be done and how it should be done.

The outlines are already there, pointing the way toward a better, more intelligent agriculture, which can not only produce crops without subsidy but even compete in the world cotton market profitably with a better grade, cheaper cost cotton. Some of the outlines have been laid out by small independent farmers like J. L. Cavley of Alabama, Mack Gowder of Georgia, some by larger farmers like the Yarborough brothers of Alabama, some by big, rich landowners like Cason Callaway of Georgia. Some have been laid down by the government services, notably the United States Soil Conservation Service which has done through its self-sacrificing and devoted personnel, a great work. In the northern reaches of the Deep South, which fall into the realm of the T.V.A., great progress has been made toward a sounder, more profitable agriculture and the preservation and renewal of our real wealth. In that area, even after the short space of eleven years, one has only to cross an invisible line to discover at once a difference in prosperity. On one side is abject agricultural poverty, on the other houses and barns are painted, the fields green and the towns and banks are prosperous and busy.

But what has been done is only a beginning, pointing to the way in which the Deep South with a sound agriculture and the establishment of an agricultural-industrial balance *could* become one of the richest areas in the United States.

The first attack should certainly be made upon the terrible evil of erosion which has simply washed away the banks, the department stores, the purchasing power, the productivity of the land, and the whole possibility of raising cotton over a large area on any basis of sound economic production. Here the Soil Conservation Department has begun the great work

of terracing the land so that contour farming may be practiced and the runoff water from the terrible winter rains be checked and kept on the land together with the precious soil and fertilizer it carries away annually by the billions of tons. Some millions of acres of cotton land have been terraced, most of it owned by big, absentee landholders who became desperate as the declining productivity of the soil began to approach a desert level. But even terraces, if not kept up and properly managed, do not solve the problem. On most southern cotton land the soil is still left bare throughout the winter. Only in a few and scattered areas are crops employed to cover the bare earth and restore to it some of the organic material of which it has been robbed generation after generation. One can still drive for miles through the Deep South and see only wrecked and rotting plantation houses or cabins which a prosperous farmer of the Middle West would not ask his hogs to live in. One can still drive for miles without seeing a single farm that has made any improvement in its farming methods since the primitive, greedy days which followed the first turning of the soil in the once rich South. On most of that land it requires five to eight acres to produce a single bale of low-quality cotton.

Now and then one comes across a farm that is like an oasis in the desert, with good, well-painted buildings, green fields and healthy fat livestock. You know that the mortgage is paid off and that there is money in the bank. And you know before driving in the lane that you will find a healthy, vigorous and intelligent family. These farms are the work of a new race of pioneers who have set about undoing the evil done by the earlier race of pioneers and their descendants. They are the proof of what the Deep South could be, the proof that all but the poorest land can be brought back to re-establish real

wealth and provide not only economic security but prosperity for the individual and purchasing power to support industry and the industrial workers of the nation.

On these farms there is kudzu growing to heal over the old evil gullies and provide high protein forage and pasture for livestock. There are crops of Austrian and Cayly peas and crimson clover to cover the bare soil in winter and put back both precious and expensive nitrogen and precious organic material. There is animal manure for the poorest of the fields. There is corn yielding sixty and seventy bushels to the acre rather than the miserable twelve bushels or less which is the average in most of the Cotton South. There are thick, permanent pastures of mixed grasses and legumes on which cattle grow fat. The farmer is *also* raising cotton but instead of growing cotton over the whole of his acres, year after year, with steadily declining production leaving the fields bare, he is growing it on only a few acres but producing much *more cotton on these few acres than the whole of his farm* had once produced. Instead of plowing, fitting, seeding and fertilizing five or six or even seven acres in order to grow one bale he is plowing, fitting, seeding and fertilizing one acre to grow a bale and a half or better. In other words he is producing cotton at world prices at a profit *without* any subsidy paid by the other citizens of the United States.

The reader may well ask, “Why if these prosperous farms exist, are not these practices more widespread?”

There are many reasons but the principal ones are the poor southern farmer (cotton) and the big absentee landowner themselves.

In the first case—that of the small, poor, southern cotton farmer—malnutrition, lack of energy, intelligence, education

and capital almost totally block any effort of his own to improve his condition. He and his family live in a miserable shack on a limited diet, less well balanced than the diet of almost any peasant population in the world. That diet is grown upon a soil so depleted that it is very nearly impossible to produce from it a normal, active, healthy and intelligent human specimen. I have seen in some poor southern towns men and women standing in front of a general store all day without the energy to make up their minds to go east or west or cross the street. In addition to the malnutrition both of diet and the substance of diet (in other words both of quantity and quality), the resulting physical weakness makes them subject to all sorts of constitutional and organic disorders, such as colds, influenza, pellagra, hookworm, malaria and other diseases. Beyond all this lies the barrier of an incredibly low economic status which in some states is represented by an average annual cash income of about \$160 a year, meaning that in some extreme cases the cash income (money that can be spent and therefore purchasing power) is as low as \$5 a year or less.

As Robert Flaherty, who spent two years among these people and the migratory workers who come largely from their ranks, once put it: "The worst tragedy is not the migratory worker. He has escaped to something which, however miserable, is better than what he left behind him. The worst tragedy is among those left behind who have neither the energy nor the few dollars to buy a worn-out jalopy which would help them to escape."

Under such conditions there is no need to ask why the poor southern farmer does not help himself and imitate his more vigorous and prosperous neighbor who is the great exception.

The condition of the tenant farmer and sharecropper is as a rule even worse than that of the small independent farmer. There are cases, extreme ones to be sure, in which the tenant and sharecropper has at the end of the year no cash income whatever. It is obvious that when economic and physical conditions reach so low an ebb, there is no solution but for government to come in and take over.

In the case of the absentee landowner and the big cotton farmer, laziness, indifference and unwillingness to spend any capital at all upon maintaining or improving the value and productivity of his land are the usual reasons for his failure to improve his own income or that of the nation. The cotton subsidy protects him in his laziness and indifference. On land which has shown a declining production since before the end of the Civil War, he had at one point faced ruin and bankruptcy, when southern political blocs, pressure through bargaining with other farm blocs and the inevitable economic pressure caused by a poor and declining agriculture, brought about a subsidy paid for by the taxpayers of the whole nation which permitted him to continue his slovenly and unbusinesslike methods and still make a small profit on cotton.

Most of the nation is ignorant of the fact that it is paying taxes annually to *perpetuate* the evil agricultural conditions of the cotton area, as well as to preserve an evil and archaic system of absentee landlordism, tenant farming and sharecropping and the indolence and folly of the big landowners. But that is what you are doing, all of you, even though you live in the rich Middle West or in a flat in New York or San Francisco or a tenement in Detroit or Pittsburgh. Under an agricultural subsidy conditions grow steadily worse

and the possibility of establishing a stabilized, prosperous agriculture possessed of real purchasing power grows steadily less. The prospects of doing away with that subsidy also diminish steadily. Under such a system there is no possibility of eventually doing away with such a subsidy; the only possibility is a necessity—that of gradually increasing that subsidy as conditions grow worse, thus robbing Peter to pay Paul, taking more money from taxpayers to support virtually on a dole the practices of a wretched agriculture of declining production and increasing costs. Such a process is no more nor less than the spectacle of a once rich nation devouring itself. The economic history of the Deep South is nothing more or less than the history of one large region which destroyed its foundation of real wealth. The same process is steadily at work over the whole of the nation.

I repeat that I have taken the Deep South as an extreme example but, broadly speaking, the same process of declining production and increasing costs plus wholesale destruction of real wealth is taking place everywhere save among the less than 10 per cent of farmers who practice a sound, efficient and profitable agriculture. Even in the richest agricultural area of the nation, the Corn Belt, production has declined from an average annual production per acre of 120 and more bushels of corn on the original virgin soil to as low in some bad years as 37 and 44 bushels to the acre. The prospect to the economy of the nation is not only the dangerous one of a steadily diminishing purchasing power of the big economically important agricultural segment and the widely ramified sections of our economy directly or indirectly dependent upon it, but of inevitably finding ourselves with the bitter choice of a “kept” subsidized agriculture paid for by taxpayers or of higher and higher prices or actual shortages of

food and semi-starvation such as those which confronted and still confront China with the wholesale destruction of her agricultural land. We are advancing toward that evil series of choices far more rapidly than China ever advanced during the long period in the decay of her economy and even of her civilization.

These are all facts known to a few men—the experts whose business it is to watch such things. They should be known to every citizen of the nation.

Potentially, the Deep South has possibilities of becoming one of the richest areas of the nation. In the field of livestock, of diversified farming, in the production of certain tender or non-hardy crops, the region has great advantages over the more northern and temperate areas. In the field of livestock alone, the northern reaches of the Cotton Belt offer certain definite advantages over cattle and hog-raising areas in the Corn Belt. There is no need to invest capital in the great barns that rise above the prairie country. In the Cotton Belt the simplest shelter, no more than a windbreak for severe weather, is necessary. And there is no need during the summer months to harvest and store tons of forage for winter feeding. In the South, livestock can live on green forage in the fields for most of the year and with the discovery and spread of the Singleterry or Cayly pea, a rich leguminous pasture plant, it is possible in some areas to leave cattle on pasture all twelve months of the year. Although the average corn yield in the southern areas is today somewhere around twelve bushels, yields of sixty and seventy bushels per acre are not only possible but actually achieved under good agricultural methods. The growing feed and industrial uses being discovered for sweet potatoes and other typical

southern crops and of crops which cannot be grown in the colder northern zones open endless possibilities of variation.

The old myth that cotton is grown everywhere in the Cotton South because it is the crop most suited to the soil or the most profitable crop is simply not true. Cotton is still grown over large areas where livestock and other crops are actually more suitable and more profitable. The myth persists largely out of laziness, ignorance, tradition or an indifference which will never be cured so long as cotton is a subsidized crop. The whole legend of King Cotton was good so long as any strength of the virgin soil remained. The truth is that cotton, produced by a wretched agriculture, has contributed far more to the economic and agricultural ruin of the Deep South than it has contributed to its prosperity.

Recently a mechanical cotton picker has been invented which does the work of eighty hand pickers with a high degree of efficiency. The use of such a machine, together with a much improved system of agriculture probably holds the answer to *honestly* profitable cotton culture in the South. By improved yields (a bale and a half to the acre rather than one bale to five or more acres) plus mechanization, both of cultivating and picking, the production cost per acre and per bale could be so reduced as to permit the profitable production of American cotton for sale at world levels without subsidy. We should then be arriving at a *real* solution of the miserable cotton problem that has plagued the nation, been a burden to its taxpayers and checked economic and social advances throughout the Cotton South for years. In other words, it is quite possible to produce the same amount of cotton the South is producing today on one-fifth or even

less acreage at approximately one-fifth or less the costs of present production.

To be sure the solution is not quite as simple as that. Cotton picking machinery, like much other mechanical farm equipment, is too costly to be purchased or supported by the small landholder, but in most cases the small landholder would be much better off in a diversified farm program under good land use which would give him a higher profit per acre than cotton. It is also true that if the agricultural standards of the small landowner were raised to a level where he was producing a bale or a bale and a half per acre under sound agricultural practices instead of one bale to five or six or more acres while his methods continued to deplete his soil, cotton would be for him a profitable crop even with hand cultivation and picking.

The reader may well ask, "What is to become of the large segment of population whose sole income, however miserable, for the whole year consists of money earned by cultivating and picking cotton?"

There are many answers to that. For one, the Deep South has great need for industrialization and the local purchasing power which can be brought into southern areas through industrialization. In a modern and shrinking industrial world, a nation or region with a badly balanced economy, either on the industrial or the agricultural side, is badly off. The Cotton South, a region much larger than many European nations, has long suffered from an economy hopelessly overweighted on the agricultural side. Largely speaking, the only source of employment has been agricultural and such a situation has contributed greatly to the backwardness of southern agriculture itself, and the lack of the modern mechanization

and efficiency *throughout* the whole range of the cotton “industry” from field through picking, baling and storing. It has also contributed heavily to the low profits and the miserably low scale of wages for agricultural labor, tenant farmers and sharecroppers.

The situation affects adversely the whole economic condition of the Deep South since the income from agriculture for generations has always flowed north in payment for all sorts of goods from diapers to coffins manufactured there. It is a grim and long-standing joke in the Deep South that everything concerned with life and death in the South save sowbelly and cotton is brought from some other part of the nation.

The equalization of freight-carrying rates over national railroads has removed one excuse for the backwardness and lack of industrial development in the South. It was indeed more than an excuse; it was a reason, since shipping rates remained higher in and out of the Deep South than to and from more favored areas. This condition created a deadlock since it handicapped the development of livestock and diversified farming and the development of industry. On the other hand, the South produced little but cotton which could be shipped and its low purchasing power drew comparatively little traffic in manufactured commodities *into* the area, thus justifying the argument of the railroads that higher rates in that area were necessary in order to show an operating profit. This deadlock is now broken and if the decision equalizing freight rates is finally ratified, one of the principal excuses for backwardness in industry, livestock raising and diversified farming will have been removed.

The development of industry upon a scattered and decentralized basis, throughout the Deep South would contribute enormously toward the improvement of economic and social conditions there, since it would not only provide employment at a higher level of income for the excess agricultural population but it would tend, not only to keep money within the area and raise its purchasing power, but by producing many of its own industrial commodities would tend to *keep* most of the profit money, both from industry and agriculture, within the area. In other words, the Deep South would presently establish the agricultural-industrial balance so vital to any people, even regionally, in this modern world.

The path to industrialization in the Deep South now lies open. Capital is needed and capital in large amounts does not exist in the area as in the northern and northeastern areas of the nation or on the west coast and in the oil areas. Yet it would be an act of wisdom and sound investment for northern capital and for the greater corporations of the North to expand their program of decentralization of industry into the areas of the Cotton South. There might be complaints from the owners of real estate and the retail interests in some great northern cities but such a program would be a great step forward not only for the Deep South itself but for the economy and civilization of the nation as a whole.

In addition to the possibility of widespread industrial employment and income at higher wages for the agricultural population dispossessed by mechanization of the cotton areas, considerable numbers of them could be absorbed by the needs of diversified farming and livestock production, since both forms of agriculture require labor although not perhaps in the quantity required by a row-crop, single-crop

seasonal cotton agriculture which has changed little since the eighteenth century. It is also a fact that large areas of land in the South under cotton cultivation now and in the past were never really profitable or have become so depleted that the cost of restoration as farm land is too great to merit such a program. These areas should be put back into quick-growing forests of pine and soft woods to meet the rapidly increasing demand and the rapidly growing shortages of wood for industrial purposes—pulpwood, plastics, construction timber, etc. Such forests would, if well planned, provide employment and income for a considerable portion of the population at economic levels much higher than those of the wasteful, laissez-faire agriculture and economy of the region as it exists today.

There are, in fact, dozens of means by which wealth, employment, purchasing power and living standards could be raised in the Deep South. All of them, it is quite clear, demand investment of capital, planning and wise and efficient government administration. Much of the improvement *will have* to be done by government since the economic conditions caused by the destruction of real wealth have fallen below the level where preservation or restoration can be expected either from private capital or from the efforts of the economically and physically handicapped population.

The planning, however, must be done by experienced and able men and the administration of the plans be carried out by the same type of men, and not by reformers and fuzzy thinkers and sentimentalists. Otherwise, the money invested by government (and the taxpayers of the nation) in the effort of putting the Cotton South upon a sound and prosperous economy will fall simply into the category of “spending”

rather than investment. In other words, since the reckless destruction of national wealth in one large area of the nation has reduced it to a very low economic level, it becomes *necessary* for the government and the rest of the nation to intervene, plan and carry out a campaign of restoration upon a sound basis.

There is nothing wrong with planning, and nothing in government intervention which is incompatible with Western democracy. The danger both to its success and to democracy itself arises when such planning and administration falls into the hands of incompetents, sentimentalists and reformers. Then the program fails and in failing discredits the processes of democracy and of sensible planning and brings about a reaction toward totalitarianism and absolutism or what is equally bad, a reaction toward returning to the destructive “good old days.” It was this failure of sound planning and administration which discredited and rendered futile and costly many measures under the New Deal which were intrinsically wise and progressive ideas.

It is true that the American farmer has from time to time suffered economic disadvantages not shared by the rest of the nation. Largely speaking, he sells always in a wholesale market and buys in a retail one, paying the costs of the distribution and processing of the processed raw materials plus, at times, the added profits brought about by tariff laws designed to protect and coddle industry and labor. He, in turn, on the commodities he produces, shares in none of the profits derived from the distribution and processing of these commodities nor is he given any of the “artificial” profits created for both industry and labor by protective tariffs. In addition to all these things he, like the rest of the nation not

included in Social Security benefits, pays a considerable portion of the cost of Social Security since this cost is largely passed on by industry and to some extent by labor in the price to the consumer of industrial commodities which jointly they produce. All of this, of course, works to his own economic disadvantage and seriously limits the purchasing power so important to the economy of the nation.

The Smoot-Hawley tariff act was perhaps the most vicious law ever enacted by the Congress of the United States in the dislocation of foreign trade and in the imposition of economic hardships upon the American farmer. Actually, such an act is no more than another subsidy bestowed upon both industry and labor to raise the prices both of industrial commodities and of wages at the expense of the rest of the population. Such protective tariffs serve to raise the cost of living, depress living standards and increase the “creeping inflation” and constant devaluation of the dollar which is one of our most serious long-range economic problems. The evils of high protective tariffs on imported manufactured products far outweigh the benefits limited to the special groups they benefit, both at home and in the realm of international trade. They do not serve to increase the purchasing power of the dollar—even of the industrial worker’s dollar—but to operate in exactly the opposite fashion. As in the case of agricultural subsidies they operate to protect inefficiency and poor management and to limit abundance at low cost which is the very base of a stabilized *really* prosperous economy. This subsidy is in the end paid by the consumer and the nation as a whole, exactly as if it were paid through levied taxes. They tend, as in the case of the cotton subsidy, to make for higher prices and lower purchasing value of the dollar and to deaden incentive toward greater, low cost, more efficient, abundant

production. They also tend to limit the virtues of competition and the free enterprise system which gives its reward to the most intelligent and the most efficient and the most hard-working. Such measures—either subsidies or protective tariffs—never touch the fundamental economic maladjustments and ills. In reality, like all “cures” based upon the manipulation of money, they work injustices to certain elements of society, and preserve the very ills they were designed to alleviate.

The problem can be solved not by subsidizing an inefficient *agriculture*, or *industry*, or *labor* but to stimulate all three to produce abundantly, wisely and at low costs commodities which can compete in world markets with the commodities, agricultural or industrial, of other nations. With the reserves of real wealth still remaining or capable of restoration, with abundant production, working capital, with the high degree of mechanization and native American ingenuity, I believe this can be done, without subsidies or tariffs of any kind. We should then not only be on a sound and *stabilized* economic base of abundance at low prices *within* the nation but we should have done much toward unshackling world trade and promoting a free exchange of goods and real wealth by which all nations would benefit. Until that point is reached—of free access to raw materials and markets by all nations sharing fairly equalized standards of living, education and political experience, there is, I think, small reason to hope for any stable, effective world government or any real prospect of lasting world peace.

The reciprocal trade agreement plans of Cordell Hull represent the greatest step yet made in the world in the direction of a sound basis for world peace and co-operation. I

suspect history will credit these plans as being a far more effective and enduring base for the achievement of that world government and peace than all the goings-on of the San Francisco Conference and Bretton Woods.

I suspect that the men directing the stormy course of Soviet Russia are aware of this and that this fact lies behind much of the apparent cynicism and even reluctance with which Soviet Russia regards the confused maneuverings of other nations still lost in the mazes of nineteenth century imperialist economic thinking. While the other nations mill about in confusion, fussing over money loans or credits, “sterling blocs,” subsidies, tariffs, blocked currencies, doles and all the other manipulations of money, Soviet Russia is building up through absorption or “zones of influence” a whole world in which free exchange of commodities and raw materials, abolition of subsidies and customs barriers and all the other crippling nonsense of an old-fashioned imperialist economy, are a reality. That policy, if pursued consistently, can be and actually is one great source of Soviet Russia’s immeasurable potential strength and it may serve as a pattern for a future world economy upon which lasting peace and world government may eventually be founded. It is a pattern that few people have noticed. Fewer still have understood it. Time may easily prove that the greatest obstacles to world peace and government lie not with Soviet Russia’s new pattern of expansive federation but with the outdated, imperialist, exploiting pattern of those nations which, like Great Britain, are based upon banking-processing, the manipulation of money, tariffs, blocs, cartels and all the nineteenth century imperialist machinery which comprises a constant invitation to disastrous economic maladjustments and consequently to wars.

In all this discussion of abundance, low costs and efficient production, some readers are likely to ask, “But what about surpluses in farm products?”

The reality is that there are no real surpluses in a nation such as this, where 40 per cent of the population actually suffers for reason of high food prices, ignorance or low incomes, from malnutrition. There can be no agricultural surpluses in a world where three-fourths of the population never has enough to eat and while it contains nations like China and India where from 150 to 200 millions of the populations live perpetually on the borders of starvation and periodically, in time of real famine, die like flies. Surpluses exist only because of abominable distribution and because of the high cost of production inseparable from a poor, inefficient agriculture of constantly declining production.

