

(c) A farmer need not file a declaration of estimated tax until January 15. If he is able to file his complete tax return by that date, he will not have to file a declaration. If a declaration is filed January 15, the complete return will be due, as previously, on or before March 15.

(d) Several very important changes have been made in the provisions of the law relating to the withholding of the income tax by employers. These will not become effective until 1945, but every employee will be required to furnish his employer with a new exemption certificate on or before December 1, 1944. It is expected that in the case of a taxpayer whose income is derived solely from wages, substantially his entire tax liability on wages up to at least \$5,000 will be withheld by the employer during 1945.

(e) Excise taxes are no longer deductible unless they are paid in connection with a business expense.

Completing the Payment of Taxes for 1944 and Earlier Years, and Filing a Declaration for 1945

(1) On or before January 15, 1945, an individual taxpayer will remit to the Collector either the last quarter of his declared tax for

1944, or the balance of his actual tax for 1944 that has not been withheld by his employer and has not already been remitted as installments of his declared tax.

(2) On or before March 15, 1945, the taxpayer will file his regular (final) tax return for 1944 and remit the balance of his actual tax, unless this was done on or before January 15, 1945.

(3) If the last one-eighth of a taxpayer's 1942 or his 1943 income tax remains unpaid, this must be paid on or before March 15, 1945.

(4) Every individual, with very few exceptions, must file a declaration on or before March 15, 1945, of his estimated tax for the taxable year 1945, (1) if his gross income from wages can reasonably be expected to exceed the sum of \$5,000 plus \$500 for each surtax exemption except his own; or (2) if his gross income from sources other than wages can reasonably be expected to exceed \$100 and his total gross income is expected to be \$500 or more. One-fourth of the estimated tax must be paid when the declaration is filed. But a person deriving two-thirds of his gross income from farming need not file his declaration of expected income for the year 1945 until January 15, 1946.

The Consumers' Balance.—According to the Office of War Information, in 1943 Americans, in spite of wartime conditions, spent more for goods and services than in any other year in the nation's history. Yet, because of swollen wartime incomes the amount of unspent income was greater than ever before.

OWI reported that \$33.4 billions were left after \$90.6 billions worth of consumer goods had been purchased and \$18 billions in taxes had been paid.

We Turn to the Right

FRANCIS G. WILSON

At the close of the Democratic Convention this year Mr. Fulton Lewis, Jr., the noted radio commentator, observed that the nomination of Senator Harry S. Truman for the vice-presidency meant that the party had turned to the Right. To have nominated Henry A. Wallace again would have indicated that the Democratic party still showed a slight inclination to the Left. But the ordinary citizen might ask with some pertinence: Just what is a turn to the Right? What would be a turn toward the Left? Such terms seem to have very little meaning, for even the American Civil Liberties Union noted in its report for 1944 that the Communists now approve practically all the views held by the American majority. On the other hand, the Socialist party stands on the Left, since it continues to hold ideas which, in the American tradition of politics, are revolutionary in their import.

Most of us are conservatives, and most of us have had nothing to do this election year with the Socialist party or the Communist Trojan horse. We have stayed within the traditional party framework, that is, we have voted for either the Democratic or the Republican candidates. But on the assurance of Mr. Fulton Lewis, Jr., we are voting conservative when we make such a choice. Thus we may say, probably, that the shift to the Right in the Democratic

fold is in its quality a small shift, just as the Republican party, the founder of the American tradition of Progressivism in politics, can with slight changes in policy become progressive in the usual sense of the word. We adhere in practice to what might be called the American tradition of political decision, and most of us believed that there was a real difference between the choice of Democrats or Republicans in the election. On the other hand, the revolutionary will say that both major parties are bankrupt in that they have no new ideas for the solution of economic and social difficulties. This position assumes that the revolutionary of today does have answers to the economic issues we face. The conservative may justly be dubious of such assertions, especially in the light of the history of Socialism during the last generation.