If we had sound distribution and efficient, profitable really abundant agriculture based upon maintenance of our real wealth as represented by agricultural land, precious beefsteak could cost thirty or forty cents a pound and be a valuable high protein item of diet in millions of families two or three times a week and the supply of beef and the grain to feed it out would become, not a question of surplus but of scarcity. The same would be true throughout the whole range of food. Under such a program, farmers would be more prosperous than they are today and the people of the nation would have a much better diet. Actually, the forces at work today are operating in exactly the opposite direction of rising prices, subsidies and “creeping inflation.”

That there are any surpluses in a world in which the possible agricultural land still existing to feed the world’s

population now stands at a ratio of less than two acres per person, is in itself a preposterous supposition. The speculations of Malthus are much less a subject for mockery in the modern, swarming, industrial world than they were during the last hundred years.

During the past century and a half the world population has been increasing by leaps and bounds while the productivity of food-producing agricultural areas has, save in a few limited areas, been declining steadily. There is indeed no sound reason to suppose that the basic causes of the world-wide famine conditions of 1946 are either entirely temporary or wholly the result of war conditions. In a world of increasing population with declining food production, the failure of crops in any considerable area in any year may create the same conditions. It should not be overlooked that in our own record food production during the four years of the war, the nation benefited by four years of almost ideal climatic and crop conditions. A serious drought during any of those years could have produced very serious and crippling shortages of grain and consequently of meat, poultry, dairy products, etc. The condition of the rest of the world is infinitely more precarious than our own since the ratio of population to agricultural acreage is much higher than with us. (The population of India alone, already at 350 millions, continues to increase at the rate of 10 million a year.)

If half as much effort were spent by governments, and especially our own, in the direction of world distribution and the direct exchange of food and vital raw materials (real wealth) as has been expended upon diplomatic and political maneuvers, tariffs, subsidies, and currency manipulations, the problem of “surpluses” which are not real surpluses would

vanish overnight. If, for example, our government said to the Chinese government, “What have you in the real wealth of minerals and raw materials to exchange with us for our surplus agricultural products?” we should be arriving somewhere near a point of economic realities. China has many minerals and many products such as tung oil of which we have need. Even if we exchange them upon a basis of stock-piling for the future, we should actually be increasing rather than diminishing the pool of real wealth upon which our economy is founded.

So in the case of Russia we should profit far more in the fundamental sense of sound prosperity if we exchanged directly and as far as possible our processed real wealth in the form of machine tools and other machinery and industrial products of which Russia has great need, for the raw materials such as minerals, wood pulp, etc., which are in short supply or utterly lacking in this country. Our need for certain raw materials for use in industry or for stock-piling is as great as Russia’s for processed real wealth in the form of manufactured industrial commodities. We should thus, instead of exchanging our real wealth for money or even for gold, be maintaining the pool of our real wealth, the very foundation of our industry and industrial employment, rather than be constantly diminishing it. As a matter of fact, the whole of world trade is much nearer a “barter” basis today than it has been since the eighteenth century when the banking processing economy of the United Kingdom began to dominate the trade of the world. In all of this the question of the exchange and distribution of food is certain to play through necessity a role of steadily increasing importance.

The truth is that surpluses of agricultural products, raw materials or even processed raw materials in the form of manufactured commodities do not exist and that if we had a stabilized prosperous economy based upon abundance at low-cost production we should absorb easily everything produced or manufactured at present production rates within the borders of the nation itself.

One important element often overlooked in the discussion of food surpluses is the fact that as the prices of food decline the base of consumption expands rapidly. This is especially true if such a decline in the prices of agricultural commodities (particularly food) can be brought about in an economy which otherwise remains stable and in which profits and wages do not accompany the decline in food prices, as eventually and inevitably they do in periods of deflation and real depression. This reduction in the cost of food cannot be accomplished without disaster and loss of agriculturally based purchasing power either through the “natural” economic mutations involved in a deflationary period or by government decree unless it is accompanied by high and compensatory subsidies to the farmer eventually paid by the taxpayer. The reduction in food prices with benefit to both farmer and consumer can only be achieved through preservation of our agricultural land and its restoration to a higher level of productivity through increased mechanization, land use and efficiency. If this reduction in the cost of food can be achieved without the dislocation of other elements in our economy such as wages, profits, etc. the effect upon the stabilization of our economy and increasing the purchasing power of the dollar would be immense. In other words, if we could reduce steadily the price of food while we increased the farmer’s profits per acre through a sounder agriculture, we

should be benefiting the whole of our economy and the question of food surpluses would become one of scarcities rather than surpluses as the consumers' base extended under the stimulus of lower prices. Put quite simply the consumption of good beefsteak at 35 cents a pound would certainly be at least five times as great as its consumption at 85 cents a pound with a subsidy paid by taxpayers. The same is true of most food and particularly of dairy and poultry products and other high-cost, high protein foods.

In this respect the question of higher and more efficient production of grain, hay, forage, silage and open pasture becomes of prime importance since the high-protein foods are the direct result of these, and the price of meat, dairy and poultry products is largely determined by the cost of the grains and forage which are consumed to produce them. This is so whether the producer buys the forage and grain or produces it on his own land and feeds it to his livestock on the spot. Ultimately all the forces affecting the price of food and its abundance or scarcity depend upon the productivity per acre of the soil itself with efficiency through mechanization contributing very heavily toward the reduction of production costs and as a means of overcoming the bad weather conditions which sometimes spell disaster for the agricultural producer.

It is not realized by the average citizen how vast are the amounts of cereal grains (wheat, corn, oats, etc.) consumed in the production of meat, dairy and poultry products and that ultimately these products, so vital to the high living standards and health of any nation, can only be supplied in agriculturally rich and productive nations in which the ratio of good agriculture acreage remains high in relation to

population. This is so for the simple reason that in the case of meat, it requires about seven pounds of grain to produce one pound of meat under the most efficient system of feeding. When, through the shrinking of agricultural acreage by erosion or poor farming or through steadily declining production per acre on *possible* agricultural land, a “pinch” is created by a simultaneously increasing population, it becomes necessary, if the population is to have enough to eat, to consume all cereal grains directly rather than to convert them into high-protein animal foods such as meats, dairy and poultry products.

Because of this condition almost the whole diet of the vast populations of whole nations in the Far East is a cereal diet. For the same reason wheat, rye and the bread made from it are the backbone of the diet of most continental European nations. In other words, when agricultural land and its productivity falls below a certain standard in relation to population meat, poultry and dairy products become either prohibitively high in price or altogether unobtainable and a direct cereal diet becomes the necessity of the bulk of any population.

This is exactly the direction in which we as a nation are heading with declining agricultural production per acre and an increasing population. Indeed, the “pinch” of such a situation became sharply evident during the Second World War and some sound agricultural experts and economists advocated strongly as a means of meeting food shortages the feeding of cereal grains directly to the people rather than to the animals which produce meat, poultry and dairy products. Such a course is the path of India and China and we are farther along that same path than many people realize. When

the housewife says she cannot afford to buy meat twice a day or must cut down on eggs because the price is so high, she is reacting directly to the results of declining agricultural production per acre, accompanied by a steady increase of population. And it should not be forgotten that, regardless of the effects of inflations or deflations, booms or depressions, we have been moving steadily in the direction of higher and higher food prices ever since the Civil War. Recent statistics produced by the War Department showed an over-all increase in the cost of living of 108 per cent between 1910 and 1940. This average does not give a true picture of the rise in the cost of food which has actually been much greater, because the whole includes the declining costs over the same period of many manufactured commodities, a decline brought about largely through the abundance produced by greater and more efficient mass production at low cost.

At the risk of repeating himself, the author restates his belief that a reduction in price of food without disturbing the economy of the rest of the nation and with better profits for the farmer can and perhaps will some day be achieved. It can be achieved only through a better, more productive, more effective agriculture. The principle of mass production with sound profits and low costs is exactly as valid for agriculture as for industry. We have, in agriculture, largely ignored this principle and have on the contrary moved in exactly the opposite direction through a declining agricultural production per acre with increasing production costs per pound or per bushel, and we have even protected and encouraged this process through a system of artificial price supports, parity standards, subsidies, etc.

In considering agricultural “surpluses,” the fact should not be overlooked that industrial demands are constantly making increasing inroads into the production of our agricultural land and our forests, and that these inroads are destined to continue and to increase as our pool of real wealth in the form of oil, ores, etc. (nonrenewable real wealth) continues to diminish. Meanwhile, our agricultural production per acre continues to decline, raising production costs and limiting agricultural purchasing power, while our population continues to increase. All of these elements taken together, certainly do not indicate surpluses, either now or in the future but only a continued “creeping inflation” mounting in velocity until real scarcities come to exist and the law of supply and demand operates to force prices upward and living standards downward until presently we may approach the level of Chinese or Indian diet and living standards for the masses of the people.

It was typical of those who think that money manipulations can cure economic ills that they should propose “ever normal granaries” and government buying of wheat surpluses as a solution to the surplus problem rather than to find a sound solution through better world distribution or greater industrial use for the doubtful “surpluses.” In normal or average times most agricultural products level off in production and price under the operation of the law of supply and demand. The surpluses (or shortages) of certain agricultural products, notably hogs and eggs, which occurred during the Second World War were largely of artificial creation brought about by the efforts of the government to regulate production through ceiling prices, subsidies and other money manipulations, and do not operate in the free market save in those areas limited to single-crop production such as wheat,

cotton, tobacco and corn where the same commodities are raised year after year on the same soil, without regard to the laws of supply and demand. The dislocations of wheat and cotton production and the creation of “surpluses” in normal years largely arise from the fact that in persistent single-crop areas, the law of supply and demand is largely nullified.

Our agricultural problem in the long run is not one of “surpluses” but of shortages. It is the problem of fighting higher prices for the consumer and diminishing profits for the farmer, both of which come about through the operation of declining production per acre and increasing costs of production per acre. It does the country little good to achieve a record total production if that production is achieved only by using nonagricultural land or worn-out land of low production, and by destroying agricultural or grazing land (real wealth) in the process. By doing so we are simply raising prices to the consumer, creating eventual scarcities, encouraging inflation of the creeping sort and depressing the standard of living of the whole nation. Largely speaking, that is what took place in the achievement of our record food production during the years 1943-1944 and 1945. We shall still be paying the cost of that record production a couple of generations hence.

The problem of our sick agriculture and of the destruction and still continuing depletion of our agricultural land, is in many respects a problem of the greatest economic importance to the nation. It affects not only the economic future of the vitally important agricultural segment of our society and its purchasing power but the economic well-being and purchasing power of the even larger segment of our

population largely dependent upon it for employment, wages and income. Agriculture should be the backbone of internal markets with a high purchasing power which keeps factories working and provides employment, wages and purchasing power in the field both of agriculture and industrial commodities. It should be the static, stabilized cushion which can check complete economic collapse in time of depression. It should be a strong partner in that agricultural-industrial balance so vital to great, self-contained nations with reserves of real wealth and large populations such as the United States and Russia whose economic security, if stabilized, could largely resist the world depressions which affect so violently the precarious economics of the old-fashioned, imperialist nations based upon an economy of banking and processing and shipping. Our agriculture should be the basis of those internal markets which make the nation independent of the vagaries of foreign trade and able to profit by them when conditions are right and profitable and to maintain a high degree of economic stability when they are not.

But our sick agriculture affects not only the profits and income and purchasing power of the farmer; it also affects prices to consumers, taxes spent for subsidies and other superficial money measures to cure its sickness. It affects our whole standard of living of which the cost of food is the basic item. By curing the sickness of agriculture and re-establishing the productivity of our renewed real wealth (the land) we should do much toward finding a solution for our other problems—economic, social and political.

Our agriculture is not only sick, it is growing steadily sicker. Neither higher prices, which create only a vicious spiral of mounting wages and rising prices for industrial

commodities, nor subsidies which simply place the burden of higher agricultural prices on the shoulders of every taxpayer plus the great added expense of a clumsy bureaucracy, nor tariffs which operate only as another kind of contrived and artificial protection, nor indeed *any* form of money manipulation is the answer.

The answer is the preservation and restoration of that vast, important source of real wealth—the soil—plus a better, more modern, more efficient, more intelligent, more highly mechanized agriculture. The answer is simply to reverse the destructive process now in operation of declining production per acre at increasing production costs per acre to declining production costs and increasing production with increasing and fairly stabilized profits for the farmer. In other words, a policy of abundance with lower prices to consumer and higher profits to farmer. What we need is not more dollars but dollars with a greater and more stable purchasing power so that agriculture, business, industry and labor can know where they stand more than a year or two ahead.

If such a policy could be carried out, I daresay it would contribute more than any other factor to create real prosperity, confident and stabilized, rather than the hysterical disastrous economy of violent booms and violent depressions accompanied by the creeping inflation which arises from the diminishing of our natural resources, the increase in our population and the lavish distribution of our natural and real wealth throughout the world *either* as a gift or for money.

God and nature provided man with all the possibilities of an abundant rich life. When he seeks to regulate or restrict potentialities of that abundance or wastes them foolishly he is only setting up for himself complications, checks and

miseries. When he destroys the origins of that potential abundance he is only destroying his own prosperity, the basis of his political, social and intellectual advancement and eventually himself.

III. Thomas Jefferson Versus Karl Marx

Before the establishment of the American States, nothing was known to history but the man of the old world, crowded within limits either small or over-charged, and steeped in the vices such a situation generates.... Here everyone may have land to labor for himself, if he chooses; or, preferring the exercise of any other industry, may exact from it such compensation as not only to afford a comfortable subsistence, but wherewith to provide for a cessation of labor in old age, and such men may safely and advantageously reserve to themselves a wholesome control over their public affairs, and a degree of freedom, which, in the hands of the canaille of the cities of Europe, would be instantly perverted to the demolition and destruction of everything public and private.

—Thomas Jefferson in a letter to John Adams.

The vision which Thomas Jefferson held and referred to again and again throughout his life was that of a great, free country, with abundance for all, in which each man could establish himself on a piece of land or in a business or profession and find on it or in it the dignity and security which came of his own work, intelligence and ambition. No great democrat ever realized more clearly than himself that the survival of democracy and its growth are founded upon the stake of a citizen in the government and the nation to which he belongs, upon his paying direct taxes for the support of that government and in his ownership of a little shop or a little piece of land which makes him a stockholder in a vast corporation whose welfare was his direct interest.

Jefferson had reason to believe in this vision. The thirteen original states of his eighteenth century had a very different complexion from our twentieth century America. *His* nation was founded upon the eastern coast of the richest continent in the world—a continent rich in agricultural land, in forests, in minerals, in rivers, in climate and in colossal riches of the yet undiscovered reservoirs of oil. On that narrow strip of eastern coast lived three or four million men, women and children, citizens of the richest of continents with all the future before them. There was enough and more to make every man, woman and child not only independent, but rich, enough to endow each one of them with basic human dignity of economic independence. He foresaw no reason to create in this new world the huge, cramped cities filled with misery and hunger and disease which lay spread like ulcers across the face of Europe. He believed that in this new world there was plenty of room for everyone, that there would never be any need for such malodorous agglomerations of mankind. This new world could approach at least in substance the paradise of Jean Jacques Rousseau. Jefferson believed that never before in history had man possessed such an opportunity to advance toward a goal of good living, of freedom, of civilization. And he was right.

But Thomas Jefferson died before he saw what crimes and stupidities had been committed, what scars imposed upon the face of this rich country. He did not live to see the whole of the South agriculturally destroyed by the greedy, single cropping of cotton in the illusion that it was growing rich by destroying as rapidly as possible the very sources of its wealth. He never saw the forests cut down and burned over into a wilderness, nor the rich prairie lands—the richest agricultural lands in the world—plowed up, farmed greedily

and left to wash away in the heavy rains of spring and winter and the fierce cloudbursts of summer. He never saw the best grazing land in the world burned over or overgrazed by greedy sheep and cattlemen until the soil blew away by trillions of tons and the rich pasture was replaced by weeds or coarse grass. He never saw the great rivers turn from clear streams alive with fish, into ugly canals, now half dried up, now killing people and wrecking farms and cities in torrential floods and always polluted by precious topsoil or by the sewage of great cities and the acid waste of factories until at last all fish died and waters gave off the stench of open sewers. Death spared Thomas Jefferson the spectacle of a nation wasting and destroying its great natural wealth more rapidly than any nation had ever done before in the history of the world.

Nor did he live to see the growth of those monstrous cities whose existence he regarded as the cancers of every nation, carrying in themselves the seeds of the eventual destruction of society itself. They were cities far more enormous, more congested, more evil than the cities of the old world of Jefferson's own time.

The cities of his new world, were, during his lifetime, no more than overgrown villages; their evils were more the evils of his century than of great agglomerations of people. He never saw three-quarters of the industry of the nation crowded into one-quarter of its area. He never saw the filthy tenements, as bad or worse than the dreary houses of the *canaille* of Paris and London for whom he felt at once pity and contempt. Most of all he neither saw nor foresaw the growing populations of great industrial cities, owning nothing, unable to make savings, without economic

independence or security, living a precarious existence dependent from day to day upon wages, dashed this way and that by the alternative waves of boom and depression, in an economy based largely upon the rapidest possible destruction of natural resources and real wealth. This population was the modern version of the elegant French phrase he employed half scornfully in writing of the cities of the old world. It was the dispossessed, the *canaille* of Thomas Jefferson, the proletariat of Karl Marx.

All of this incredible destruction and this incredible and monstrous growth took place side by side within only twenty years over a century from the day of Thomas Jefferson's death.

And with this evil marriage of growth and death, of destruction and exploitation had come those economic, political and social ills which Jefferson had believed would never afflict this new world as they had afflicted the old.

Throughout the history of civilization the rapidly increasing growth of cities and of dispossessed, propertyless populations has been the forerunner of the political, economic and social decay of nations. In the past the rapid, sudden growth was almost always the sign of a deteriorating agriculture. Either it became impossible through low prices and taxation or evil systems of tenantry and serfdom to make a living on farms, or the base of small, independent farming operations was upset by slave labor or the absorption of smaller holdings into vast estates manned by slave labor or workers with the status of serfs. Whole populations deserted the countryside to come into the cities where, destitute, they became a mob seeking food and shelter and amusement and

so a political menace and a problem which could only be solved by the government or the dictator through the system of doles and diversions which came to be known under the Romans as “bread and circuses.” This dispossessed, propertyless mob came at times during the history of Rome to rule the great city itself and through the demagogues who purchased its support by doles and utopian promises, finally the whole of the Empire. From that point onward the Roman Empire declined rapidly while her cities from Rome to Alexandria to Constantinople became more and more the centers of extravagance, excesses, violence, anarchy and disintegration.

In the history of the growth of Roman cities and the decline of the Empire there was a close relationship not only in the advance of slave labor and the abnormal growth of cities but in the decline in the fertility of her agricultural land through erosion and the depletion of her soil. As agriculture within the Italian peninsula declined, it became more and more necessary to import food and particularly wheat from the reaches of her North African provinces. By the time the Dark Ages arrived even these great grain-producing regions had become largely depleted and barren and they have never recovered to this day, when most of the rich grain provinces have become miserable desert regions dotted with the ruins of once great cities and supporting miserably a population wretched in its physique, its living standards and in its very civilization.

Parallels are possibly as misleading as are comparisons, yet the temptation to cite a parallel in many respects between the civilization of Rome and that of our own country is always very great. At least one element exists, however, to

upset the soundness of such parallels; it is that our great cities have come about largely through the development of great industries and of a mechanical civilization which was virtually unknown in Roman times. Nevertheless the effects of depleted soil, of soil erosion, the disappearance of forests, the gradual increase of great farms that are no more than industrial food factories, and in general the results of a poor agriculture have made themselves felt during the past generation in the appearance of a large, homeless, dispossessed, migratory population of workers and in the drift of populations, especially during the war, from poor or worn-out agricultural areas into the great industrial cities. The industrial revolution has perhaps simply served to accelerate the progress of an age-old process.

As in the history of Rome, countless thousands of a handicapped and dispossessed group, drawn from worn-out rural areas, having become accustomed to the dubious “attractions” of city life, and less willing to leave the cities and return to the miserable conditions of the regions from which they came. As the boom of war employment declined and jobs became scarce, this element, largely made up of inferior or unskilled workers, became temporarily at least the same restless mob of Rome which could be satisfied only by “bread and circuses.”

The bills proposed to Congress during the immediate postwar period providing higher unemployment insurance, employment for all, “sixty million jobs” and transportation back home, were not, as a good many visionaries and demagogues and some honest men declared, new and progressive measures indicating a great step forward socially and economically in our civilization; they were measures

nearly as old as urban civilization itself, proposed and even carried into effect long ago in Rome and in the Athens of the demagogue Alcibiades. They offered no permanent solution of the distressing problem but, like all such measures, proposed only a temporary palliative, which left the patient sicker than before.

The problem, indeed the disaster they proposed to solve, was an old one—the serious unbalance which occurs when great cities become economically and socially unworkable and unlivable. While in small towns and agricultural areas and even in some industrial plants in the great cities, employers were desperate and bereft of vitally necessary manpower, hundreds of thousands of potential workers in the great cities remained idle on weekly unemployment insurance payments or on the narrow margin of savings accumulated during a war boom period of high wages. Meanwhile, the demagogic politicians and some leaders of organized labor set up a hue and cry over *unemployment*. This too followed the age-old pattern of the demagogue. Virtually no attempt was made at solving the two sources of evil and destruction—the decline of agriculture in the nation and the growth of cities where housing conditions were abominable, living costs excessively high and living standards excessively low.

The great cities of the old world which Jefferson detested were scarcely planned at all. During the Dark Ages and in medieval times they were simply masses of buildings, large and small, solid or ramshackle, encircled by constricting fortifications which protected their inhabitants from assault by marauding bands or by an organized enemy engaged in

war against them. What little planning existed was confined to the fortifications and the palace grounds; the rest simply grew up, becoming more and more crowded until even the bridges like old London Bridge and the Ponte Vecchio in Florence became overburdened with shops and sordid houses.

The first real impulse toward any city planning came with a wave of enlightened thinking in the eighteenth century, but even then the planning was not founded upon better sanitation and better living conditions for the people; the emphasis was upon state architecture, upon beauty and great perspectives and upon the glory of the ruler and the state. Old St. Petersburg was a planned city, laid out by the enlightened Peter and carried on by Catharine to the glory of the state and the ruler. Moscow remained a half Asiatic, half medieval city grouped about and within a great fortress called the Kremlin. Louis XIV began tentatively a plan for the opening of a great system of boulevards and parks to embellish and glorify Paris and himself. His plans were carried on by his Bourbon successors and given a great impulse by the glory-loving Bonaparte. All through the nineteenth century, boulevards and avenues were broadened or cut through decaying old rookeries to make Paris in the end the most beautiful city in the world. But until the twentieth century the impulse of the architectural French was upon vistas, public buildings and parks and squares. Until the dawn of the twentieth century Paris was still cluttered with abominable rookeries and ill-planned and crowded flats in which lived the industrial workers and the small shopkeepers and the white-collar workers. Only within the past generation were the antiquated fortifications pulled down, and housing projects began to provide shelter, health and decency in reasonable quantity for the poorer residents of the great city.

In age our *great* American cities are really babies compared to those of old Europe. They date in reality only from about the time of Thomas Jefferson's death, less than a century and a quarter ago, yet nowhere in the world are there worse examples of the evils of great cities. Very little planning save for a gridiron pattern of streets went into them. Washington, in which the plan of a French architect laid out vistas and great public buildings, contains some of the worst slums in the world side by side with some of the world's most beautiful and grandiose buildings. It has the advantage of being from the very beginning a "planned" artificial city; only under the New Deal and the rise of a colossal bureaucracy did Washington become a *really* great city. Yet with all the opportunity that lay before a city with such a history, little or no emphasis was placed upon the decency of man and his right to live above or even at the level of that of well-housed farm animals.

The great buildings of Washington could, among our great cities, be called the only ones with the faintest pretension of real planning; certainly planning played little part in the growth of great monstrosities like Detroit and Pittsburgh. They have their gridiron planned streets, their great boulevards, extravagant museums and public buildings, yet in the real sense of planning, they are not planned at all. The handsome buildings placed side by side with the slums are partly a hymn to democracy partly an ode to architectural beauty, and largely monuments to man's superficiality and his stupidity, in the failure to understand that if man himself has no decent world in which to live, the great political structure of his dream of freedom, decency and dignity must collapse and the grandiose buildings at last fall into decay. One of our greatest national problems is how to be rid of these great

concentrations of population before they have, like the great cities of the past, destroyed the structure of government and even the fabric of our democracy itself.

Two elements contributed largely to the evil, unplanned character of these great urban, industrial monstrosities. The most important was the colossal surge of industrial growth and exploitation of the nineteenth and early twentieth centuries which paralleled exactly the reckless dissipation of our vast natural resources and real wealth. Cities grew up here and there, on a harbor or where the railroads met or at a spot where limestone, water, coal and iron were all reasonably available. The impulse behind their rapid, planless growth was speed—to make money out of real wealth as quickly as possible, to set factory beside factory as rapidly as possible in areas where raw materials were cheaply available, where quick and cheap transportation to markets was at hand. The questions of human decency, of living costs and standards, of schools, of parks, even of sanitation were in the beginning ignored and still are unsolved. Crowd more and more workers into less and less space. Build, exploit, produce more and more for an expanding America, get rich quick. These were the driving impulses—human ones perhaps and perhaps inevitable ones, but ones which in the end could only create great, tragic and costly evils.

The other principal element contributing to the evil condition of our great industrial cities was the slowness of transportation in the earlier days of our great, disorderly industrial development. Workers, both manual and white-collar workers, had to live near their work. If our great cities had grown up during the period of automotive development, they would have been less sordid, less ugly, less crowded,

less costly to live in. There is plenty of evidence that this would have been true. It is to be found in those great unsightly “dead” areas which today afflict most of our big industrial cities—whole streets and areas, blocks square, with great and middle-sized houses, representing a great investment in money, which have become cheap boardinghouses, or filling stations or stand empty and deserted, many of them tax-delinquent and without hope of a purchaser at any price. They represent the result of a movement, principally by the middle class and more prosperous city residents, away from cities out into suburbs and the open country which has come with the advance in automotive transportation.

These areas create increasingly great problems for city governments in terms of revenue and management. With the growth of a movement toward decentralization cities are beginning to be afflicted with similar “dead” areas occupied by antiquated warehouses and superannuated factories, declining constantly in appraised tax values and sometimes wholly tax-delinquent.

Outside each small or *middle-sized* American town there are growing concentric rings of small houses and small holdings which represent the spontaneous intuitive movement of industrial and white-collar workers toward decentralization, economic security and a more decent life. The results of this spontaneous movement toward decentralization have been good and have altered the economic status of the individual worker for the better by giving him a more decent life and some degree of economic security, but in our great cities this movement has been checked by the very size and concentration of sources of

employment. With these great accumulations of factories, warehouses and attendant business establishments there enters the physical element of distance between housing and employment. Even with concentrated crowding and tenements and slums, these great cities have extended their limits so far that in order to escape from them and from high and sometimes prohibitive taxes and land values, the worker is driven so far into the open country that distance and time make it impractical or impossible to escape beyond the borders of the overcrowded areas. Even automobile transportation has not solved this problem in the case of our most menacing industrial-urban concentrations. The hope of escape to decency and a better standard of living and more economic security is still confined to our smaller and middle-sized industrial towns.

The whole social history of the growth of our industrial cities has carried with it the seeds of bad citizenship, of social unrest, of insecurity, and brought about rapidly the creation and growth both of Marx's proletariat and Jefferson's *canaille*.

From the middle of the nineteenth century until, at the behest of pressure from labor itself, a quota was placed upon immigration from other nations to this country, the pressure and indeed the calculated design of our rapidly expanding industry was to import without discrimination, masses of workers from the lower economic and social levels of Europe. This was done to assure an ample supply of cheap labor to feed into the maw of an expanding and voracious industry and to keep down the price of native labor needed to exploit rapidly our natural wealth. Some of this immigration represented good racial and physical stock, some of it

represented the very dregs of great cities and the more wretched agricultural areas of Europe. Nearly all of it represented a flight from economic, social, political and sometimes racial oppressions in Europe. Some of those settlers from northern Europe who followed agriculture took to new lands in the West, but most of this new population were shipped at once into our already great, disordered, overcrowded industrial cities.

Never perhaps has any migration of peoples been more in need of understanding, of cultural opportunities, of political instruction than these hordes of oppressed people seeking opportunity in the new world. They came to this country, bitter and resentful of the social, economic and political inequalities of the countries they were leaving and carrying in their hearts a dream of democracy, of opportunity and of economic security. Each of them in his heart wanted, not to remain a peasant or a member of the industrial proletariat but to become a shopkeeper, or a farmer, to own his own house and a little piece of land. In short, in their hearts they hoped to become the good citizen of democracy with a stake in the government of the nation, as a stockholder in the nation itself. A few of them realized this dream but the great majority saw it vanish into disillusionment and social bitterness.

Never in history has a migration of peoples been more brutally treated. Received with contempt as cheap, unskilled labor by the industrialists who deliberately advertised the Great American Dream through organized propaganda in the old world, with hatred by the native-born American worker who looked upon them as a threat to his job, and with indifference by the rest of the American public, they were dumped into the slums of our great cities to live in tenements

and shacks little better and many of them worse than the living quarters they had known in the old world. Possessing few or no human or cultural contacts with the incredibly rich, expanding new nation to which they had come with such pathetic ambition and hope, they were forced almost at once into a life of segregation in which they continued to speak their native tongues, publish their own newspapers, keep their own customs and establish their own clubs and political organizations. They became the Dagoes, the Sheenies, the Pollacks, the Hunkies of perhaps the ugliest period of our whole American history, that of the booming industrial development of the late nineteenth century and early twentieth. Cleveland became the largest Hungarian city in the world, New York the largest Jewish city, Buffalo and Chicago larger Polish cities than any in Poland.

Small wonder that this new element, segregated, treated with contempt both by employers and native American fellow workers, and often without the privileges of ordinary citizenship, living in abominable shacks and tenements, should become the breeding ground of gangsters and bootleggers, of anarchy and Communism and all sorts of anti-democratic and anti-American ideas and ideals. Many of them became in this new world, which Thomas Jefferson in his dream saw as a sort of democratic paradise, the very *canaille* of which he wrote with contemptuous pity. Those who were stronger or more fortunate, in particular the Germans and Scandinavians who took to the smaller communities and to the land, managed more often than not to realize their dreams and to become a stalwart, prosperous element which embraced democracy and found in it great advantages over any other political system as yet developed by the human race. But the others, crowded into great cities,

lived apart, disillusioned and filled with a nostalgia for the old country from which they had once fled so eagerly. They came gradually to form Polish blocs and Hungarian blocs and Czechoslovak blocs and other blocs which began presently to make themselves and the power of their numbers felt in city and state and even national politics and to create definite problems for the nation as a whole in its relations with other nations. Some of them kept, even in the second and third generation, as great or a greater allegiance to the old countries which they had once left gladly for this new nation with its advertised but somehow unobtainable freedom, prosperity and opportunity.

Great cities and our greedy industrial development were directly responsible for the unhappiness and rebellion and maladjustment of these immigrants and they are equally responsible for the unhappy plight during the successive war boom periods of the regional native emigrants to great cities from within the borders of the nation.

During both world wars and especially during the Second World War, racial and regional prejudices and hatreds flared up into an evil conflagration, menacing to the welfare of the nation and of democracy itself. Once again the centers of hatred, of maladjustment, of rebellion and race rioting and the rise of unscrupulous demagogues were in our great cities. Under the pressure of wartime production, hordes of Negroes and whites from miserably poor agricultural and small-town areas of the Deep South were drawn by high wages into the already overcrowded barbaric industrial cities of the North and Northeast. Many of them, both black and white, were poorly educated or even wholly unable to read or write. Many of them had rarely seen as much money at one time as

a dollar bill. Crowded together, side by side in factories and in congested slums and tenements, their pockets filled with money, it was inevitable that explosions should occur. Ugly old epithets like “Nigger” and “peckerwood” and “white trash” gained a new and dangerous circulation. In some quarters the invasion of the Deep South Negroes was even resented by the members of their own race who had lived for generations in the North and had found at least a partial *modus vivendi* in which some of their problems had been solved. These northern Negroes, particularly in the smaller cities where they had established themselves shortly after the Civil War, with or without justification, regarded the deep southern Negroes as a disturbing element which set back by many years the advance they had made toward the solution of their problems.

Perhaps the Negroes and the poor whites from the Deep South should never have been brought together in our great cities until both sides had found, through education and understanding and better economic status, a way of living side by side in mutual tolerance, but that process which is a long and slow one and perhaps the only real cure for the evils of race prejudice, could scarcely be achieved overnight and the pressure of the industrial production needed for the final overwhelming of the Axis nations left no time. What aggravated the tragedy beyond endurance was the vile crowding, segregation and living conditions which are the inseparable accompaniment of our vast, unplanned, modern industrial cities. The very pressure, physical and psychological, of noise, of filth, of confusion, of fighting for transportation, common in our great cities can reduce man to the level of a nerveracked, suffering, snarling animal hating his own kind and even his own wife and children.

In smaller cities and in rural communities (outside the darker regions of the Deep South) one finds infinitely fewer racial and social problems. In some areas they scarcely exist at all. Race rioting, anti-semitism, bitter class hatreds are essentially the products of our great cities here as in Europe. In our great industrial cities man leads an evil and abnormal life, hag-ridden with prejudice, perpetually seeking a scapegoat for his own failures, worries and maladjustments. And in the crowded cities with church virtually the only possible variation from a life which is largely a round of beer parlors, poolrooms, movie houses and brothels, what chance is there to expect much leadership or even stability and good citizenship from the younger elements of our complex society?

The feeble efforts of social workers, however valiant or commendable, cannot serve as more than palliatives or as an outlet for the better impulses of a few good citizens. The problem is too great and too profound to be solved by social clubs or even schools which in our great cities are always and inevitably overcrowded, understaffed and inefficient. The real cause is the modern industrial city, as evil an institution as the worst slums of the Middle Ages and to man's mind and nerves and self-respect infinitely more destructive.

The workingman, whether white-collar or industrial worker, is the greatest victim of the great city just as he is inevitably the worst victim of any inflation. In short, simply because he lives in a great city he is eternally the victim of an inflation which other men, living in smaller communities and rural areas, manage to escape. This is so because the great industrial city, with its senseless concentrations of people in

small crowded areas, exists perpetually in a state of scarcity—scarcity of land, scarcity of food because of the difficulty and expense of distribution, scarcity of shelter, of heat, of light, of living space, all of which in even moderately prosperous times are in great demand and subject to the inflation which inevitably accompanies scarcity of supply. Distribution, under the pressure of bringing in vast supplies of food from great distances into concentrated, overcrowded areas becomes itself a pressing and expensive problem. In great cities where distribution is difficult and complex there is never any *real* abundance, never any really low costs, for the cost of everything is higher than in less crowded areas. The city dweller pays high rents in return for wretched living quarters because land values and assessments and taxes are higher in great cities than in communities where crowding and accessibility to work does not put a premium on certain limited, overcrowded areas.

To put it simply, the dollar of the workingman in a great industrial city is today worth in buying power only about sixty cents or less as compared to the buying power of the dollar of a workingman living in a rural area or in a small or even middle-sized industrial community. No matter how many raises in pay he receives, living costs are always following closely on his heels, devouring the gains he has made in the number of dollars by the shrinking value in buying power of each one of these dollars. In times of real inflation the same hounding pursuit takes place in smaller communities, but it is likely to operate less rapidly and is never complicated by the added inflation which inevitably devours the dollar in our great and crowded cities where the workingman is rarely if ever able to obtain the economic

security obtained through owning his own home or a small piece of land.

Let us take the case of the workingman in a great industrial city as against that of the workingman in a city of one hundred thousand downward. In the smaller city the worker finds lower costs in rents, in food, in taxes and in land values. The open country or modest but pleasant suburbs outside the limits of the city and the area of high sustaining taxes are available at a comparatively short distance from the site of his job. If he chooses the modest suburbs, his living costs will be less than they would be even inside the smaller city and his dollar and his salary will be correspondingly worth from 10 to 30 per cent more. If he chooses to go still further into the country and invest in two or three acres of land in one of the concentric rings of home settlements which are gradually surrounding our middle-sized and smaller cities, he has achieved still another substantial raise in wages and salary, for in addition to the still lower costs of capital investment, taxes, etc., he can produce a large part of his own food—fruit, berries, vegetables, eggs, pork, perhaps even milk.

Still further out in the neighborhood of many cities more and more industrial and white-collar workers are investing in real farms of up to two hundred acres and operating them often enough at a considerable cash profit in addition to the living expenses and free rent which they provide. Under such a plan the worker has a double security of good food and good shelter in hard times or when the factory or office which employs him closes down, plus the earning capacity in good times of good industrial or office wages to support or increase the value of his agricultural investment. He is also enabled to make considerable savings while the worker in the

city area with his sixty-cent dollar finds it perpetually impossible to save any money.

Real farm projects for workers have become more and more possible and profitable with the development of the automobile, with the forty-hour, five-day working week and the production of new and genuinely modern farm machinery which has eliminated the old drudgery of farming and can be operated by children, wives and old people upon a basis which makes much farm work a diversion or a pleasure. And there are prospects of an even shorter work week (perhaps thirty hours) in the not too distant future.

The error into which most workers have fallen and which some labor leaders espouse, either knowingly or not, lies in calculating wages in dollars as *wealth* and not dollars as buying power which is their real, eventual and only value. On the latter basis the worker in the great city is perpetually handicapped, not only by the inflations which grow out of the vicious seesaw of higher wages, higher prices but by the inflation of higher costs in great urban areas which perpetually destroys 30 to 40 per cent of the buying power of his dollar. Under such circumstances the worker in the great city has little opportunity ever to acquire independence, economic, social, or even the opportunity for these things.

In addition to the purely material advantages of the worker in middle-sized and rural areas over the worker in great industrial areas there are advantages moral, physical and spiritual which are perhaps greater but cannot be measured in dollars and cents. His children have the advantage of more efficient and less crowded schools, away from the festering influences of prejudices founded upon differences of race and nationality. The playground of his children is not the movie

house, the beer saloon, the poolroom and the street corner, but the open country with its forests and fields, its fishing and swimming and hunting and dogs and other pets and indeed all the things in which every child delights and which are his natural heritage. Not the least astonishing fact revealed recently by the development of small model farms in the zoos of our great cities is the astounding number of children in our congested areas who have never seen a cow or a chicken or a pig. The sight of them hanging over the fences or handling the young animals with radiant faces is one of the most tragic and pathetic sights in the world.

For the worker himself, how much more would he prefer to return in the evening to his own house and his own garden, to sleep in decent surroundings in good air than to return to a filthy tenement for which he is paying a high rent. How much more will he value the dignity of a decent natural way of living than a life which offers only the movie house, the bowling alley, the pool parlor and the beer saloon as exercise and diversion. And what lies before the worker in the great city when he has worked himself out?—an old-age pension and the meager benefits of social security which will rarely allow him to escape from the bleak surroundings in which he has worn out his life prematurely.

These pensions and guarantees do not offer economic security and independence. They still remain what they are—pensions and doles, meager and insufficient, containing none of that satisfaction which is the heritage of any decent man, that heritage which Thomas Jefferson regarded as so precious in this new world—that a man could say in his old age: “I have built this security. I owe nothing to any man. I have contributed this bit of security to the sum total of the security

of the nation in which I am a shareholder. This is my land, my house. This is where I shall spend my old age. I am a citizen with a real stake in my country.”

In one other aspect at least the problem of great industrial cities is closely integrated with the problems of a poor and wasteful agriculture. Great cities do not replenish their own populations. The element which maintains or increases the populations of the great cities comes from small towns and rural areas. The city population produces on an average of one child per family. The birth rate in our *good* agricultural areas—that is to say, areas characterized by prosperous farms, adequate incomes, good diet, good physique, intelligence and high school and advanced education—is on an average of three children to a family. In our marginal and submarginal areas where soil is poor, agricultural methods primitive, income low and educational facilities inadequate or virtually nonexistent, the birth rate is higher, running to many more than three children to a family. This higher rate of reproduction is somewhat balanced by a higher rate of infant mortality, but in the children which survive there still exist the mental and physical handicaps resulting from deficiencies of soil and diet and low, often abysmally low standards of living.

More and more it is from this low level, not of biological stock but of physiological handicaps, that our great cities are drawing the population which are maintaining present levels or increasing them. This is particularly so on the level of the industrial worker, and this inferiority of the replenishing stock drawn from poor rural or village areas makes itself more and more apparent in the inefficiency, lack of enterprise, stamina and productive capacity of industrial

workers. Also it might be said with justice that prejudice, poor diet, poverty, indeed all the evils derived from a poor agriculture and from poor soil and abysmally low living standards, lie partly at least at the roots of the social and racial prejudices, the anti-Semitism, the race riots which can spread so rapidly in the ranks of workers in our great industrial cities.

In many respects indeed much of the native emigrant American stock coming from poor agricultural areas is inferior to the immigrant population derived during the period of vast industrial expansion from the oppressed and poverty-stricken areas of Europe. It is largely among this new native emigrant population, handicapped and brutalized by great economic and physical handicaps, that one hears most frequently the ugly epithets of “nigger,” “kike,” “white trash,” “peckerwood” etc. These new emigrants are given no more opportunity for assimilation than the earlier European immigrant population. In our great cities they are forced into intensive segregation in the vilest of housing conditions, ostracized and forced back into themselves, and their brooding sense of prejudice, hatred and persecution. In many areas the condition of the “poor white” emigrant to the cities is little or no better than that of his poor Negro neighbor. From the Deep South, both are handicapped by ignorance and poor economic conditions. The white has two doubtful sources of recompense for his miserable situation: (1) that he happened to have been born white rather than black; (2) that he is of native American stock and bears an Anglo-Saxon name rather than one of south or central European origin. In a great industrial city, these are his sole compensations; neither of them was earned by himself but he falls back upon them at every opportunity to give himself a sense of superiority to the

surroundings in which he lives and the fellow workers of other origins who surround him.