Students of governments have remarked for a long time the swing of the so-called pendulum of politics. This is to say that the voters will shift in degree from the extremists to the moderates over a period of years. After a period of reformism, the electorate will want peace and quiet in its political leadership. We have had, certainly, a lot of noise from the party leaders and bureaucrats during the last dozen years, and the nomination of Senator Truman, who called himself a wheel horse, may indicate that the Democratic leadership is simply hanging

ern revolution and those who think that sanity and security may be reached again in the framework of tradition. But the revolutionary promise is now pale enough and the traditions which once held society together can only be more shattered than they were by the impact of the present war. The turn to the Right will mean that, gradually, the revolutionary promise, dating back to the movement launched by Robert Owen, the Chartists, and Karl Marx, has ceased to appeal to the imaginations of the intelligent. But for the masses it must mean the acceptance of a leadership which frankly argues that salvation lies in a return to the traditional values of Western economic culture. For ourselves, if the promise of American tradition is to be realized only in part, a heavy burden rests on those who are conservative in spirit. Against the compelling failure of Socialism for a generation, a measure of success for the conservative may be enough to begin again a lasting and orderly progress.

The central issue in all this is simply to make the modern economy function without the continuous stream of halfway measures and erratic plans which some think have been keeping it going since the outbreak of war in 1914. The brave talk of wartime optimism must be made good if the present war is not to become merely a prelude to greater disturbances in the future. Historical practice, it must be recognized, is imperfect, for the nature of men is, as the theologians say, sinful, or, as the modern philosopher might say, recalcitrant. Policies at

times represent an ideal which in actuality is often remote from the rational goal we set before us. But our success in the future must rest upon the conservative proposition that only a partial success is possible; that those who suffer under the present order of the world must be satisfied with the alleviation that can be given by society as a whole and not merely by bureaucratic management. We must work with the economy we have; it is the traditional foundation on which we can build. As the apocalyptic dream of revolution fades, the system of conservative policies will be tried again, though probably not in all its logical completeness. The turn to the Right means that the central issue of making the economy work is given, for another trial, to the conservative spirit in leadership. It means too that individuals and localities bear a larger responsibility for social well-being than they have acknowledged for many years.

Whether we speak of socialists or traditionalists, the number of ideas presented for the solution of economic trouble since August, 1914, is curiously small. The predominant idea has been that government spending will keep the economic system functioning. Public works, subsidies, and monetary schemes have resolved themselves for the most part into government borrowing and spending. Essentially, we are just where we were before, and the plans for our postwar period of tomorrow look suspiciously like those of 1920, except that today there is a body of theory to support the budgetary activities of the government. A pro-

formance from political leadership. It may signify a further and growing distaste for the magniloquence of political leaders. It may mean that people are beginning to believe that the state is, indeed, a fragile reed on which to lean in time of trouble. Conservatism in politics may mean a cynical distrust of all political action; but it should mean more than this, and it does, to the intelligent adherent of the traditional system of life in the United States. The importance of these considerations may be easily illustrated. Mr. Peter F. Drucker in *The End of Economic Man* has insisted, and I think accurately, on the despair of people who have surrendered their liberties to dictators. The loss of hope has produced a will to believe in leaders and not in principles, and it has fostered the insanities of politics which form the core of the revolution of our time. In the urban middle class and in the factory workers distrust and hate have been generated for years. The immediate frustrations of war and insecurity have been added to the subconscious revolt against the conditions of life in factory and industrial town. Yet the alternatives to which we have turned are poor enough. A part of the working class yet has the will to believe that Russia is the hope of democracy; others turn in gratitude toward the growing bureaucracy and the expanding power of the state; and still others surrender themselves to the oligarchies of trade-union leadership.

For the European, the basic contrast is between the individual who believes in some form of the mod-

on to the pendulum as it swings to the Right, hoping thereby to remain in power. What is argued here, however, is that the swing of the pendulum is within the limits of traditional American party action; even on the progressive swing of the pendulum we may still say that most voters do not desire any revolutionary change and that they want such a preservation of American practice and tradition as to remain conservative in spirit.

A second world war, added to the continuous dislocation of economic life, has given nearly all classes in all countries a sense of insecurity, a questioning of tomorrow, and a desire to retain the advantages previously held. When political leadership, therefore, argues that it stands for security, for the abolition of fear and want, it is appealing to the deepest political emotions of the people of this destructive age. Adventure there is too much of, calm thought has all but ceased to exist, and expectations are destroyed each day as a matter of course. Security means, in effect, restoration of what we once had, and freedom from fear means no further loss of what we have had and what we want. It is clearly good politics to stress these appeals, but those who stress them should in conscience believe that they are capable of making good on the promises they offer.