Better educational facilities, better housing, fair employment practice committees, welfare workers and other superficial measures can help a little to ameliorate the ugly evils of the situation, but none of these strike at the fundamental causes—the miserable poverty of the agricultural areas from which these new immigrants are drawn, and that our great overcrowded cities, and the conditions existing in even the least barbarous of them, cannot fail to produce tensions, prejudices and bitterness which would scarcely exist at all if industry were dispersed into smaller communities over the whole of the nation.

In many ways Karl Marx was a dull fellow. He was academic and stuffy. He possessed no humor and he misunderstood or overlooked almost completely the nature of man, but he possessed a certain shrewdness and a great deal of vision.

A generation or more after the death of Thomas Jefferson, Marx understood what almost no one in his time foresaw—that the dream of Jefferson would never become a reality under the industrial system rapidly taking form both in the new world and the old. This was so because there had come into the world an immense new force which was creating almost overnight immense cities such as the world had never seen before. Marx foresaw that these cities would become the most vicious enemies of democracy because they would inevitably create a whole new class of citizens—the “wage-slave” of nineteenth century Socialism—men and women, living in the great cities dependent for their daily existence

upon wages, unable, save in the case of a few remarkable individuals, ever to escape from their bondage into the economic security of savings and investment in houses or land. They were a group which by the economic circumstances of the community in which they lived, could rarely put aside savings, however modest. On the day a factory closed they were on the streets, since they did not own the roof over their heads and had no reserve with which to carry on. Immediately they became the wards of the state, subject in order to live, to the acceptance of a meager dole or some government-made work project which gave them no more than a starving wage, without decency or self-respect. For these he invented a word “proletariat” since no such class had ever really existed before. The *canaille* of Thomas Jefferson was largely made up of half-starving, underfed, half-criminal elements for which the circumstances of the times provided no means of living. They crowded into cities out of shiftlessness or because the cities offered a great opportunity for crime. The *canaille* was largely illiterate and without ambition.

But the proletariat, foreseen so clearly by Marx, was made up of honest, literate workers, men and women who sought a decent living upon honest terms, but were prevented from making an honest decent living or acquiring any economic independence by the very economic, physical and social pressure of the industry in which they worked and the overcrowded communities in which they lived. They would be forever insecure as “wage-slaves.”

What Marx did not foresee was the evils of installment plan buying which became a phenomenon of American industrial development, a system by which half the nation

lived on next month's pay and was forever prevented not only from attaining any degree of economic security but was kept perpetually in debt. He did not foresee that the lower the wage, the higher the cost of living, the more the average man would yearn for the things provided by the bright new industrial world which circumstances did not permit him to afford. In this process the worker forged his chains as a "wage-slave" even more strongly by creating a situation which never permitted him to escape from the *proletariat* into the *bourgeoisie*, which meant simply that he had some savings or owned something which gave him at least a small stake in the nation.

Marx foresaw, and his followers have supported him in this vision, that a sound democracy would forever be the greatest enemy of his theories of government. He also understood that the backbone of democracy was not the capitalist with great wealth, for he represented only a tiny minority, but the bourgeois with his savings and property, who would defend the rights of free enterprise, private property and of genuine democracy to the bitter end. Marx saw the industrial *proletariat*, the dispossessed propertyless industrial worker of the great cities, as the weapon by which Marxian Communism could be established, and his follower Nicolai Lenin followed this principle in establishing the Soviet Republic of Russia. The weakest resistance to the communization of Russia came from the city-dwelling *bourgeoisie*, because under the corrupt old empire, the town-dwelling bourgeois were so few in number and so weak politically. The strongest resistance came from the *bourgeoisie* made up of agricultural landowners, greater in number and stronger in character. They fought the

Communist revolution to the bitter end and their opposition was overcome at last only by wholesale exile and slaughter.

Lenin chose the industrial proletariat as his support. They were strong supporters because they had no rights or property to be protected. They had nothing to lose and everything to gain, although how much they have gained in Russia is still a debatable question. (Starting from a level which might be described as zero under the empire they have acquired under Communism at least some right to literacy and to medical care and in some areas better housing. It would have been virtually impossible for them to have gone backward from their status in czarist Russia to lower wages and poorer living conditions.)

Marx saw that his proletariat, where it existed under a corrupt and obsolete monarchy like the Russian Empire or under a rich democracy like the United States, would, as it grew, be the means of overthrowing government either by revolution and force as in Russia or simply and imperceptibly by the ballot in a democracy where every man had a vote. He saw clearly that in a democracy, as the number of propertyless industrial workers living in great cities increased, the number of their votes increased also, first to that point where their numbers could provide a balance of power between already existing *democratic* political parties, and second to the point where, as their number increased still further, the proletariat became an actual majority and Marxian Communism became a fact and democracy and free enterprise actually extinct.

The first stage of peaceful Marxian revolution in a democracy was achieved during the so-called Popular Front government established before the war in France. In this

government the Communists and the extreme radical Parties held a balance of power. If they refused to support the government of Blum (made up of liberal, democratic and socialist elements) it was doomed to fall. Through the power of this minority but balance of power blackmail, the Communists and extreme radicals were able to force the socialist and liberal government of Blum to propose and even advocate and carry through radical measures for which the French government and the economic and social structure of France was not prepared. The results greatly weakened the economy of France, her industrial production, and the unity of the nation as a whole and contributed much to the débâcle in France at the moment of the German invasion.

In this country the radical elements, while professing no outright Communist sentiments and claiming always to work within the idiom of democracy, have advanced very nearly to the stage of gaining the balance of power between other democratic political parties. This strength has come largely through certain liberal and open activities of the Congress of Industrial Organization, through the activities of a few self-seeking, unscrupulous labor leaders, and politicians, and mostly through the activities of the C.I.O. Political Action Committee. It is decidedly the strength not only of a tightly organized and brilliantly led minority but of a minority of a minority since the C.I.O. represents a minority even of organized labor. Certainly few of the men directing the tactics of this movement could properly be called Marxian Communists, yet they are the direct representatives of the proletariat centered in great overcrowded cities like New York, Detroit and Pittsburgh and their methods are essentially those by which Communist minorities eventually take over power in a democracy.

That these elements have not gained further power and have not already seriously altered the whole character of American democracy and free enterprise, that they have not achieved completely the bludgeoning power of the Communist and extreme radicals under the Popular Front government in France, can be explained partly at least by several facts: (1) that in this country there are only two political parties as compared to several in the France of 1936-1937; (2) that the Communist-radical elements are faced by a poor choice—either of sticking with the Democratic party regardless of its actions and the fact that it contains in its ranks a large element of black reaction, or of forming a weak, independent so-called Labor party which as yet they have not been foolish enough to attempt. Instead of achieving wholly the position of political balance of power between two parties (which was the purpose behind the P.A.C.) these elements found themselves in the weak position of becoming simply a radical wing *within* the Democratic party where at times they were overbalanced by the power of the reactionary southern Democrats.

In this country the Communist party is a negligible force as a political unit yet the Communists operate through countless organizations, both labor and political, dominated by their ideas or their leadership. But behind their efforts, however, successful or unsuccessful, lie the same Marxian principles of peaceful, imperceptible revolution in a democracy, achieved through the steadily increasing number of votes of the propertyless, economically insecure, industrial worker in great urban industrial areas.

The strength of all the radical and Communist movements in this country is largely confined to our great cities, with

their industrial populations and their delusion that they have little to lose and everything to gain. This is a population—proletarian—which is increasing steadily as our bourgeois population declines. More and more our national politics become a battle between sharply divided minorities or of collusion among them. More and more it becomes a battle between the haves and the have-nots, and when the have-nots win, because they have voted persistently to be “taken care of” by the state and because their numbers have increased to an actual majority, democracy and its handmaiden free enterprise will cease to exist.

Abuse, name-calling, committees for investigating un-American activities, are all equally futile in combating this slow but steady progress from democracy toward a totalitarian state. They are superficial manifestations of indignation, hatred, fear or officialdom and are doomed to steadily increasing futility as our solid middle class declines in number and the propertyless, economically insecure proletarian population of our great industrial cities continues to increase. The only real cure is to do away with the conditions which produce a *proletarian* population and these are concentrated in our great overcrowded unplanned industrial cities and to some extent in our worn-out, poverty-stricken agricultural areas which more and more replenish the populations of the great cities and increase the numbers of the proletariat.

No nation, however rich in real wealth, is ever richer or more secure than the wealth and the economic security of its individual citizens. A nation with all the resources in the world may, through the growing economic insecurity of a growing number of inhabitants, arrive presently at a

condition where totalitarian government becomes inevitable, when its real wealth and resources must be organized by the state in order simply to provide and guarantee the ultimate necessities of food and shelter for the majority of its inhabitants. Russia *began* at that end of the proposition. In a sense she was forced by the circumstances of revolution and economic collapse in an area possessed of enormous and unexploited real wealth to create a government which, through decree rather than popular law arrived at in popular democratic fashion, could provide some degree at least of economic security while developing the potential wealth of her national resources. As these are developed, with some means of distributing the exploited natural wealth among her citizens, she will inevitably move toward a freer, more individualistic economic and political life, unhampered by regulations and government interference, save on the broadest general plan.

The United States has been moving steadily in exactly the opposite direction—from economic security for the majority of her citizens toward economic insecurity for the majority. As this process continues she is moving *away* from free enterprise and democracy toward a statism which provides for the needs of that insecure but growing minority, the *proletariat*, and restricts more and more the economic and civil rights of free enterprise and a declining *bourgeoisie*. The situation in the United States is aggravated by the wasteful use and rapid destruction of her great natural wealth, both renewable and unrenowable and consequently of the very means of providing the economic security and high living standards for all the people which is the only real bulwark against the advances of state socialism.

As the destruction or misuse of this natural and real wealth continues it becomes first economically and then *politically* necessary to set up more projects and regulations by government in order to distribute fairly among the people the profits, benefits and ultimately even the employment and the food and shelter derived from steadily diminishing reserve of real wealth. As government comes to compete more and more with private capital and huge expensive bureaucracies are established, we are certain to arrive at last, through devouring by steadily increasing taxes the very capital which is the oil in the works of a free enterprise economy, at a state-controlled economy in which free enterprise plays no part and even the industrial worker will be paid a state-regulated wage and be told when, where and at what he shall work.

The irony of this situation is that in such a state, with free enterprise absorbed and the *bourgeoisie* rendered weak or nonexistent, there would be no right to strike, no union save one large government-dominated union as in Russia, and a living standard lower than that offered the industrial worker under free enterprise. There would also be subtracted the freedom, the independence, the individualism which are the natural right of man, the source of his dignity and the goal of Western democracy.

The truth is that our bourgeois population, which owns something, pays direct taxes to government and has a stake in the nation, in government and in free enterprise, is gradually declining as our proletarian population, which owns nothing, pays no direct taxes, has no stake in democracy, capitalism or free enterprise but can vote to be taken care of by the government and by more economically fortunate elements of the population, is steadily increasing. It is increasing not in

the middle-sized and smaller cities or in rural communities but only in our great, crowded, economically impossible cities. Already a part of the proletarian element has become in great cities like Detroit, the *canaille* of Thomas Jefferson—prey to violence, and race prejudice and rioting and criminal depredations. In the smaller cities and towns one finds few Communists and few extreme radicals. In our rural areas where radical ideas sometimes take queer forms, the only Communists are those elements of the population who are naturally eccentric or psychopathic cases.

Yet industrialists and chambers of commerce continue to bring in new industries or expand already existing ones in areas already overcrowded and wretchedly housed where living costs devour all possible chance for the workers to attain independence or economic security and so to create more and more of the proletarian votes which have eventually the power of utterly destroying them and their enterprises and the means of investment of capital for millions of the middle class.

For a long time industry has been aware of the evils of overcentralization, evils which manifest themselves in constantly rising labor costs, declines in labor efficiency, jittery nerves, wildcat strikes and costly capital investment owing to high land values and high taxes. The concentration of one industry largely in one city like that of the rubber industry in Akron and the automobile industry in Detroit have aggravated many of these evils and placed the cities affected in a precarious position in times of depression. Dependent almost entirely upon a single industry to provide both employment and the purchasing power dependent upon wages, these cities in times of economic depression are

burdened by the complete collapse of a single industry with an accompanying collapse of purchasing power in terms of groceries, clothing, rentals etc., and by a colossal burden of relief all at the same time. With all their eggs in one basket they find themselves in the same desperate condition that farmers in a single-crop area find themselves periodically. The smaller cities with diversified industries are in a much stronger position since they are not dependent upon a single great industry which can be paralyzed at any time either by economic depression or by labor troubles.

Most intelligent workers are likewise cognizant of the hardships economic, moral and physical, which the senseless concentration of industry has created for them. The wiser ones, where circumstances have permitted, have moved out of the great urban areas into less crowded communities where their dollars are worth at least a third more in purchasing power and where the opportunities for a normal, decent life are much greater.

A few leaders of organized labor will admit, at least privately, that the men and women in their unions would be infinitely better off if they could move to less congested areas, but attempts at decentralization have been largely resisted, either quietly or openly, by many of those same leaders because such a movement toward decentralization complicates their problems of organization, collection of dues, and domination and discipline of union membership. A discontented worker struggling always to keep his head above water in high-cost, overcrowded urban areas is much better material for organization and support than a worker who owns his own house, lives decently and is able to put by a little money. Here again the struggle between the

democratic *bourgeoisie* and the Communist *proletariat* comes into play.

The experience of industries which have established decentralized factories in smaller towns or even rural areas has demonstrated great gains in efficiency, production, morale and above all in better relations between employee and employer over factories owned by the same companies in crowded urban areas.

Many of the greater industries have already made experiments in decentralization and the bulk of expansion occurring recently in most industries has taken place in areas outside our great industrial cities. Many factories have been constructed recently in the West and Southwest in areas where industry was hitherto almost unknown. The policy of the war administration, by its plan of dispersing war industries over the whole of the country rather than crowding more and more factories into the already congested northeastern portion of the country, established a pattern which promises much good for the future.

One large company manufacturing agricultural machinery, Harry Ferguson, Inc., new to the business but expanding rapidly, has set up a novel pattern of decentralization whereby the company acts only as a distributing medium, maintaining its own laboratories and engineers. The construction of its whole invoice of tools, farm tractor through to spring-tooth harrow, is farmed out under contract to more than a hundred factories located in towns over the whole of the United States. In each case contracts were made with small factories already in operation to produce farm tools according to specifications established in the

laboratories of the central distributing organization. Only the tractor is manufactured in a great industrial city.

There are countless advantages to this plan of decentralization for all concerned—the company itself, the small manufacturer, the workingman and eventually the consumer himself. The “manufacturer” has avoided an enormous investment of capital in establishing great factories in some congested industrial area. His whole plant cannot be shut down at one time by labor troubles. Indeed labor troubles are infinitely less likely to occur in the smaller factories which are all located in smaller cities, towns and even villages where workers own their own homes and sometimes farms and where their dollars have a much higher purchasing power than the dollars of workers in the great cities. In nearly all cases the quality and temper of the labor employed is better than in great cities. Each small factory gains both in profits and security by having its profits for the year virtually guaranteed by large orders from the central distributing organization, while it continues to manufacture its own products. The plan also operates importantly to support small business and to distribute money in the form of wages and working capital into all parts of the country. Under such a system, the consumer benefits in the end by reduced costs of production all along the line. The plan works therefore not only toward a healthy decentralization of industry but also toward fostering the profits and security of small industry so vital to the preservation of democracy and free enterprise. It also operates to produce abundance of industrial production at lower and lower costs, which is the first step in the stabilization of our economy, and to promote the same process—greater production at lower costs—in the immensely important agricultural world by producing good

machinery at lower costs and thus increasing the mechanization and efficiency of our agriculture, perhaps *the* vital step in the whole process of establishing the *stable* economy which means *real* prosperity.

The one element directly and principally affected adversely by any course of rapid decentralization must be that infinitely small minority of the population with heavy investments in real estate in great urban areas. This element, the followers of Henry George would assert, are not entitled in any case to the great profits they have acquired either through speculation or by simply sitting, through two or three generations, upon the land which it acquired at a very low price level. The immense increases in value of this land came about but rarely through the enterprise or the wisdom of the owner but through the initiative, enterprise and intelligence of those other elements of the population which, rightly or wrongly, developed the great natural wealth of the nation, brought about the great concentrations of industry and populations in restricted areas, and so increased enormously the value of the land in question.

It is impossible to overlook other elements which would in the natural process accompany any effective program of decentralization,—the shrinking population and the accompanying shrinkage of revenue in great urban areas, the gradually increasing losses of real estate corporations, the dislocation of investments in mortgages by banks, etc. Yet, all of these things taken together fail to outweigh the great advantages to the nation as a whole in health, citizenship, economic security and stability and a better distribution of property wealth among the citizens of the nation. Many of these dislocations could be adjusted, at least partially, by a

sensible and gradual process of economic adjustment. In any case, despite the illusions of growth and boom created by the artificial conditions growing out of war production the process of decentralization has already begun and it is possible that real estate in great urban areas has attained in these immediate times its maximum of real value for all time. It is also probable that this value will steadily decline from now on, either because of the gradual but steady shrinkage of the populations in great cities, or because changing economic conditions or the atomic age will force a program of decentralization or, if these things do not occur rapidly enough, simply because increasing taxation and government regulation growing out of the very conditions which great cities themselves create, will stifle free enterprise, reduce employment and gradually reduce both revenues and values of real estate in industrial urban areas.

Two large-scale prospects for a wiser and more dispersed plan for industry have come into existence very recently. One is the decision to equalize freight shipping rates in the South and the Southwest and West with those of the rest of the country. The equalization opens the prospect of establishing industries in smaller towns and cities in areas where heretofore discriminating shipping rates discouraged industry. The same decision may prove of great value not alone to industry and the progress of decentralization but to agriculture as well by breaking up the single-crop system of the cotton areas and permitting a wider diversification which would include among other things the growth of the livestock and cattle feeding projects until now largely discouraged by high shipping costs.

Industry, dispersed through the South, would also serve to provide employment for considerable segments of a population now leading a miserable existence in poor, overpopulated agricultural areas and for the flow of wage money and capital into those areas. Likewise the absorption of this excess agricultural population into factories would make way for the greater mechanization of agriculture in the same areas and raise both wages and living standards of the remaining agricultural population. As I suggested in an earlier chapter this mechanization, together with better farming practices, can bring about the profitable culture of cotton by higher production on less acreage with lower total labor costs, to a point where the strangle hold of a wretched single-crop cotton agriculture might be broken and free our taxpayers from the burden of virtually subsidizing one large area of the nation.

The establishment of the Tennessee Valley Authority, a regional and decentralized project independent of Federal control, has opened a whole new pattern of government *investment* rather than spending which can and is contributing the sound answer to many of the problems created both by our crowded cities and by a poor and declining agriculture. It has opened to industry, through cheap water navigation, a whole potentially rich area which was largely isolated from the rest of the nation and forgotten. It has brought electric power to cabins where for generations a fire was kept burning perpetually because there was not sufficient income to buy matches or because matches were very nearly unavailable. It has already, in twelve years, made great progress toward the preservation and re-establishment of those two basic sources of real wealth—agricultural land and forests. It has demonstrated a pattern by which electric power can be

provided for industries in dispersed, economically secure, small industrial communities scattered, as they should be, throughout the nation rather than concentrated into one comparatively small area in the North and Northwest. It has brought steadily increasing prosperity and purchasing power to an area larger than the British Isles, which had become largely a dead area, economically speaking. It has brought greater prosperity to small business and even to the very public utility companies which fought it most bitterly. The ramifications of its effects are enormous not only in the particular area under its administration but over the whole of the nation, for it is making of a great, once virtually nonproductive area, a productive one, contributing taxes, wealth and abundance at low costs to the whole of the country. And most of all perhaps, it is rejuvenating a whole people, physically as well as morally, breaking the isolation and the economic handicaps which had done much to make them a people apart from the rest of the nation and the objects either of sentimental or of comic interest. The poorer elements of the population are being raised to that level of human dignity and independence which Thomas Jefferson believed was the right of a free people in a nation rich in real wealth.

The principles behind the T.V.A. are those fundamental ones which can *really* solve many of our problems—the preservation and restoration and wise use of our real wealth and the breaking down of the monstrous cities filled with a proletariat which, if given a choice, would prefer an independent life with economic security and the status of citizens, not of a Marxian state but of a democracy. It would be absurd, of course, to assume that the T.V.A. is the *perfect* pattern for the development of all the great watersheds of

America. The problems of each great watershed are a little different from those of all the others and those who in Congress seek merely to impose the exact pattern of T.V.A. elsewhere or who attempt to insert superficial social legislation into regional authority bills are doing the progress and economic development of the nation a great disservice. From the radical side there is always a tendency to confuse all measures which are economically sound and beneficial by inserting clauses drafted from a base of state socialism or Marxism rather than that of sound, economic democracy. The absurd and disastrous farm co-operatives which helped very nearly to wreck the Farm Security Administration, a sound contribution to our welfare, is a perfect case of this stubborn persistence of the fuzzy thinkers.

The conflict which we face is essentially one between the dream of Thomas Jefferson, in which there is as little government as possible, with economic independence, freedom and dignity and responsibility for every citizen, and that of Karl Marx, of a nation which is all government, where the individual responsibility of men is replaced by the red tape and extravagance of a vast and inhuman bureaucracy, a nation in which the citizens have no free will responsibility but only that imposed, regulated and limited by the state, a nation and government in which the handicapped, the economically limited will be even more handicapped and limited, in which even their right to strike, to choose their means of livelihood, the very place of residence will be decided for them.