The turn to the Right may signify that all groups in the community have learned again that most political promises mean little. It may mean that they want fewer such assurances and more actual per-

formance from political leadership. It may signify a further and growing distaste for the magniloquence of political leaders. It may mean that people are beginning to believe that the state is, indeed, a fragile reed on which to lean in time of trouble. Conservatism in politics may mean a cynical distrust of all political action; but it should mean more than this, and it does, to the intelligent adherent of the traditional system of life in the United States. The importance of these considerations may be easily illustrated. Mr. Peter F. Drucker in *The End of Economic Man* has insisted, and I think accurately, on the despair of people who have surrendered their liberties to dictators. The loss of hope has produced a will to believe in leaders and not in principles, and it has fostered the insanities of politics which form the core of the revolution of our time. In the urban middle class and in the factory workers distrust and hate have been generated for years. The immediate frustrations of war and insecurity have been added to the subconscious revolt against the conditions of life in factory and industrial town. Yet the alternatives to which we have turned are poor enough. A part of the working class yet has the will to believe that Russia is the hope of democracy; others turn in gratitude toward the growing bureaucracy and the expanding power of the state; and still others surrender themselves to the oligarchies of trade-union leadership.

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gram of road-building in the United States can hardly be presented after the war, for example, as a new idea. But that, in all probability, is one of the things we face, as Congress is already considering proposed bills to take over the postwar highway program. In contrast with an earlier day, there is now a group of theorists who justify the unbalanced budget and agile fiscal footwork. The conservative argues that one of the bedrock elements in any functioning economy is a spending and taxing policy which imposes as little burden as possible on the productive forces of the country, and which gives people some assurance that the dollar of tomorrow will buy as much as the dollar of today.

The issue may be stated something like this. The bureaucratic revolutionary of the present time argues that only by government assistance can investment be sufficiently encouraged to keep economic activity expanding. It is only with the aid of government that the economy can keep going at all. Fiscal policy thus becomes one of the first elements in the economic system; with an adequate flow of spending, production will take care of itself, since people will have enough money to buy whatever is produced. On the contrary, the conservative puts production as the first element in the table of economic health. Fiscal policy, such as taxation, can impair production or can aid it, but fiscal policy is no substitute for the distributed initiative of the system of private enterprise. It is impossible to aid production by merely spending, if at the same time part of the fiscal

system penalizes the initiative of business in developing production.

Much of the conservative position depends upon an interpretation of history. No thinker today would minimize the crisis through which the world has moved since 1914. It is a period in which there has been a disintegration of economic order, political tradition, cultural restraint, and religious values. The intellectual revolutionary assumes, with his materialistic interpretation of history, that the capitalist system is responsible for what has happened, and he makes the further assumption that a system either clearly or partially socialist will restore all that has been broken down in the last thirty years. The blueprints of a political dream-world are set off against the actualities of economics and politics. The conservative answer is that the revolutionaries share in the responsibility for debacle, just as much as any other group. For it is clear that Socialism has had in the last generation all the opportunities any political movement could ask. Had its promises been true, it might have prevented the first German war; it might have solved the economic difficulties of the reconstruction time; and it might have all have prevented the rise of Fascism and the outbreak of another war in a generation. The conservative should admit his own failures to do these things, but if the revolutionary idea of the twentieth century is what it is supposed to be, it should have succeeded where conservatism failed.

The conservative picture of Socialist achievement, or lack of achievement, includes most of the

countries of Europe. In Russia Socialism had its great chance. But the political nature of the regime in that state, as well as the recent return to traditional positions in politics, vitiates any assumption that Russia is a worker's paradise. Communism may be regarded as one of the most cynically reactionary movements in the world today. What it will be in the postwar period depends, of course, upon the will of the masters of the Kremlin. Or, the conservative may observe the failure of Socialism in democratic countries to live up to its promise of political initiative. The tendency of Socialist leadership in or near power to become inert was shown in Germany before the rise of Hitler, in the politics of the Socialists in both France and England, not to mention Italy in the years immediately after the last war. It may be argued, indeed, that the only exceptions, the Scandinavian countries, present us with a good deal of honest conservatism mixed with a dash of socialism. Likewise, the smaller agrarian countries which have remained out of the war will, no doubt, be in the best position economically when we begin again the laborious process of reconstruction.