At present, the dream of Karl Marx and his *proletariat* is gaining, and gaining more rapidly than most citizens know or understand. It is gaining among the inhabitants of our great

cities, among the industrial workers crowded into those congested, unhealthy and expensive areas, and among the dispossessed population of our worn-out agricultural land who are taking to the road as migratory workers or crowding into the great cities to add their weight to the already great problems, social, political and economic, created for the whole of the nation by these monstrous cities.

The dream of Thomas Jefferson and his self-sufficient, economically secure citizen continues to wane as we continue to destroy the basis of real wealth upon which all our economy is based and as the *social* legislation induced by the resulting economic pressures continue to consume in taxes, in government, more and more of the earnings, savings and free capital which *should* be *working money* and therefore the real wealth which is the only true safeguard of man's liberty, independence and dignity.

The worst enemy of free enterprise, indeed of democracy itself, is not the demagogue and the radical but the economic conditions which produce the wretched and discontented populations willing to listen to their harangues. Perhaps what all of us will have to learn—farmers, industrial and white-collar workers, small businessmen and industrialists, the last perhaps most of all—is that the economic welfare of the whole of the nation is the economic welfare of every class and every citizen as well. And I am not writing of booms and inflation, with their sick and illusory prosperity, but of a stabilized economy in which real and permanent prosperity exists, without booms and depressions. Such a real prosperity cannot be accomplished by social legislation, or any other palliative in terms of money, but only by sound planning and the *investment* rather than the *spending* of government and

taxpayers' money and by undertaking measures which are based upon an economy of real wealth and provide real and independent economic security for all citizens who are able and willing to work. I know of no better place to make a beginning than in the breaking down of our great industrial-urban concentrations and by increasing the production of our great, potentially permanent bases of real wealth—our forests and our agricultural land.

IV. The Nature of Man

ALTHOUGH we all live in one world, we do not live in one time, and that is why the attempt to divide the world again into segments is causing unbearable tension.

The jangle you hear is not so much national anthems out of tune as clocks out of time. The primeval tom tom still beats while the atom bomb ticks. Russia is straddling the centuries, in victory more than ever pounding backward to Peter the Great and racing at the same time to overtake Henry Ford and Henry Kaiser before she has caught up with Thomas Jefferson. The clocks of Europe are turning back and the clocks of Asia are turning forward. And there are places where time stands still because the night does not lift and there is no tomorrow.

—Anne O’Hare McCormick.

In the foregoing chapters the author is aware that, in his effort to distinguish causes from effects, he has fallen into the commonest and most serious error of much of the thinking and writing of his time. It is an error of which scientists, economists, technocrats and the “liberal” and radical elements of our society are all equally guilty. It affects even those sentimentalists and fuzzy thinkers of the Lady Bountiful school who seek to cure all human ills by the expenditure of money or the manipulation of currency. It is the eternal error of the materialist who ignores or turns his gaze from the fact that man is not an adding machine or merely an instrument essential to the operation of the mechanical marvels of our age. In a time when plumbing and

high-powered automobiles have virtually become objects of worship it is inevitable that we should have theories and philosophies which find salvation in mechanics and industry and espouse political bureaucracies and plans of salvation as inhuman and in the end as inert as a vacuum cleaner or tractor, either of which are useless without the animating power of man himself. Most of the theorists of our time have overlooked the fact that any system or plan which ignores the human element, the weaknesses and the vagaries of man, his aspirations, his faith, his almost universal hunger for mysticism, his crow-like urge to collect and to own something, his urge toward independence and individuality, must be an arid and futile plan. Of late we have begun to forget even that most men find satisfaction in work and that many men and women are definitely not only driven and bewildered by an urge to create but are hungry for the political, economic and social freedom which makes that creation possible.

The first and perhaps the greatest of these utterly materialist thinkers was Karl Marx who devised a political philosophy and system which both ignored and denied the pride, the individuality and all the other inevitable manifestations of the nature of man himself. It was and is a system of such aridity that it can attract only the minds of the unbalanced or the unscrupulous. The unbalanced find in it a kind of solace and justification for their own unhappy condition and the unscrupulous find in it an instrument by which they can advance either their own ambitions or the reforms which they are determined to *impose* upon the rest of mankind. Marxian Communism is not only repudiation and a denial of the fundamental principles of democracy: it is a repudiation and denial of the ultimate goals both of

Christianity and of Western civilization. It was born out of the political thinking of Germany which has never really known democracy and, temperamentally at least, has never really adapted itself either to genuine Christianity or to the aims of a civilization which began in Greece and passed westward through the whole of the Western world, save Germany.

Neither democracy, nor Christianity, nor classical Western civilization are or ever were based upon materialist doctrines, but have always given profound consideration for the individuality of men, for man's hunger for freedom, for faith, for mysticism, for creation. All three are based upon standards of ethics, morals and behavior which are essentially a part of all civilization and place the responsibility for man's advance upon his own capacity for developing and advancing these standards. Marxian Communism, in its complete materialism, is based, like all bureaucratic and totalitarian doctrines, upon a plan which regiments man, assumes responsibility for him and ignores ethics, morality and most of the inevitable and indestructible yearnings and aspirations of man which are the source of the *real* impetus in the advance of civilization. In other words the ultimate goal of democracy, of Christianity, of Western civilization is a kind of social and political anarchy in which every citizen has developed moral and ethical standards as well as civilization itself to a point where only the minimum of government is necessary.

Marxian Communism in its utter materialism is a complete denial of this goal. One of the great errors of the ordinary citizen is his assumption that anarchy and Communism are related and similar political philosophies; it is impossible to

conceive two philosophies more antipathetic and this antipathy reveals itself immediately in violent clashes wherever the doctrines of anarchy and Communism encounter each other.

The materialism of Marxian Communism, of totalitarianism itself is not confined alone to the regions in which practicing governments are in power. It is manifest to some degree throughout our Western industrial world, from the confusion of the citizen who regards plumbing and automobiles as standards of *civilization*, to the Left-wing politician who would centralize all government in a single monstrous bureaucracy in Washington to dominate and regulate the lives of some 130 millions of individualistic Americans scattered over an immense area notable for its differences in climate, in social and economic conditions, in habits and manners and political sympathies. It manifests itself in the assembly lines and in the growing power and unscrupulousness of many leaders of organized labor. The ultimate cause of the revolt of many writers against certain phases of American life lies not in the fact that they are phases of American life but that they are phases of the materialism which has come in an industrial-mechanical age to dominate more and more our daily life and to create more and more friction between the ultimate goals of traditional Christianity, democracy and Western civilization and a materialism which is a denial of the goals of all of them.

The very epitome of this struggle lies in the irrepressible and inevitable enmity between the Roman Catholic church and the minority materialist-Communist elements within Soviet Russia. In a sense, the atomic bomb becomes a symbol of a materialism which may one day bring about the collapse

of all civilization. It is significant that the energies of a score or more of the world's greatest scientists were concentrated upon the development of atomic energy to create an engine of destruction rather than an instrument for the liberation of mankind *from* materialism and to advance the goals of true civilization. It is significant that two billions of dollars were appropriated overnight for the advancement of atomic research in the construction of a terrible instrument of destruction, although there is difficulty in the raising of money for peaceful exploitation of atomic energy or for research aimed at the extermination of such plagues of mankind as cancer, polio or tuberculosis. The atomic bomb is indeed symbolic of an age in which industry and mechanics and the materialism which accompanies them, have come largely to be the masters rather than the servants of man.

The truth is that man's nature is not such that it can, with all its defects and virtues, its baseness and soaring spirit, be jacketed tightly by an arbitrary political or economic system without ultimate disaster to himself and to the institutions he has already created in his progress upward from the condition of a savage. Marxian Communism in Soviet Russia has undergone striking modifications and compromises as indeed the Marxian theory wherever it is put into practice must undergo; and all of these changes were forced, often against the will of those in power, by the operations of economics or by rebellion of the human spirit against materialism and a purely materialistic system. This same rebellion of the spirit against the materialism both of an industrial-mechanical world and of cramping materialist political systems, has played a large part in the horizontal social and political war which has been taking place in the world simultaneously with

a vertical nationalist war. It is a rebellion which manifests itself constantly in our daily lives in a thousand ways.

The materialist doctrines of Fascism, Nazism and Communism are largely the result of the growing materialism of a world more and more dominated by industry and mechanics, and brought into conflict among its integral parts by the shrinkage created by man's own industrial and mechanical ingenuity.

The very seeds of our destruction lie in the complete dominance of our minds by the materialism born of mechanics, industry and in part by the materialist approach in thought of too many of our scientists and our contemporary political and economic thinkers. In their approach to many of the problems of our times—scientific, economic, political and otherwise—they are like a legless man trying to walk with only one crutch. While they strive, on a basis of absolute materialism, to discover, codify and utilize the laws of the universe, they ignore the elements in man himself which are essentially a part of those laws and which, very immediately at least, play a great part in the application and use of advancing discoveries and knowledge. In other words a wholly civilized man would not be concerned with atomic knowledge mainly in order to construct an implement of destruction but rather to employ that knowledge *constructively* to free himself from the very slavery of the ignorance, intolerance and economic handicaps by which he is today largely bound.

Too many of our leaders and thinkers neglect these elements—the religious sense and mysticism and morality as well as ignorance and poverty and intolerance which, in relation to civilization and the destiny of man, actually have

substance—as much substance as a carburetor, a dynamo or a cyclotron—and cannot be overlooked if man is to make advances in civilization and eventually to dominate and use *wisely* these discoveries which he has made with regard to the *material* facts of the universe. While we have made great progress in dealing with metals and chemicals and atomic research and the material uses of these things and in discoveries concerning the material physiology and anatomy of man, we have, as Dr. Alexis Carrel pointed out some years ago, overlooked almost entirely research into the elements of mysticism, of intuition, of reincarnation, of “inherited” experience, of mental telepathy, even of spiritualism and many other unexplored and until now unexplained manifestations not only of the nature of man and his relation to the universe but of his influence and use of the material discoveries already made in this Age of Irritation and Materialism. All or any of these things *may* have actual reality and “substance”—as much substance as an ingot of iron ore—and their influence upon our lives, our civilization, is immense.

It is possible for the utter materialist to jest at all such things, but they have been with mankind since the beginning of time and their influence upon his progress or retrogression is in varying degrees enormous. Because we know little or nothing about such manifestations does not mean that they are wholly nonexistent. Some may have reality in natural law, others may be pure superstitions or manifestations of man’s own emotional weaknesses; the fact is that we do not *know* and that, in any case, they play a considerable part in the nature of man and therefore in his destiny and that of civilization and the use he makes of discoveries in the purely “material” world. They are therefore very much a part of the

universe and cannot be simply dismissed or overlooked in dealing with man and his destiny, either immediate or remote.

Most scientists are at heart religious men and would admit that each “material” discovery, as it is made, falls into place with natural law and a perfectly definite pattern which involves not only this world and the creatures inhabiting it but the whole of the universe (whatever that is). No scientist yet knows where the universe begins or ends, or when it began nor out of what it is made, and not even Einstein has given us an infallible definition of what space really is. Any or all of them, however, brilliant or materialistic, come face to face with what is indefinable, perhaps the ultimately undiscoverable fact and mystery of the universe and the origin of the laws which govern its existence and continuance. The greatest weakness of the materialist mind is the smugness and aridity which inhibit and limit it.

On the other hand the perfect idealists who sing the praises of Western democracy and are disillusioned when its operations fail to produce a paradise on earth neglect to consider the weaknesses, handicaps and limitations of man himself. The perfect idealist operates forever under two delusions: (1) that man is already wholly civilized and therefore ready for Utopia; (2) that he is somehow physiologically and biologically different from the lower animals and can somehow escape from the laws to which they are subject.

Not the least of the evils associated with the vast and rapid development of industry has been the drift away from spiritual and even ethical values toward an absolute materialism. In this movement science has contributed its part, not directly or consciously through the scientist himself,

but rather through ignorance and the laziness of the lesser men and their willingness, even at times their eagerness, to accept new inventions and new conveniences as their right, without ever seeing beyond them. Most scientists, like most good farmers, are religious men in the broadest meaning of the term because they live constantly and incessantly in close contact with something much greater than themselves or their own potentialities, greater indeed than the sum total of all men and all nations. That something may be called Nature, or cosmic law or it may be called God, but both scientist and good farmer are aware of it and its inevitable effect upon the destiny of man both as an individual and as a part of a whole community or nation.

It is the lesser minds, the mediocre and lazy minds, without either sufficient knowledge, depth or sensibility, which scoff at all mysticism and smugly accept an airplane as a contraption of nuts and bolts or penicillin as just another patent medicine. To the more discerning mind, the airplane is not simply something thought up by a troupe of able mechanics; it is the product of thousands of discoveries concerning the natural and immutable laws by which the cosmos functions. It is the product of the fitting together and utilization of these laws, achieved through the mysterious and miraculous workings of the human mind. Penicillin, to the discerning mind, is not simply another panacea bottled in a commercial factory and put on sale in the chain drugstores. It is a part of the whole incredibly intricate plan of the universe with which the farmer comes into intimate contact in another way when he works with and understands the infinite and fabulous pattern of life in the soil and the molds, bacteria, hormones, minerals and minute animal life of the manure pile which lies at the very root of fertility and health of his land,

his beasts and his family. For the seeing and understanding mind the material facts of our daily existence, even of the inanimate mechanical inventions which man himself has created, lead inevitably toward an ultimate mysticism, endowed with moral law and religious conviction. When those elements can be translated back into man's attitude toward the mechanical world and the utilization of the marvelous machines which it has created, there will be reason to hope that man has understood how to use the products of his own ingenuity rather than becoming their victim as he now is.

The infinite range of discoveries made by science and their application to mechanics by inventors have created a great danger for man as a whole, because man as a whole is not yet sufficiently advanced morally to be ready for them and is consequently incapable of utilizing them wisely. An automobile may be an ambulance preventing suffering and death or a truck carrying precious food to men who are starving or it may be a gangster's means of committing crime and making a getaway or a vicious means toward increasing the delinquency of children. Atomic power may be the means of freeing men from hard labor and of giving them more time to live decently and more liberty for those things intellectual, cultural, scientific and spiritual which are the essence of true civilization; or it may be the means of destroying civilization and mankind itself.

The power of choice lies with man himself. His final emancipation or destruction will depend less on how much more he discovers day by day of the natural laws which can free him than upon the fashion in which he uses these discoveries. In this choice both the ethical and spiritual

values which form the basis of all great religions play a role more decisive in his destiny than the mechanical and industrial advances in which he takes such great satisfaction and pride.

Man's advance upward is not determined by the number or the ingenuity of the machines he invents nor even by the number of discoveries he makes concerning the universe and natural law but by the use to which he puts these inventions and this knowledge. Here it is that morality, ethics and even religious values and mysticism become of first importance.

This materialism, this misuse of science and discovery, has led to a confusion, especially in this country, between mere mechanics and civilization. Our average citizen is likely to believe that this is the most civilized nation in the world because it has more automobiles and more plumbing per capita than any other nation. The two elements have nothing in common save as mechanical inventions are a convenience and save us time that may be devoted to the things which are the essence of civilization. A man may have five automobiles in his garage and bathrooms with mauve matching toilet paper and still be an utter barbarian; indeed such emphasis upon material things is likely to make him so. Many of our most notorious gangsters have been perfect examples of this state of mind. On the other hand a poor man living in one room without means of transportation and only an outdoor privy may be a high type of civilized man. The ideal world, the world in which man attains his fullest development would be a world in which man utilized the mechanical-industrial side of his existence to free him for the practice of the things which in their total represent civilization. The danger in which man actually stands is the danger of becoming the

victim of the great mechanical-industrial structure he has himself built up rather than his using it for his own advance.

The failure of pure Marxian Communism in Russia was in essence the ultimate failure of all materialism and specifically the failure of a materialistic political doctrine which virtually ignores the nature of man. Lenin and Trotsky sought to make a religion of the state but failed for neither the worship of bureaucracy nor of a minority dictatorship can satisfy the craving of man for something above and beyond himself nor explain the mysteries not only in the universe, but within man himself, which are beyond explanation within the limitations of purely materialist thinking. In one sense—the larger sense—Lenin and Trotsky and their immediate followers appear not as great leaders but as failures, as the helpless victims of a materialist philosophy which sought to change, modify and control the destiny of man by the manipulation of purely material values. Even the accession by Stalin to the position of dictator and all the modifications of Marxian Communism which came about through human, semi-mystical reasons lying within the character of the man Stalin and within the character of the Russian people themselves, did not suffice to satisfy either the cravings of the people themselves for mysticism and spiritual values or the exigencies of a practical and workable government. They were the unpredictable, unknown and perhaps unknowable elements, which in the end disturb and finally shatter all materialist political philosophies. It is these same elements which lie at the root of those forces which constantly dislocate and may eventually modify the character of this whole materialist age.

The Russian story, which began in the rankest doctrines of materialism and has moved rapidly through the classic age-

old pattern of man's integration and development, has by no means finished. To date it has followed a pattern which essentially is the classic one in all Russian history, and that pattern was molded and will continue to be molded by the inward nature of the Russian people and of mankind itself rather than by any imposed Marxian ideology. In other words Russians are men first, Russians second and Communists third and Communists only for a fleeting period in the long range of history. The Communist adventure in Russia, already greatly compromised and modified, has been in existence only a little over a generation which in historic time is but a fraction of a second.

The "mysteries" of Soviet Russia, of the purge, of Soviet Russia's new "imperialism" are in reality not mysteries at all. They are simply the age-old manifestations of Russian character, tradition, mysticism and psychology, tempered only lightly by the limitations of education, economics, living standards and industrial civilization.

Soviet Russia, with all the violence, the peculiar brand of imperialism, the murders and assassinations, the poverty of working people and peasants, may stand in history as a symbol of a whole world which is striving to get ahead of itself by creating an academic, idealistic political world government for which in living standards, education and civilization it is not yet prepared. Marxian Communism was employed by revolutionary leaders as the machinery by which Russia could in a generation or two bridge the centuries-wide gap which separated a medieval half-mystical ignorant nation from the industrial, materialist twentieth century. At first it appeared that much had been accomplished, at least in a *material* sense, but even that

progress appears more and more doubtful since, from the point of view of education and civilization, the people were too poorly prepared to be able to understand or dominate and thus put to their own use and advantage the mechanical and industrial civilization imported and *imposed* upon them.

The Marxian revolution was essentially a short-cut, a panacea, and as such was unsuccessful because in the development of man as in the tilling of a field there are in natural law and in the nature of man, no short-cuts and no panaceas.

One does not solve the ills of the world by *voting* freedom to every nation, with seats for representation for all of them in a windy conference hall, any more than one can cure intolerance by passing laws ordering people to be tolerant. It would be lovely if this were so but it simply is not. The margin for error of the pure and impatient idealist in ignoring the uglier, more benighted and handicapped side of man's nature, is as great as that of the materialists who ignore in planning economic and political changes the spiritual and intangible side of the nature of man.

Possibly the most satisfactory form of government would be a perfect paternalism presided over by God who, we assume, is endowed with justice, wisdom, humanity, efficiency, honesty and indeed all the virtues toward which civilized man aspires but which even in his finest manifestations, he has never quite achieved. Under such a paternalism we should indeed have a pleasant and ideal world with all worries and all political and economic responsibilities removed from our individual shoulders. But since we cannot have God to operate the machinery of

government, we are forced to do the best we can, working together, to produce a government which provides us as nearly as possible with the blessings listed above. And we dare not risk paternalism lest, instead of God, we find ourselves being ruled by Hitler or Stalin.

It is not only that the perfect idealist falls into error regarding man himself, he commits similar errors with regard to the nations of which man is a part. In his plans for world government the perfect idealist acts upon the assumption that all nations are alike, with the same or at least a similar degree of economic stability, of living standards, of education, of culture and civilization, overlooking completely the vast differences among nations and peoples in all of these things. If this false assumption were true the business of setting up a workable world government bringing the blessings of eternal peace and welfare to the world of mankind, would be a comparatively simple affair. Actually the business of setting up a world government in which every nation, large or small, is represented and shares in responsibility and authority, is not only extremely complicated but impossible in the present state of man's development in the existing world. It is made so not only by the extreme diversity of man himself but by the diversity of conditions among the nations of which he is a part. It is likely that we are, in our hopes and in the plans of our perfect idealists, far beyond the point of reality—that point at which a concrete and workable world government along the lines of those hopes and ideals can possibly be established.

The assumption that all men are prepared for an ideal system of world government such as democracy or that all nations are prepared to assume the responsibilities of world

government is as foolish as the unqualified assumption that all men are born equal. The flat truth is that all men and women come out of the womb and that is about as far as it goes. To assume that a child born in slums of syphilitic and undernourished parents is born equal with the child of parents possessing abundant food, economic and educational advantages and perfect health is manifestly absurd. In the larger sense among nations and peoples, similar differences, inequalities and maladjustments hold good. Instead of making this absurd statement and resting upon it—something the founders of this nation never had in mind when the phrase was born—we should attempt to create the conditions, economic, political and social which permit the flat statement to become as nearly a reality as possible. That should be the goal of democracy and of civilization and indeed of any world government set up in our times.

These are simple and indeed obvious statements but they are fundamental. Few people have carried the same kind of simple and direct consideration into the realm of nations and their relationship to each other and to plans for world government and federation.

It is obviously impossible for example to consider any of the Balkan nations as being upon the same level of literacy, living standards, political experience or culture as a highly civilized nation such as France. Most of those nations, like Poland and some other European countries, have *never* known democracy in its Western or Eastern or even in its doubtful Communist or socialist senses. In many of them medieval conditions of serfdom existed virtually up to the present time. In some, as in Poland or Hungary, the last vestiges of feudalism are only now disappearing.

Conditions similar to those existing in the Balkan States might be said to exist in certain Latin American countries where many of the “so-called” republics are little more than a succession of varying military dictatorships with abominably low standards of living and general illiteracy as the prevailing lot of the people. In such countries even the words “freedom,” “democracy,” “republic” have become debased and their meaning perverted. It is always possible that from all these countries, both in the new world and the old, representatives can be found for a world council who are reasonably cultivated and literate men but the question of their being *true* representatives of their peoples remains doubtful until the economic, social and political conditions of the people in these nations have been improved to a point where the people themselves have both the power and the ability to elect those representatives with some measure of judgment and intelligence.

In India and in China there are millions of people who know nothing whatever about the world outside their own farms and villages. In India there are millions who have never heard of the British Empire and have no concept of the words “freedom,” “liberty,” “democracy” even if the words existed in their native languages and dialects to indicate such vast abstractions.

In any world government, the very status of India and indeed of Burma, of the Malay States, of the Dutch East Indies, of French Indo-China and even that of a theoretically independent nation like Siam becomes involved and difficult. Who is in reality to represent them? Certainly not the imperialist nations which hold them as colonies, or native representatives who are no more than paid tools of those

imperialist nations; nor can we choose as their true representatives men from the people themselves out of the remote villages and rural areas possessing the universal ignorance and illiteracy of those areas, since such men, ignorant of the complex problems of the complicated and interdependent modern world, would simply become the dupes of any shrewd and unscrupulous force which chose to use them. Nor is the native “intellectual,” often educated in Europe and out of touch with the great bulk of the people and naturally detached from them by the very fact of his foreign culture and “intellectualism,” either a typical or a fit representative of the great mass of people in nations like India, China or Java. He cannot and does not represent them in the sense of representative democracy.

The reproaches of dictatorship, both by individual and by minority, brought against the Kuomintang government in China arise from the fact that it is a government largely of “intellectuals” or of exploiters of the people in one form or another, ranging from the activities of surviving “war lords” to those of the Soong family in the world of finance. What few elements could be called wholly free of exploitation fall into the category of foreign-educated intellectuals, many of them of missionary-trained background. The truth is that until nations like India and China and perhaps, in some respects, even Soviet Russia, really attain government by the people themselves, they are not properly qualified to sit in a world conference of nations in a world government which can function effectively along the lines of the hopes of the more ardent planners of world government.

We are deceiving ourselves when we assume that certain nations *can* participate in world government until enormous

advances in economic conditions, literacy and democracy are achieved. Until these changes are accomplished, either the *people* of these nations are not represented or the world as a whole is subjected to the policies, often enough greedy and aggressive, of a small minority which does not represent the people at all but only themselves. Under such conditions talk of “world representative government” becomes absurd.

In all these questions it should never be forgotten that not only is Western democracy the luxury of rich nations, but that it also requires a high degree of information, literacy and at least a moderately experienced intelligence on the part of the people as a whole in order for democracy to function at all in any real sense. Otherwise any democratic form of government can degenerate very quickly into a mere framework for the operation of concealed dictatorship, corruption, oppression and economic decline. For those countries where ignorance, illiteracy and low living standards are the rule it is possible that a communist form of government directed by a shrewd and able minority is properly the first stage in political development as it was in a Russia where illiteracy, corruption, economic insecurity and oppression were the rule under a czarist government. It is quite possible that a modified Marxian Communism which, as in Soviet Russia, is able to produce quickly a prevailing literacy and which seeks to develop natural and real wealth as rapidly as possible, is the proper first stage in any rapid advance toward true democracy in the representative Western sense. But let us not deceive ourselves by calling that machinery and that process “democracy” which is what many have done in the case of China or Soviet Russia. It is in fact merely a direct, primitive and sometimes brutal means of preparing nations *for* democracy.

Communism might prove a step toward the emergence of these nations into the Western democracy which is based upon economic wealth, literacy, freedom of the press and of enterprise and the dignity of the individual, however humble. It is manifestly dangerous or impossible either to give or impose overnight the benefits of a highly civilized form of government upon the peoples of poor and illiterate nations which are unprepared to make so great a leap. The results, despite the hopes of wishful thinkers, can only be disillusioning if not disastrous. Soviet Russia, as literacy, living standards and economic conditions improve, will be ready to embrace real democracy in its Western sense and will move steadily and inevitably in that direction. Actually Soviet Russia is today in the intermediate stage between a simple primitive dictatorship by minority and a type of democracy in which the rule is *actually* invested in the majority of the people.

All of these profound difficulties were evident in the working of the League of Nations and lay at the root of the withdrawal of one nation after another until the whole structure and its functions became symbols of futility wholly unrepresentative of the interests of the world as a whole and no more than the machinery for the political and imperialist maneuverings of England and France. No better example of the futility of attempting world justice or world government under existing conditions can be cited than the tragic-comic history, within the framework of the League of Nations, of Abyssinia, a small, weak, but theoretically independent nation with a completely barbaric background. This nation like any other of its size, became merely a pawn in the game of power and economic advantage among more powerful and civilized countries. The small backward nations under the U.

N. O. are also likely to become simply pawns in the battle of economies between the self-sustaining nations with real wealth and the imperialist banking-processing states, or in the battle of ideologies *and* economies represented in the struggle between democratic and Communist powers.

Soviet Russia has developed in her progress from a primitive Marxian Communism toward democracy a new pattern of imperialism in its wholesale absorption of adjoining states of diverse political, racial, religious backgrounds *into* the Union of the Soviet Republics. These have become literally participating units of a large federation of small states instead of being held at arm's length as colonies and potential exploitable sources of real wealth (natural resources). Through a minority-ruled Communist government, Soviet Russia has brought, within an amazingly short period of time, literacy, political consciousness and information to tribes heretofore uncivilized and even barbaric. Racial, religious, prejudices and even political differences have been largely eliminated, some of them by persuasion, a few by force and complete liquidation of all opposition. Economic union and the disappearance of frontiers and customs barriers have played a large part in this successful policy of absorption. It is doubtful that any of these small nations or peoples will be shaken loose from the established pattern of Soviet Republics, save by violent revolutions of such cataclysmic proportions that the whole union itself falls into pieces dominated by individual military leaders or adventurers.

This policy of economic union and absorption by persuasion or force is clearly the pattern Soviet Russia will

pursue and actually is pursuing in the Baltic States, Poland, Iran, Turkey and some of the Balkans. The possibilities of the federated expansion are, in the case of Russia and the weaker nations surrounding her, almost unlimited for the time being at least. The long-run economic advantages to the individual citizen as well as to the whole nations absorbed are as evident as they are substantial. To the general and enduring peace of the world they are of the utmost value in doing away with countless frontiers and with the endless feuds and quarrels among weak, undemocratic, backward or undeveloped nations which are pawns in the larger pattern.

The problem of adjusting life of every kind to the tight pattern imposed upon a shrinking world by the rapid advances of industry and mechanization is both a profound and a complex one, which may find its solution only in violence and further warfare and revolution. Any thinker would be foolish to look for peace, a civilized life, or even material abundance during this disturbed and disturbing period of adjustment. Thinkers would be equally foolish to mistake this period of adjustment in the world for one of transition or of advance in civilization which it is not. If mankind is wise enough and provides leadership of sufficient magnitude, we may in time find the answer to the difficult problem of the adjustment to a common level of nations and peoples now living in a complex industrial world upon widely different levels of education and standards of living. If not, the world is destined for further violence, aggression, exploitation and warfare, succeeded not by advances but by retrogression into a period similar to the Dark Ages or that which followed the Thirty Years War in Germany. Europe today is very near to such a point. One more exhausting war *could* reduce it to a continent of ruined cities, armed bandits

and roaming wolves. That is why it becomes imperative that difficulties between Soviet Russia, with its new absorbing, self-contained federated expansion and Great Britain, with its scattered exploiting old-fashioned colonial imperialism must be solved.

It should not be forgotten that Great Britain does not alone represent the old exploiting colonial imperialism. It is inevitable that she be joined in the struggle now apparently taking form by other similar powers (France, Belgium and Holland) whose imperialism, like that of Great Britain, is constantly coming into conflict with the expanding high unified system of the Soviet Republics and eventually of the smaller nations within the zones of her influence.

Of course, beneath all of these large-scale political and economic considerations standing in the way of any practical and workable world government, there lie even more important difficulties. These bring us back once more to the vital and essential questions of soil, food, health, diet and agriculture.

There are times when an elementary course in physiology and biology or simply a thorough and understanding reading of Darwin would be of great service to those who attempt to make a paradise of this world overnight. In their haste, and in the wild emotional urge that drives many of them, they overlook, among other things, the fact that intelligence and energy and initiative are very largely the result of physical health and vigor, that brain and bone are largely matters of sufficient calcium, phosphorus and other essential minerals and that a lack of these elements not only produces immediate deficiencies but over a long period of time, even a biological deterioration of the racial germ stock of whole

communities, provinces and nations. Too often the fact is overlooked that whole peoples are infected with malaria, hookworm and other diseases which destroy energy, initiative and render dormant whatever there is of native intelligence. Disease, malnutrition, poor or restricted diets, worn-out soils, climate have written much of the world's history.

Almost invariably crippling deficiencies of diet and of the resulting physique are the accompaniment of poor economic conditions, excessively low living standards, worn-out soils, and of a poor agriculture. All of these elements work destructively upon each other; the poorer the physique or the intellect, the less the possibility of improving living standards without the most expensive and rigorous aid imposed from the outside. Conversely, the poorer the economic conditions, the less are the chances of improving physique and intelligence. Added to all of this the wretched and inefficient agricultural practices which afflict most of the poorer, overpopulated areas of the world operate inevitably according to the rule cited by Dr. Hugh Bennett of our Soil Conservation Department: "Poor land makes poor people and poor people make poor land poorer." And so on like a rickety hoop rolling downhill, faster and faster.

Man is, after all, primarily a physiological, biological specimen, subject to the same ills which afflict animals; and diet, quality or quantity of food and the very soil upon which he lives affect not only his physical health but sometimes his economic condition, his power or lack of power to help himself. An excess of rich food or the mere lack of good food can produce on the one hand torpor, laziness (both physical and mental) and vicious deteriorating results on the other. The greatest radical fanatics I have known were likely to be

vegetarians or indifferent to food, not knowing the difference in flavor between sawdust and *pâté de foie gras*. Conversely some of the worst reactionaries I have known fairly wallowed in rich food. Nor was this difference wholly a result of any difference in income.

These are small things but significant in a world where three-quarters of the population lives at best upon a subsistence diet.

Some will put the cart before the horse and say that if we could but establish a great, all-embracing world government we could correct these conditions. I do not believe, even granting the impossible premise that such a government could be set up at this period of the world's history, that this is so. The necessary reforms could not be achieved by any world government because of the immense diversity of conditions—economic, political, climatic and social which are involved in all of these problems.

During its adventure in centralization, our own government found it difficult or impossible to issue any directive or pass any law which was universally sound and effective for all parts of a single nation wherein a great diversity of conditions existed. Soviet Russia has encountered the same difficulties and this fact lies largely behind those moves now being made toward a greater decentralization and greater local administration throughout the sixteen federated Soviet Republics. The same difficulties and complexities lie largely at the root of the long conflict between the individual states and highly centralized government in this country. Ideally, many matters belong within the province and authority of the individual states although division into regional areas rather than into the arbitrary units of the existing forty-eight states

would be both more efficient and more economical. Federation and a considerable degree of decentralization rather than centralization must of necessity be the governmental principle of all vast nations like the United States, Russia and even India and China. The transmutation of even a scattered loose empire like that of Great Britain into a federated decentralized state would bring with it great advantages to the whole of the British world.

If certain reforms and the administration of certain governmental functions must be localized to be effective within the borders of our nation or of Soviet Russia, how much more would this be true of the whole complicated modern world. Of course the dreamer believes that these difficulties are of no importance because he wishes it thus, and the chronic reformer believes them to be of no importance because he intends at the earliest opportunity to settle them by passing a law or issuing a decree. The fact remains that in seeking to create overnight a genuine and effective world government or to *impose* democracy in one form or another upon the whole world, we are blocked at the present stage of man's development by certain overwhelming difficulties which arise out of the nature and the condition of man himself, in the existing stage of the world's development.

The League of Nations failed (1) because it was set up as a political structure with small regard for economic maladjustments having to do with customs barriers, raw materials, markets, distribution, food, etc. which lie at the very root of all the difficulties between nations and are the ultimate causes of war in these times; (2) because it

degenerated into an instrument for the juggling for power and advantage among a few great nations.

The participation of the United States in the League might have exerted for a time a restraining effect, for the United States could afford, being rich in real wealth and internal markets, both a policy of emotional isolation and of more or less detached international morality; it had no need to fight for its very existence upon a basis of imperialism.

One of the elements most infuriating to the people and the diplomats of other nations is the American attitude both of detachment and of moral superiority. This attitude is not necessarily based upon a superior moral sense inherent in Americans, but comes about only because we can afford, economically and commercially speaking, to take such an attitude. Unconsciously or otherwise most other peoples are ultimately aware of the basic reasons and resent the attitude. Most of the British people undoubtedly resent in principle the existing policies of their government, whether Tory or labor, toward both Palestine and India but they are forced to condone the policies in order to eat. Hence the world is treated to the spectacle of a great and a civilized democratic power, suppressing the civilizing effort of a highly civilized people (the Jews) to develop the resources and the real wealth of a considerable and important part of the earth's surface, while at the same time protecting another people (the Arabs) notable throughout their long history for aggression, backwardness and ignorance. We in the United States are faced by no such dilemma.

During the period of Russian participation in the League, she exerted a notably moral influence in comparison to that of Great Britain and France, again because with her great

resources and her geographically unified position she could afford to do so.

Any structure of world government set up at this time (except for the most shadowy and ineffective sort) is certain to break down into a struggle for power and advantage among the great powers and a struggle among the imperialist processing-banking nations to preserve their very existence. That, I think, is the certainty based upon the ultimate fact that at this moment in the history of the world there is among nations no semblance of equality as to wealth, military power, education, economic opportunity or living standards and that the weaker, more unfortunate nations are certain to become (under the new “zone of influence” politics) merely the dependencies of the greater and more powerful nations and their stooges when it comes to the matter of voting in any world congress or assembly.

This latter inevitable course was already evident even during the preliminary sessions of the San Francisco World Conference when Russia insisted upon counting in White Russia, the Ukraine and Poland. She was already seeking, and with considerable justice, to set up “balance” votes against those of the South American republics which with few exceptions would vote as a bloc with the United States and against the votes of the British dominions and commonwealths as a “bloc” with the zone of influence of Great Britain. In this primary and primitive showdown, the “zone of influence” of each great power immediately came into play despite the desire of many to turn away their faces and pretend that no such thing was happening. Politics based upon “zones of influence” may be disreputable and reprehensible but it is impossible to ignore the existence of

the fact, for it will return again and again to thwart the actions and plague the purposes of any world government set up at this time upon the basis set up both for the U. N. O. and the defunct League of Nations. The Russians, I think, are brilliantly aware, in their attitude toward both the U. N. O. and the Bretton Woods Conference, of these inevitable dangers.

The situation of the so-called Big Three in the U. N. O. and in the world today appears to be immensely complex and difficult. It is perhaps less so when reduced to its fundamentals. The complications are on the one hand economic and on the other ideological. Economically speaking Russia and the United States, being in themselves enormous self-sustaining “empires” with great reserves of real wealth and vast internal markets, have a common interest and cause as opposed to those of old-fashioned, scattered, banking-processing exploiting empires such as Great Britain, Belgium and Holland. On the other hand, culturally and ideologically and traditionally speaking, this country has very close bonds with Great Britain, Belgium and Holland. Neither Great Britain on the one side nor Soviet Russia on the other is confronted by this contradiction of tastes, inclinations and economic interests. In each case, the course is clear. Soviet Russia stands alone, a vast, self-sufficient “empire” culturally, linguistically and economically independent, while the imperialist policy of the “western bloc” (Great Britain, Belgium, and Holland) is dictated to them by the grim necessity of finding a way to survive. It is the position of this country and to some extent of France which becomes confused, economic interests warring with ideology and racial and cultural interests. This may and probably does account for the confusion and lack of direction

of our American foreign policy plus the fact that few if any men in our government have understood this confusion and contradiction in our relations with Great Britain and Soviet Russia. It accounts also for the fact that this country—in such an intermediate and confused condition—is constantly bombarded by streams of propaganda both from Great Britain and from Soviet Russia and from the Communist element within our borders. Our foreign policy, and indeed public sentiment, wavers violently from one side to the other beneath these opposing pressures—a situation actually reflected in our day by day relations with the other two great powers.

It should be remembered also that the alignment of the world's nations becomes more and more that of the great, self-contained "haves" as against the scattered "have-nots." Germany and Japan have been, for the moment at least, eliminated, but Great Britain, as an empire based industrially and economically upon the British Isles, has fallen into a "have-not" position which brings her interests face to face with those of Russia and in the field of foreign trade, face to face with the interests of the United States.

The world pattern has changed since 1938 but the fundamental maladjustments remain the same. Great Britain, the Netherlands, Belgium and in some respects France are moving into the position once occupied by Germany and Japan. This fact lies at the root of the British policy of a "western bloc" in Europe and is the source of an instinctive urge of the peoples of these nations toward union into such a bloc.

It seems to me that in attempting any form of government such as the League or the United Nations Organization we are attempting what will inevitably be a futility because both were set up to deal primarily only with political and superficial aspects of the problems of the world and because the political and economic form of the world is not sufficiently advanced to make such a government possible. If we wish to set up a world organization which will make investigations and reports, attempt to regulate the white-slave and drug traffics, it may be attended by some degree of success, but let us not pretend that it is a powerful central world government capable of settling international difficulties and economic maladjustments and preventing future wars.

We cannot afford at this time to embrace this form of self-deception and even hypocrisy. Nor can we afford perpetually to set up such organizations as the League and the United Nations Organization, doomed before they start to failure, in the warm, self-satisfied belief that we have produced an effective instrument for the creation of world government and the preservation of world peace. Such a course only serves to increase confusion, to create increasing disillusionment and cynicism, and encourage greater isolationism among the peoples of the great self-sufficient nations such as Russia and the United States.

Substantial and lasting political and economic advances of nations are essentially arrived at by a process of evolution. Revolution at times plays its role but the maximum radical advances achieved at the peak of a successful revolution are rarely ever maintained. In the period immediately following the peak a series of compromises are the inevitable rule,

leading backward again not necessarily through a process of reaction but of compromise, to achieve a sound and workable balance which in the end adds up to evolution. Any sound, workable and effective world government will be arrived at by a process of evolution since a world revolution in terms of universal violence seems at the moment scarcely a possibility.

It would be foolish, however, to rule out all possibility of world revolution in terms of the ideals and objectives of the Soviet Comintern which at the time of writing shows signs of renewed activity. The possibilities of world revolution were evident throughout the world in the warfare between Fascists and democrats, or Fascists and Communists, and lately between Socialists and Communists. Throughout a period when vertical warfare between nations was in progress, a horizontal warfare was in progress within the borders of each and every nation. The half-concealed warfare between the “proletariat” and “bourgeois” elements of the American people, disguised thinly as a struggle between labor and capital, is one example of the same horizontal warfare. At least one large segment of organized labor (notably the C.I.O.) displays a greater and greater tendency toward regarding its policies and actions, not as a part of a struggle between labor and industry, but as a part of world-wide horizontal class warfare aimed at the leveling of *all* governments to a kind of universal state socialism.

Granted that through a world class revolution we should arrive at some degree of world union, there would still follow that “settling” process of compromise and readjustment which would in the end reduce the whole process to a kind of evolution. On the other hand if the slower method of

evolution took place we are still at least three or four generations from conditions which would permit the formation of a real world government upon a basis of political and economic unity or of its effective functioning once it was established.

It seems to me that this second pattern of *evolution* actually exists and that it is the Soviet Republics of Russia which have shown the way through the half-formed, little-understood policy of political and economic *absorption*. Whether this pattern is a deliberate and calculated policy or merely a kind of political opportunism brought about by circumstance probably no one but Stalin and a few men surrounding him really know and they are not likely to make any declaration concerning the point.

The principal factor is that, at the cost of a certain amount of oppression and violence, the system appears to work. As a secondary factor it might also be said that there are no real or forceful obstacles to prevent its more or less immediate extension across the whole face of Europe and a considerable portion of Asia.