Clearly, the history of the West since 1914 shows the state to be an oppressive institution. The Right today may well regard as proved the proposition that the state, in spite of revolutionary window dressing called socialism, bolshevism, or fascism, is much the same institution that presided over the decline of historic societies. Freedom for the conservative has meant for centuries

freedom from the control of the state. But the state is not simply an abstraction; it is in practice a group of men who have power and who like to keep what they have. The impact of the state upon the individual is largely bureaucratic, since the bureau officials are the enforcers of the law as it is enacted either by executive order or by the legislative body. While the state is necessary, the conservative view of freedom has insisted on the normative idea of constitutional government, that is, a government in which the public official is subject to legal control. Historically, too, the centralized state has tended to escape from the control of law and to become increasingly a rule by personal discretion without adequate means of enforcing the principles of law against those who are in the governing class.

Freedom in the modern world, as in all other worlds, must mean freedom from power. This freedom means freedom from a horde of irresponsible bureaucrats, from political managers and artists in the manipulation of the ideas of the traditionless masses of industrial areas. It means freedom, likewise, from irresponsible private power, such as is involved in monopoly, for certainly the conservative tradition in the United States has never been a defense of those who abuse their power in economic life. Both the political leader and the economic leader should exist because of the service they perform for the great masses of society. The preservation of freedom means to many conservatives the preservation of a

decentralized society in which there is a wide distribution of political, social, and economic initiative. We have watched the centralized-power state for a generation, and to the conservative its creativeness is now a stale myth that those in power must still exploit through leaders of fading energy.

There can be no rapid recovery from the destructive and retrogressive period through which we are living. If in a generation after the war, the tendencies toward the destruction of economic freedom have been halted we may say that our work has been well done. If in that period international institutions for the prevention of war are really functioning, we may say that civilization is on the mend and that one of the essential conditions for freedom and limited power has been attained. If in that period that greedy eater known as Leviathan has a more limited appetite for taxes and debts, a foundation for economic growth will be laid. If in such a period of time bureaucracy has

been reduced, restrained, and decentralized, the ordinary individual may be reassured that in democracy the people have some control over their government.

But all this will mean likewise that the middle class in society has been preserved; it will mean that some sort of social balance has been created from the ashes of this revolutionary age. For, in the final analysis, the middle class is the carrier of the national tradition. It is the conservator of the religious values which tie us with all times in the past; it is the social region in which ordinary people have an opportunity to lead secure and reasonably unfrustrated lives; and it is the social group which utilizes the distributed economic initiative so essential in a free economy. It is a place where the fallen plutocrat may land, and it is a region to which the able members of the less fortunate groups in society may rise. Without a vital middle class there is no lasting conservatism, which is to say there is no genuine practice of freedom.

Perhaps the most favorable element in the outlook is that regardless of handicaps and difficulties business men themselves will be working hard to overcome them. Those who suspended work two or three years ago on their normal peacetime products and turned to war production can be certain that a huge demand has accumulated, waiting to be filled. As their war contracts are cut back, every instinct will drive them to get into civilian work again at the earliest possible moment, and to do everything in their power to surmount the obstacles or go ahead despite them. There is much evidence that this determination will apply not only to production of goods for sale, but to making up deferred maintenance rapidly and to new investment in plant and equipment, where that is necessary to revamp and modernize productive machinery, and to relieve bottlenecks. If this is the general attitude the interruption should not be unduly long or depressing.—From the October Letter of the National City Bank of New York

BUREAU OF ECONOMIC AND BUSINESS RESEARCH

The Bureau of Economic and Business Research, established in 1921, is operated as the research department of the College of Commerce and Business Administration. Its primary objective is the dissemination of economic and business knowledge among the businessmen of Illinois. In this respect it endeavors to serve as a clearing house for information on tested business practices. Although the major part of the research is directed especially toward Illinois, the Bureau also engages in general economic research.

Fields in which research has been carried on include: marketing; banking and private finance; public finance, taxation, and governmental accounting; utilities; accounting and records; and resources and industries of the State. The results are published in the form of research bulletins, business studies, and brief special bulletins.

The following are typical of Bureau publications:

Bulletin No. 64, FLORENCE L. WHITE, *Illinois Business Activity, 1937-1942.*

Business Studies No. 2, P. D. CONVERSE, *A Study of Retail Trade Areas in East Central Illinois.*

Special Bulletin No. 3, FRED M. JONES, *Retail Sales Questions, Objections, and Answers.*

Publications of the Bureau of Economic and Business Research will be sent free of charge upon request.