Nation by nation the countries of Europe may well be absorbed eventually into a Federated States of Europe, without customs barriers, possessing a political and economic unity beneficial in the long run both to the individual status of nations and to the peace of Europe itself. I do not mean to imply that either Marxian Communism or its greatly modified version of state capitalism as practiced in Soviet Russia today are in themselves a justified or beneficial end; they may, however, serve temporarily as a means, backed by the increasing power of Soviet Russia, of unification, and a practicable and realistic step toward world union and

government. It is inevitable, I believe, that in the Soviet Republics and the adjoining nations absorbed gradually by them, organized industry, agriculture, trade and free exchange both of raw materials and manufactured commodities, the circulation of money and the standards of living as well as literacy will be enormously augmented until gradually a point is reached where the whole of the vast area will have the unified, prosperous economy and living standards and degree of education which not only permits but demands the establishment of real Western democracy, still limited perhaps by certain aspects of state capitalism, over the whole of the vast area of Europe and part of Asia. The only element which today appears likely to check such an evolutionary process is the possible disruption, collapse or disintegration of the heart and core represented by the geographical area of czarist Russia. But under existing economic and political conditions inside Soviet Russia (so far as they are known) and under the pressure of the present expansionist policy or trend, such a disintegration does not seem possible in the immediate future.

The process of gradual absorption and federation has great advantages for the smaller, weaker nations and is without limitations in any great land mass such as Asia-Europe, especially when carried on by the impetus of the power and the size, population and real wealth of a nation like Soviet Russia.

In the meanwhile if Great Britain continues to follow the loosely integrated imperialist policy of the past and the United States continues her wasteful policy with regard to her internal reserves of real wealth, both are certain, within the pattern of a shrinking world to grow steadily poorer and less

powerful. Moreover any trade warfare or economic rivalry between the United States and Great Britain could serve only to weaken the economies of both nations and eventually bring about their decline to a point where they could no longer resist at least partial economic dependence upon the vast, rich and powerful Federated States of Europe and western Asia.

Therefore it seems reasonable that the wise policy for both nations would be to follow the pattern already established by Soviet Russia and practice, first a close economic co-operation within their respective zones of influence and finally a plan of absorption and federation alike of colonies, dominions and smaller nations within their united zone of influence. Such a federation would be unworkable upon the old-fashioned imperialist colonial basis but quite possible as a federation of large and small nations, colonies and peoples without customs barriers and with a free exchange both of raw materials, so vital to Great Britain and becoming vital to this country, and of manufactured commodities.

This process would be economically, and perhaps socially, more difficult than in the Russian zone of expansion since the living standards and on the whole the political institutions of the nations within the Anglo-Saxon zone vary far more widely than those within the Russian zone, at least as of today. For a time at least, as the leveling-off process took place, the nations with high standards of living and high wages, would have to make sacrifices both in the realm of wages and prices while the poorer nations only could benefit; nevertheless the benefits in the end would be great for all the nations involved in the process, not the least on the side of peace and a genuinely *stabilized* economy and prosperity.

In the supposition that this process of absorption took place both in one federation comprising virtually all of Europe and a large portion of Asia on the one hand and a federation comprising all the rest of the world on the other, we should arrive then at a world divided completely between two great federations—one Russo-Asiatic-European, the other dominated by the great Anglo-Saxon nations or at least crystallized about them as a nucleus. That the two federations during their respective processes of absorption should at times clash on the fringes of the territory dominated by each of them would be almost a certainty. That these clashes might develop into devastating wars would not be an impossibility, yet one element intervenes, an element wholly new in the world without historical precedents. That element is the greatly reduced size of the world and the utter viciousness of modern methods of destruction. It is altogether possible that the prospect of a war between the two federations would be too destructive and devastating to be risked by either side. It is probable that means of arranging difficulties would be arrived at through sheer necessity until that ultimate point was reached where the two great federations, having between them absorbed all the nations of the world and leveled off living standards, education, economic and political differences, would be ready for a final process of absorption through which the two federations became united in a single world government—the United States of the World—established upon a realistic and rocklike foundation. Such an evolutionary process seems to me the most sound and reasonable means of arriving at true world government and peace. I suspect that whether we desire it or not, it is probably the only road that will lead us toward such an end and that

this is the fashion in which eventually, perhaps generations hence, we shall achieve it.

The pattern is, I think, far less fantastic than it may appear to be at first glance, certainly less fantastic than the hope of establishing a sound world government overnight in an existing world troubled by wars, revolutions, suspicion, political intrigues and fantastically different levels of economy, of education, of health and of opportunity. In any case I suspect that we shall only attain world government worthy of the name by some similar process and that this process of *evolution* has already begun upon the continent of Europe. In view of conditions in the world and conditions which lie ahead, it seems to me the only possible solution by which British prestige and British tradition and influence can be preserved, restored and carried on.

There are those who will say that language difficulties and cultural differences will make such an evolution by absorption impossible or that many valuable national cultures would in the process be suppressed or destroyed, but here again Soviet Russia has established a pattern answering such arguments. No nation in history, not even Rome, has ever brought together in political and economic peace so great a diversity of peoples, religions, languages and traditions as Soviet Russia. Instead of attempting to suppress the cultures of the individual peoples brought together under a common government, Soviet Russia has sought wisely to preserve and strengthen them. That union by federation does not destroy a variety of traditions or cultures is best exemplified by our own United States where in a country settled in the beginning largely by a single stock with a common tradition and language, regional customs, dialects, traditions and habits of

very marked difference in character have sprung up and are, consciously or otherwise, preserved.

The truth is that differences in language and cultures have been credited by superficial thinkers with far more importance than they deserve. Remove customs barriers, political oppression, economic inequalities and different levels of education, and peoples of diverse cultures and even languages will live side by side with very little trouble. Germany undoubtedly had and perhaps still has a definitely Germanic culture, yet that culture, instead of being modified and adapted to a world level like that of France, Great Britain and the United States, was only intensified and turned politically in upon itself by the economic disadvantages in raw materials and markets from which, together with a rapidly growing population, she suffered. The same conditions and results hold true concerning Japan, a more barbarous country, influenced only superficially by any exchange on world levels of cultures or ideas. Both countries not only turned in upon themselves but produced intensely nationalist philosophies—Nazism and political Shintoism—which made them in the end pariahs on a world cultural level. The reasons were primarily economic, resulting from adverse customs barriers and from a poverty of real wealth and internal markets.

Even traditional feuds like those which harass the Balkans will vanish, especially under the supervision of a powerful nation like Russia which will not *permit* the destructive feuds to continue. There has been much nonsense talked concerning the freedom and independence of small, weak or backward states which may be throttled at any time by more powerful neighbors, either economically or by military

power. If perpetual wars, periodic rapes and destruction, shifting of territorial borders and the displacement of whole populations every generation or two is the price of the freedom and independence of countless small, weak states, then freedom and independence (questionable at best in the case of little nations, overshadowed by powerful neighbors or even controlled by them) is bought at too great a cost not only by the individual small nations but by the rest of the world as well. We shall, I think, make no progress toward world government and peace until we accept the principles of freedom and independence *within* the frame of economic and political federation.

Czechoslovakia, for example, as a republic, within the Soviet Union of Republics might have peace and much greater economic prosperity as a republic within the frame of a federation than she can ever have as a small, so-called independent state, dominated and threatened and perpetually subject to attack by stronger neighbors. Conquest, aggression upon the imperialist principle, means the destruction of liberties, of cultures and of national entities; absorption into a larger union through federation in reality threatens none of these things. It is probable that many Czechs have understood this fact and lean toward Soviet Russia today not through any admiration of Soviet ideology but for reasons of economy and security and inevitability, in the hope that one day Soviet Russia may set the pattern for the Federated States of Europe in the true sense of Western democracy.

In this respect Soviet Russia at the moment is confronted by a vast historical responsibility. The course of Soviet Russia for the present is unclear, not only to the outside world but to many Russians and perhaps even to Stalin

himself with his demonstrated talent for improvisation and opportunism. Soviet Russia *may* be engaged in the old pattern of czarist Russian imperialism, using words like “communism” and “democracy” merely as a subterfuge, or she may, without any consistent policy whatever, be merely taking advantage of the opportunity existing in a war-weary, disintegrating world to seize all the territory it is possible to seize while the grabbing is good. Or she may be working in the mysterious Russian fashion toward the democratic federation of a great bloc of European and Asiatic nations and peoples. If the last policy is the true one, she may contribute more than any one nation in the world toward real world government and peace. Despite her great population and her vast real wealth in natural resources, she is handicapped for the moment by immense economic difficulties which, if unsolved, carry with them potentially serious political liabilities in the direction of disintegration. Stalin himself has been variously pictured as the true disciple and rightful successor of the Marxist Lenin, as the twentieth century reincarnation of the tyrant Ivan the Terrible and as a benevolent, kindly, paternalist ruler. In certain aspects he fits all of these pictures, the successor of the Marxist Lenin least of the three. It is possible, as some claim, that he is concerned only with power. If history proves this estimate to be true, it would not be the first time such a figure as Stalin had confused the judgment of the age in which he lived. Certainly he is a remarkable example of the degree to which the nature of man himself can upset the plans and calculations of the political doctrinaire.

It seems to me that if we are sincere in all our talk of world government and world peace we must before we attempt to act, divest ourselves of much superficial thinking, of many

clichés concerning such abstractions as freedom and independence; we must cast aside much of the political ideology of the eighteenth and nineteenth centuries and come to grips with the reality of the world and the century in which we are living. Otherwise, cluttered by fragments of archaic thinking and meaningless phrases held over from the two centuries immediately preceding our own, we shall make no advances in the proper direction but only blunder and continue to fall back into the futility of the processes which characterized the League.

Divesting ourselves of these tattered fragments will not be easy. We shall have to forget as rapidly as possible the immediate passions of the war and give up all thought of revenge. We shall have to think in a new pattern of the future rather than the old one of the past. We shall have to understand above all that in this shrunken world there can be small place for vengeance and traditional feuds, trade wars and customs barriers—and we shall have to make qualifications upon the independence of small, weak and backward nations unless we are to destroy ourselves utterly.

None of this is by any means an argument for a soft peace for Germany. On the contrary the best solution might easily be the dismemberment of Germany and her absorption by neighboring nations. The important thing is to find the pattern which brings the greatest economic welfare, and political security and the best living standards with the fewest customs barriers to all the nations of Europe.

At the moment the Russians seem to have made a start. It would appear that they plan in the not too distant future to include Russian-occupied eastern Germany together with Poland in the huge pattern of Soviet states. The important

element in such a plan is that eastern Germany would not be treated as a conquered nation or as a colony but as an integral part with equal political and economic rights among the other federated Soviet Republics. It is doubtful whether the Germans of Prussia, East Prussia, Silesia and Saxony after their experience in two devastating wars within a generation will offer much resistance upon a nationalist basis once it is established that they will have security, food, peace and equal economic and political rights within a federation of nations, potentially infinitely richer and more powerful than Germany ever was even at the height of her wealth and power.

The greater portion of Germany, together with Belgium and Holland, create with France economically and geographically a natural economic unit. Politically both Germany (and before 1870 certain small German states) and France have striven at various times to bring about that union from which, economically speaking, the peoples of both nations would benefit in living standards, in security and in peace. But until now that union has always been attempted upon a basis of war and conquest rather than upon a basis of peaceful treaties establishing free trade and exchange of raw materials and food and manufactured commodities. Until now the clash of two cultures and traditions—one Gothic, the other Latin—and superficially a difference of languages, have seriously complicated the possibility of such a union, but the time has come in the history of the world when these differences must be overlooked or solved if civilization itself is to survive.

Bavaria and the Rhenish states as a part of France or at least integrated closely into the French economy would find more peace, security and prosperity and better living

standards than they have today or have had in the past as part of a nation which must either be wholly crippled industrially or inevitably suffer the same restrictions upon her expansion and competition for markets and raw materials which in the past intensified her nationalism and produced political doctrines such as Nazism and Junkerism so dangerous not only to herself but to the world as a whole.

The way to eliminate a plague spot is to eliminate it, especially when in the long run all concerned cannot but be benefited. It should not be forgotten that modern Germany became a plague spot primarily for economic reasons and only secondarily for reasons inherent in the German character.

There is but one reason to preserve Germany as a national entity and that is the dangerous and tragic one of providing for Great Britain and the smaller western European states a "barrier against Bolshevism" which only means a return to the old and dangerous British balance of power policy that has played so large a part in the creation of wars for at least two centuries. If we are to achieve both world government and world peace, the balance of power doctrine, imperialism by exploitation, and similar principles of the nineteenth century must be thrown out of the window. It was compromises with such nineteenth century ideas which largely emasculated the efficiency of the League and turned it simply into an instrument of power and intrigue for those nations, notably France and England, still devoted to the archaic diplomatic and political patterns of an earlier century. At the present moment there are both Americans and British who seek to perpetuate the balance of power principle not only upon a European but upon a world basis which makes it

inevitable that the United States should become involved in every future war from a world-wide conflict down to border incidents in the Balkans or the Near East.

In other words, the strength and support of the United States has become as much a vital element in Britain's balance of power policy as the strength of Germany, of Austria, of czarist Russia and of France were at various times in the past. Our greatest danger in such a situation is that we as a nation may be maneuvered into conflict, military or economic, against Soviet Russia in order to save a crumbling old-fashioned, colonial exploiting empire for which there is no longer any real place in the world. Caught in complicated dilemmas embracing overpopulation, raw materials, markets, changing world conditions and even the grim element of food itself, the United Kingdom, weaker than it has been as a world power since the time of Henry VII, has only one alternative to the principle of balance of power and that is federation with equal status for all within the empire and commonwealth, a change which it is too soon to expect even from the Labor party leaders of the British Isles. It is possible that such a revolutionary change will come about only through the direst of conditions—the actual threat of bankruptcy and starvation to the home islands themselves.

In considering the question of dismemberment of Germany, it should never be forgotten that Germany has been a nation only since 1870 and that throughout the whole period from then until now she has been constantly a source of aggression, of world disturbance and directly at least the *immediate* cause of three major and devastating wars. Even in 1914 when, with a well-established colonial empire she had very nearly achieved a fairly balanced and prosperous

economy with sources of raw materials and potential markets inside her own colonial borders and the economic advantages of a wage scale well below that of competing nations, she chose to go to war to obtain still more advantages. The Germany of 1914 and 1939 was a newcomer among the nations of the world composed of a number of smaller states not necessarily suited economically, politically or geographically to union into a single nation.

One of the errors of modern popular thought is that Germany is an efficient nation. She is a “scrub, spit and polish” nation with an overemphasis upon detail and the red tape of bureaucracy which actually handicaps and stifles efficiency and good administration and all management upon the higher levels. The administration of exploitation of her potentially rich colonies was an almost total failure. The comparative inefficiency of her industrial administration and production under the Nazi regime was one of the startling facts which has come to light through the war criminal trials and economic investigations. The truth is that her achievements in scientific research, in her industrial development, in civil administration and even in philosophy were in the past very largely the work of the Jewish element of her population, and when the Nazis set out to exterminate the Jews they set out to destroy the principal element of balance in a hysterically emotional nation. At the same time this procedure was perhaps in keeping with the character of a nation which has the highest suicide rate in the world and appears as a nation to be constantly suffering from a morbid impulse toward national suicide.

It is probable that the dismemberment of Germany and her absorption into the economy of adjoining nations would

actually and eventually be a benefit in terms of peace, order, food and economic prosperity to the Germans within the absorbed areas, and that such a policy would contribute notably to the peace of the world.

Soviet Russia as a nation has obviously not found the wholly workable and most effective form of government which eventually will be evolved. No living government is ever static but is constantly in a state of transition, largely determined by the economic status and needs of its population. Obviously the existing Soviet government has not yet wholly solved either the economic needs of the people or raised the living standards of the nation as a whole much above the level of those in czarist Russia. Her principal economic problem is the development and use of her vast resources of natural wealth upon a scale which will lift the standards of living of the people as a whole. Within the vast Russian area, even before the interruption of a devastating war for survival, she had not made much progress in this direction, and it is possible that the causes of the failure lie in the weakness of pure Marxian Communism itself, in its total elimination of the human element and its failure to consider properly the nature of man. In other words, a government does not get efficient industrial production, nor good and intelligent administration, nor raise its standard of living, by *ordering* certain individuals to achieve these things and then shooting, imprisoning or disgracing them if they fail. Nor does zeal for political principles alone make efficient executives, administrators and military commanders. In fact, the results are likely to be exactly the opposite since the temperament of the political zealot is by inclination totally unfitted to any of these achievements and is suited only for political exhortation, reform, revolution and hysteria. Nor can

one, as the Marxians attempt to do, reduce all men to a common level receiving a common wage since such a principle is the negation of human instincts for reward, for individual achievement, for distinction and success, which are very nearly as strong as the instinct to breed or the necessity to eat and in the cases of some men, frequently the most able and intelligent, even stronger.

Perhaps the greatest weakness of the great revolutionary Lenin lay in the fact that he was by nature and belief a rigid doctrinaire, yet even Lenin was forced to relax Marxian principles under the pressure of threatened disaster in order to achieve some measure of economic advance and ward off complete ruin.

All of these compromises, including the famous decree establishing the period of the nepmen, were essentially concessions to the nature of man. All compromises made since then under Stalin, who is perhaps not a doctrinaire at all but a political opportunist, have been made under the same pressure from the nature of man and have been concessions in that direction. Although state capitalism is still largely universal in Soviet Russia and may continue to be so, it has been found necessary to set up systems of personal rewards and social differentiations both in the industrial and the military fields in order to achieve results. Actually both as to income and privilege, these rewards approximate very closely the rewards of enterprise, efficiency, intelligence, genius and singleness of purpose, existing already under capitalist free-enterprise regimes. The form is slightly different from that of free enterprise insofar as actual ownership of property is concerned, but the purpose (to produce results) and the effect are the same. Under these compromises with pure Marxian

Communism there have even grown up gaps in economic and social status between the able man and his less gifted fellow, which are as great or greater than those existing under capitalism. The difference in living standards between the able factory manager or the zealot party administrator and the ordinary workingman are much greater than the similar differences in the United States.

In addition to the great economic and social inequalities there are even greater and perhaps more important divergencies in the less tangible realm of liberty and the yet to be industrial development. Travel rights are, for example, largely restricted or so complicated by red tape as to become virtually nullified. Trade unions have lost completely the right to strike and all privileges and rewards are virtually confined to the officers of the so-called “trades unions,” much as superior incomes and advantages in the form of free-gift motorcars, houses and special expense accounts are the special privileges and rewards of the officials of American unions.

In the course of the compromises necessary between pure Marxian Communism and the nature of man (plus economic exigencies) a good many liberties and much respect for individualism have been lost, so that from certain angles and at certain times the contemporary Russian government appears to the mind steeped in Western democracy to be something between an outright tyranny and a dictatorship by the minority. That the government of Russia is in a transitional stage and has by no means achieved anything like a stabilized form or system of administration must be apparent to all. Any uprising by the military leaders or any fairly well organized uprising among the people could change

overnight the whole character and objectives of the government, or indeed the very form of the government itself. Even the disappearance of Stalin and his succession by some other type of leader could and would affect profoundly the character and objectives of Russian government. The fact is that we are not actually dealing with a stable government in Russia but one constantly in the process of change under human and economic pressure and always subject to the possibility of sudden and violent change through economic disaster or political rebellion. It is by no means a “final” government nor does it represent at the moment any rigidly fixed and doctrinaire political or economic philosophy. It is still in the process of compromise and adjustment by which the ultimate goals of revolution and the peaks attained during that revolution will eventually be modified and altered to arrive in the end at the levels which would have been achieved more slowly but just as certainly by political and economic evolution.

The operations of the leveling-off process or of the classic ultimate results of revolution as compared with evolution in both political and economic manifestations is clearly illustrated in the parallel of French and English history during the end of the eighteenth century and by the first half of the nineteenth century. Beginning at a lower political level and at a lower living standard for its people, France burst into the violence of revolution at the end of the eighteenth century. During that Revolution she attained peaks of radicalism unattained in the British evolutionary process throughout its history up to the present time, but in the “settling” process which followed the French Revolution and was not really complete until the fall of the Second Empire and the establishment of the Third Republic, the peaks leveled off to

a fairly static political, economic and social state which was about the same as that achieved by England during the same period of time under the slower process of political evolution without violence.

Soviet Russia in her settling process is about where France was at the period of the Directoire in her long and violent struggle toward the stabilization of government based upon the fundamental principles of Western democracy. Whether Soviet Russia will develop a Bonaparte during her “settling” period or whether Stalin *is* that Russian Bonaparte still remains to be seen. Also it remains to be seen whether the Russia of Stalin is embarking out of opportunism into a vast new imperialism, or whether she is moving sincerely toward a great system of federated socialist-democratic states in Europe. It is quite possible that Stalin, or at least many of the men surrounding him, are not quite sure in their own minds of the direction being taken by Soviet Russia at the present time.

In any case the whole process of political evolution toward democracy or the “settling” process which takes place following violent revolutions are inherently and fundamentally no more than the process of compromise and adjustment between political doctrines and economic conditions and the nature of man himself. This process operates throughout all levels political, social, religious, economic and educational.

Many of these changes and facts become obscure “mysteries” to most journalist-writers of our times because they are so continuously harassed by the press of events and their immediacy in a complex modern world that they have neither the time nor the opportunity or background to assess

the events in the long-range terms of history and of human values and experience. Lacking the key to the events or the background and perspective to understand them, the events themselves are in the daily press simply dismissed easily and lazily as “mysteries” which they are not and never were.