At least two-sevenths of the members in the average house are members or relatives of titled families, nearly all in the Conservative and Liberal parties.

Lastly, a comparison of the aggregate vote for the three major parties with the election results shows the outcome to be largely a "gamble." For seventeen years out of twenty-four, the Conservatives have dominated the government while a minority in the popular vote. Yet in 1929 a Labor vote of thirty-eight per cent of the total produced a Labor government, while in 1935, a Labor vote of forty per cent of the total resulted in a strongly anti-Labor government. In most of the elections from 1922, the Liberal members elected have been far fewer than their proportion of the popular vote.

In analyzing the factors explaining these conditions. Mr. Ross gives most attention to the cost of elections and other financial matters, and to election and party methods, especially the system of single-member constituencies. With respect to age, education, and occupations, he does not advocate proportionate representation of each group, although he is dissatisfied with the extremes under present conditions.

The principal remedies proposed are financial and electoral. The cost of elections should be borne by the government, and the salary of members should be increased to an amount which would enable a member to meet a reasonable standard of life without outside sources of income, thereby relieving the handicap on candidates without such resources. Elections should be by constituencies with from three to seven members each, chosen by the single transferable vote, so that the party membership in the House of Commons would correspond approximately to the popular vote in the country as a whole. Other subsidiary reforms are also proposed.

The study is carefully done, and the discussion is temperate in tone. The electoral system proposed would tend to strengthen the Liberal party in Parliament and the tendency toward coalition governments. To a considerable extent, similar factors could be shown in the United States.

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Faith, Reason, and Civilization; An Essay in Historical Analysis. By HAROLD J. LASKI. (New York: The Viking Press. 1944. Pp. 187. \$2.50.)

Mr. Laski has written in this volume a confession of faith in the Russian Revolution. Those who do not share in the *mythos* of Stalinism, therefore, may pass it by, since the author has not written such a documented or factual account that one's opinion of the Soviet régime is likely to be altered.

The geometry of the argument might be stated as follows: We are living in a revolutionary time which is expressed in measure by war and the loss

of our once accepted values. We must have a renovation of a commonly accepted faith and a system of values that we can believe is embodied in our civilization. These values will not come from Christianity, since Christianity no longer inspires the masses as it did before Constantine, and the churches, both Catholic and Protestant, are instruments of the ruling classes and servants of the acquisitive society. Nor can new values come from the intellectuals, for they either cannot see the issue before us (i.e., the Marxian system) or they are sycophants of reaction (pp. 96, 125). The Russian Revolution, as it *was* under Lenin and as it *is* under Stalin, alone meets the test of creativeness in the restoration of values and the saving of civilization when victory gives us another chance. There alone the masses have hope, and thence must the rest of us journey.

Mr. Laski's wooing of Clio has not been a frustrating experience, as it must obviously have been to those who are not Marxian materialists. Christianity and Marxism are the two great contenders for the future loyalty of the masses. While the author condemns the pragmatic principle of historical success, he does not face squarely the issue of what ideas are true and what are false. The Christian thinker must insist that the chief problem is not earthly success or failure, or whether Christians have been worthy of their trust, but whether Christianity is true in principle and in foundation. Perhaps a different book would have resulted had the author on this plane of argument followed out his admission that the passionate Christian "affirmation of the right of each human being to fulfill his individuality" is the only source of a new faith for the postwar generation (p. 37).

"Stalingrad is the resolution of a problem," says Laski, that the common man must solve or die (p. 43), but the social democrat might counter that the murder of Ehrlich and Alter, the treatment of the Warsaw underground, and Russian imperialism resolve as much. The ugliness and brutality of Stalinism is admitted and the contemporary return to the Russian national tradition is ignored. For non-Marxians, Laski's defense of Soviet terror is the most disturbing feature of the book. The Communist party did not leave its faith to the mercy of "the chance decision of an electorate" (p. 158). The Soviet citizen "is constrained to the acceptance of the fundamentals of his faith" (p. 159), and that citizen enjoys a "democracy of a secondary order . . . He may not criticize Stalin . . . but he can criticize his foreman or his manager . . ." (p. 159). And "it is only where its consequences are deemed unimportant that men are prepared to abide by the results of reason and peaceful discussion" (p. 161).

In contrast, most Americans would argue that the Anglo-American democratic tradition is more likely to save civilization than Mr. Laski's Muscovite prescription.

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