The history of man and the history of nations are not the history of a series of unrelated events. One event grows out of another with roots which go far back into a progression of events leading into the remote past. Great Britain votes a labor government into existence and embraces state socialism but her foreign policy and her imperialism and even the social structure of the state remain virtually unchanged because immediate circumstances and the bonds of a tradition and traditional society make impossible any immediate revolutionary change. State socialism will not of itself supply the home islands with raw materials and markets or even feed them. Any labor or socialist government in the United Kingdom *must* have an imperialist foreign policy. State socialism will not alter the ancient rivalry and suspicion between England and Russia whenever their empires threaten to impinge upon each other. That Russia likewise embraces a modified Marxian Communism and another and different variety of state socialism appears not to have checked the age-old pressure of Russia for warm water ports and expansion westward into Europe and eastward into Asia. A change in the form of her government, even though violent and extreme, has not altered in any way the friction between Turkey and Russia, whether the two countries were ruled by czar or sultan, or by a dictatorship or a medieval absolute despotism or a government resembling in its outward form Western democracy. Merely changing the form of government does not alter the fundamental economic needs

and desires nor the deep traditional character of peoples and nations. The expansionist policy of Soviet Russia is exactly that of czarist Russia. The imperialist policies of state socialism in England are exactly the same, or perhaps stronger than the imperialist policies of the conservative government.

We shall not arrive at world government and peace as some would have us believe, by merely changing the form of government or the political philosophies of individual countries. If the governments of all the nations of the world were overnight converted into a uniformity of state socialism, or of Communism, the old economic frictions and maladjustments, the old traditional policies of the individual nations would remain virtually unchanged because Englishmen are Englishmen, Russians are Russians and Frenchmen are Frenchmen. Their character is formed by the traditions and cultures of the past and by the economic necessity of the moment, which in most cases are also traditional economic necessities reaching far into the past.

The failure to recognize this fact is responsible for the inevitable futility of the United Nations Organization in its present form as it was for the proven futility of the League. The Bretton Woods agreement, conceived by those men who believe that world economic evils may be cured by the manipulation of money and exchange, *solves* nothing. It can at best tide a free interchange of trade over a bad period, but in its superficiality, it never approaches solid ground in the solution of the *real* difficulties of world commerce and international trade. In the general collapse of international relations brought about by the war, international trade is close indeed to the primitive but fundamental state of the barter of

real and processed wealth. That is one reason why money and in particular dollars, which today are the measuring stick of the values of all other currencies become of such tragic and vital importance to the United Kingdom, for England has no real wealth and can have no processed real wealth to barter if she does not have the money or (in reality) the dollars with which to buy the real wealth which she processes.

The truth is that the reciprocal trade agreement program of Cordell Hull is worth, to world prosperity and peace, more than all the goings-on at Bretton Woods and San Francisco. It deals both with realities and fundamentals and in its essence is a program based actually upon the barter and exchange of real wealth or processed real wealth in which *money* or credits, save as a convenience, play little or no part.

If the United Nations Organization can serve as a means, as machinery, toward solving economic problems, and distribution of food and raw materials and markets, it will have a purpose. If it serves only to prop up and preserve archaic systems of imperialism and an economy based on the manipulation of money or to attempt to settle border “incidents” arising from more profound economic maladjustments, it will have served no purpose and go down in futility as the League went down when it became merely the instrument of the money economy, processing, imperialistic nations of western Europe. The first serious clash to develop once the United Nations Organization begins operations will inevitably be the clash between those nations based upon a real wealth economy—Russia, the United States, India, China and the British Commonwealth as apart from the United Kingdom—with the processing nations, poor in real wealth, which in order to exist must fight to continue

the old system of money economy, sterling blocs, and expanding colonial imperialism.

It is a sad commentary upon the United Nations Organization that the men and women appointed from nearly every nation as delegates are largely inexperienced, second-rate administrators or political hacks. If the U.N.O. and its potentialities for world peace and government were as great as its advocates would have us believe, then the best and most experienced leaders of each nation would not have been good enough. The very quality of the delegates argues a bad start and an unconscious or subconscious cynicism on the part of the real leaders and the people of every nation involved.

In the report by Summer Welles on the conversations between Churchill and Roosevelt at the time of the Atlantic Charter conference, the fact is set forth with surprising clarity that, at that time at least, the President had no great faith in such an organization as the U.N.O. and that he placed his faith in the police power of the United States and Great Britain as the surest means of keeping peace at this stage of economic, political and cultural development of the world. Conditions have changed since then and issues have become much clearer and it is probable that under actual circumstances the President would have included Soviet Russia as an indispensable partner in such a plan. It may have been that certain pressures at home later forced him to give at least the support of lip service to the San Francisco Conference or he may have hoped that through the conference some machinery might have been set up approximating a police power by the Big Three rather than the diffuse and ineffective U.N.O. which finally emerged.

What would have happened had the President still been alive at the time of the San Francisco Conference with all the great power he was able to exert, can never be known, but it is likely, I think, that the results would have been much more realistic and effective with much greater power in the hands of the Big Three nations. What resulted from the conference was a kind of makeshift organization, endowed with many of the faults of the League. The insistence of Soviet Russia that all major decisions be left to the Big Three and the behavior of her representatives at the San Francisco Conference indicated a belief in the minds of Stalin and the abler men surrounding him that the world is not yet ready for a world congress of nations or that the U.N.O. was a hopelessly ineffective instrument.

The experience and the history of many individual nations demonstrate again and again the failure of half measures and of the plans of that type of “liberal” idealist and wishful thinker which Harold Laski has described as having “both feet firmly planted in mid-air.” The greatest fault of the U.N.O. is not that it is a revolutionary plan and difficult of acceptance by individual nations, but that it does not go far enough in facing and accepting the fact that the world, with the wide divergence of political liberty, living standards, literacy, etc., among the individual nations, is not ready for world government upon the basis set up in San Francisco. It overlooked or deliberately ignored the fact that the final decisions and the force to carry them out lie with a small group of powerful nations, and that if these nations are divided or hostile, only the ruin of the U.N.O. structure and eventually disastrous war can be the result.

The San Francisco Conference glossed over or compromised the very elements upon which any real world government must be founded—the necessity for a world police force, for the partial surrender of sovereignty and the need for basic economic reforms regarding food, the distribution and accessibility of raw materials and markets. What emerged at San Francisco was an unrealistic *political* structure based upon the goodwill and hopes of the “liberals”—a structure which the world *hoped* but did not really *believe* would be effective. It may be that no better structure could have been set up, although if the realism of Soviet Russia had been permitted to dominate the San Francisco Conference it is probable that better results would have emerged and perhaps even the machinery of a potentially realistic and effective world government might have been set up. The issue was immeasurably confused by nineteenth century “liberal” concepts regarding the rights of small and backward nations, and by the intrigues and compromises designed to protect an obsolescent world of scattered, exploiting empires.

It may be that the world is far too sick ever to be cured by any “liberal” evolutionary process but only by revolutionary concepts of world government conceived in the *reality* of world conditions as they exist and not as we *wish* they were.

The failure of Kerenski in the Russian débâcle was not simply a failure of personal character and strength. It was the classic failure of the liberal under such circumstances, the failure of Lafayette to modify the violence of the French Revolution—the failure of the doctor to cure a disease with soothing syrup when epsom salts is called for, in essence the failure of the doctrine of political evolution when political

and economic ills have gone too far. It was also the failure of democratic-socialist methods in uniting and organizing a chaos of illiteracy, oppression and revolutionary passion and violence. Democracy or socialism are states which cannot be *imposed* with success. They are states of government, even of mind, for which preparation must be made. Neither could they have produced unity, literacy and progress out of utter anarchy with anywhere near the same degree of speed as did the government of Lenin, Trotsky and later of Stalin. The parallel between the Russia of 1918 and the world today is a close one with half the world in unrest, disorder and rebellion and the other half threatened by the economic disasters arising out of war and the violent economic changes of a shrinking industrial world.

It is probable that the soothing syrup of the U.N.O. will scarcely effect the cure which can be accomplished only by a violent and realistic purge.

All of these countless elements must be considered in the ultimate pattern of progress toward world government and world peace as they must be in the progress of individual nations and peoples toward democracy and civilization. They cannot be overlooked or evaded by any amount of hypocrisy, evasion or wishful thinking. They add up, together with countless other circumstances, to the fact that we are not yet prepared for world government in any such form as the League or the U.N.O. and do not yet have even a clear and intelligible conception of the pattern such a government should take.

If it is only by a slow process of evolution or the violent and bloody process of revolution that individual peoples and states progress toward civilization and democratic

government, how is it possible for any reflective, intelligent man to believe that we shall create overnight out of the present confused world with nations existing on fabulously different levels of political experience, culture and economic conditions, a world government capable of preserving world peace or even of functioning properly as government in any real sense whatever?

“One world” is a fine ideal and a highfalutin phrase but it is not easy to achieve and we deceive ourselves when, in a great gush of warm feeling and wishful thinking, we try to believe that it is just around the corner. Man has never yet found any short-cuts in his progress upward toward civilization and he is not likely to find one at this late date in a world so complex and confusing as the world of the twentieth century. To attempt short-cuts or to deceive ourselves with feeble political structures set up on the seething quicksands of the economic and political world as it exists today is not only to invite bitter disillusionment but to create dangerous new complications and opportunities for war.

The best we can hope for insofar as peace is concerned (leaving justice, the Four Freedoms and other abstractions at one side where indeed they are today) is a loose machinery through which nations, particularly the stronger ones, can meet and if possible settle their differences. Another hope exists—that war will become so terrible that every nation will realize that by going to war it destroys itself as well as its enemies.

The impulse of a war-weary world in this Age of Irritation is toward anything and everything that will bring quick relief and an easy solution, to gamble upon every immediate,

temporary, superficial measure that with luck might turn out well for a little time. It is not by such methods that we shall extricate ourselves from our present uncertainty and misery, but by courage, hard thinking, persistence and intelligence in dealing with the problems which confront us. Keep “one world” as an ideal but realize that we shall not achieve it in our time and that by deceiving ourselves or attempting superficial short-cuts we are only wallowing in the despair and wishful thinking of our immediate calamities without finding or attempting to find the ultimate and fundamental solutions.

Man has progressed upward in only one way since the beginning of time and that has always been the hard way. He changes his easygoing, self-deceiving ways only when he is finally forced to do so in order to go on existing. We are, it seems, very near to such a point in man’s history. We may take the hard way and fight our way through or we may attempt more and more short-cuts like the League, the hypocrisy of the Atlantic Charter or the self-deception of the United Nations Organization and succeed only in perishing.

All this is neither isolationist, pessimistic nor defeatist thinking but only the proper weighing of realities. There is infinitely more honor, virtue and dignity for any man or indeed for mankind itself in the honest consideration of his faults and in an honest, disciplined effort to correct them than there is in the superficial creation of a perilous and daydreaming assumption of a perfection which has no existence in reality. Let us, by all means, try constantly and with concentration to realize a better, more ordered, more just and decent world but let us not lose either precious time or vitally necessary energy in the assumption that we already

have it or that it is immediately possible despite the barbarities, maladjustments and hypocrisies which actually burden the world and mankind in this century. The first task is to clear away the rubbish, bit by bit in Europe, in Asia, in Africa, in America and in the islands scattered everywhere so that the foundations of world peace can be set up upon a foundation of rock. The clearing away, the putting in order of the site must be done by the great nations of the world working together. Of the others some are not strong enough, some are not experienced enough, some are still backward and incapable of setting up order and prosperity even within their own borders.

Marxian Communism in its sterile inhuman quality as a political doctrine, neglects not only the spiritual, mystical and moral quality of man's nature but other more materialist manifestations as well. In this, the Marxian philosophy parallels in many ways the actual pressures, evils and restrictions of the modern industrial age and this parallel has led some thinkers to call it the perfect political and philosophical expression of the age, as indeed it may be in the sterility and materialism of its philosophy.

The pressure both of a shrunken world and of the industrial-mechanical world which brought about the process of shrinking, tends like Marxian Communism more and more to inhibit and distort the growth and development of the individual as he becomes more and more the victim of the environment he has created. The death of craftsmanship, in itself a great expression of individuality and of vital and healthy satisfaction, has come about through the use of machines which operate with inhuman exactness, uniformity

and monotony. The chair made by machines in Grand Rapids and the chair made by a craftsman a hundred years ago may be constructed upon exactly the same design but there is in them a vast difference, most of all to the men who constructed them. What individuality, what satisfaction, spiritual or physical, can there be for the assembly-line workingman who day after day throughout his life screws a similar nut on a similar bolt? Not only is his life a poverty-stricken one, spiritually and intellectually and even physically, but the repressions, the negation and withering of all these satisfactions which are man's natural right, builds up irritation and discontent and hatred to vent upon neighbors, upon wife and children, upon the very industry which has made of him an inhuman slave scarcely above the level of an animal chained to a treadmill.

The great cities constructed haphazardly by man as the accompaniment of this mechanical-industrial cycle, magnify and intensify the daily frustrations, checks and annoyances.

Man is inherently a collecting and possessive animal (as much so as a crow) and in his unchecked and natural progression and rise toward individualism, this trait tends toward development and expansion, yet our great industrial cities in their insane and unhealthy concentration tend, again like Communism, toward the suppression of this powerful instinct. Because of high living costs and high tax values which accompany concentrations of populations within limited areas, it becomes very nearly impossible for the industrial or white-collar worker to own a home of his own. Even the dwelling which he rents at high cost is more often than not a cramped and sordid affair in which there is little space for furniture, let alone the quiet and decency which are

the desire and the right of civilized man. He lives too in a world in which "there is never time." One of the commonest expressions in our everyday life is that "there is never time for this or that." The fact is that in our great crowded cities there is no time to live. Mere "activity" in cinemas, poolrooms and beer parlors takes the place of living in those few hours left each day from the deadly monotony of the adding machine or the assembly line. And in this immensely shrunken and accelerated world, in which hours and minutes rather than miles have become the measure of distance, man is the prey of the noise, the confusion, the congestion, the prejudices and the hasty thinking which are all the by-products of a mechanical-industrial world which uses him instead of his using it.

It is small wonder that this is an Age of Irritation in which man comes presently to hate his wife and seek restlessly another woman in his search not *really* for another woman but for peace, satisfaction and the fulfillment of his natural hunger for the decent, balanced life which is denied him by the very circumstances of the world in which he lives. Small wonder that clerks in shops, drivers of buses and even policemen snarl rather than speak with human decency. Small wonder, indeed, that one race hates another; that men forget all tolerance and are perpetually seeking a minority scapegoat on which to blame the evils of their own cramped, inhibited and perpetually frustrated existence.

All of the physical and psychological evils of the modern world in which we live, like its economic evils, lie really at the root of military aggression, of strange brutal doctrines and philosophies like Fascism or inhuman materialist doctrines like Communism. They lie equally at the root of wars and of

the immense obstacles to an upward advance in civilization, to world peace and world government. Poverty, frustration of man's natural instincts and his natural inclination toward advance upwards from the status of the animal, ignorance and economic insecurity all tend to create brutality, insensibility and prejudice. They breed cynicism and a selfishness in which man looks out only for himself and his family and turns his back on his neighbor. A prosperous, economically secure and happy Germany would never have produced either anti-Semitism or Adolf Hitler, nor would an Italy with decent living standards have produced Mussolini and his bravos. Soviet Russia, partly because of a devastating war for which she was unprepared and partly because of bitter economic pressure and low living standards, seeks to spread outward, absorbing other smaller nations as a compensation, psychological and material, for the chaos of internal economic and political life.

In other words, the conditions under which nearly all of us live in a rude, mechanical-industrial world, materialist and almost devoid of civilizing values, of spiritual qualities or satisfactions, produces in time an Age of Irritation in which every man and every nation is suspicious of every other, in which all values become as material as an ingot of pig iron. Each war—vertical among nations or horizontal among classes within nations—tends only to intensify the conditions which produce this Age of Irritation and to drive man further into class feeling, materialism, prejudice, cynicism and bitterness. The picture is that of a rotting wheel rolling rapidly downhill.

Of all the elements of modern society, the good, *modern* farmer seems to me to have understood more clearly than

others the way to use the mechanical-industrial world rather than permitting it to use him. He has used machinery to increase the efficiency of his farming, to eliminate from it the drudgery which once made agriculture a kind of slavery, and to gain for himself more time from his physical work and hardship in order to employ that time for increasing his knowledge, improving his methods and his economic status and security and establishing himself as a good, intelligent and informed citizen. To be sure, there are many elements on his side—the fact that he does not live in a great city, that his work is always changing and full of variety and does not confine him to noisy steel sheds or a dusty office. Most of all he lives *in nature*, with the soil, with animals, with the weather and these things provide him with those fundamental values of philosophic balance, of respect for natural law and for faith, which are so largely lacking in our modern mechanical life and are disappearing more and more rapidly.

These things perhaps provide him with that wisdom and judgment which permit him to understand how to use the marvels of our mechanical world instead of their using him. The great tragedy is that there are so few good “modern” farmers that their influence upon a disintegrating age is negligible. If I wished to find a well-developed, intelligent, balanced civilized specimen of mankind in our times, I should have to seek him among the good farmers, among the foresters and the engineers engaged in building government dams and canals or in terracing, worn-out eroded land. I should certainly not find him among the industrialists and bankers of our great cities, nor among the labor leaders nor among the desiccated specialists of our universities, nor among the sterile, arrogant, materialistic philosophers of the school of Bertrand Russell. I should have to find him in the

narrowing element of those who have not, in their small conceit over a carburetor or their overwhelming conceit over the atomic bomb, lost faith in something greater than all of these things—in short among the men and women who still remain, like the great and civilized men of the Renaissance, a part of nature and of the universe itself, among the people who still remain both humble and possessed of a profound and true sense of human and civilized values.

I am not seeking a return to the hand loom or the abolition of the machine. These things are with us for good or evil. They will be good if they are our servants and bad if they become our masters and we permit them to deform the whole of our existence.

The point is not to do away with the marvels of the mechanical-industrial world but to discover a way of mastering them and of living with them, and that is a problem for the philosopher and for those economists, politicians and thinkers concerned not with superficial short-cuts or materialist measures, but with the fundamentals of our existence. It is a problem for the men and women with deep, rich and far-seeing minds. It cannot be done by the mind which worships the mechanical nor by the rutted mind produced by the narrow overspecialization of our universities but only by the rich mind which sees beyond into the reality and substance of true values and true civilization and, again, like the mind of the Renaissance, sees all the parts in relation to the whole. It is that mind which can make machinery our slave and free us from servitude to it, that mind which may see beyond the panaceas and short-cuts born either of demagoguery or of wishful, shallow thinking. But perhaps it is that the complexities of our industrial-mechanical

civilization have become so great that there is no mind at once vast enough and intricate enough to solve them, just as there appears to be no statesman or group of statesmen great enough to understand and show the way toward the solution of the tragic political, economic and sociological problems of our time.

If this is so, any optimism concerning the immediate future of the human race is mere folly. There lies ahead of us only the prospect of another period like the Dark Ages when a few men, guarding the remnants of civilization, will hide themselves away until man is ready to make a fresh start. Perpetually one is led, in a world in which men like Hitler, Mussolini, Goering and Ribbentrop achieve power, to believe that not only is man still too little civilized to be capable of world government and of peace, but also that he is too little civilized to live with the industrial monster which he himself has created. Perhaps the truth is that he is ready for neither one thing nor the other.

I can think of no more shocking example than that of Great Britain using the troops of her Indian colony and the aid of the still half-barbaric Japanese equipped with the mechanized war equipment furnished by the United States, to subjugate and kill a people fighting for independence and freedom in the fertile island which is theirs by every right. And all of this to preserve a political and economic system belonging to a past century for which there is no great place in the future of the world and of mankind. Indeed what choice is there between this spectacle and that of the imperialism of a retarded people like the Japanese, who, we were told, were barbaric and savage and incapable of understanding the Atlantic Charter or the Four Freedoms?

It is indeed a stupid, hypocritical and uncivilized world in which the hope of world government or peace is in reality a faint one, especially when the ardent idealist planning Utopia simply averts his face and goes on planning some dream structure while the great nations, wallowing in hypocrisy, give lip service and continue to behave in exactly the same fashion nations have behaved since the time of Babylon—because they continue to quarrel over raw materials and markets and real wealth instead of working out a plan whereby all will have access to these things and all will benefit.

The abundance and well-being for all which is possible in a decent, intelligently managed world, is the only real answer to world peace and world government. What we need is a world in which industry and mechanics are the servants of man, in which we deal with facts rather than with deceit or fantasy and in which those values, mystical as well as intellectual, exist once more as they have always existed in periods of great advance in civilization.

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the processsing=> the processing {pg 34}
rule is folowed=> rule is followed {pg 102}

the the economic=> the economic {pg 221}
traditionally speaking=> traditionally speaking
{pg 257}
properous economy=> prosperous economy
{pg 276}
so continously harassed=> so continuously
harassed {pg 283}
down in futilty=> down in futility {pg 286}
subconscious cynicism=> subconscious
cynicism {pg 287}

[The end of *A Few Brass Tacks* by Louis Bromfield]