

'Tis a devilish plot—by Satan 'twas planned—
That labor be robbed of the use of the land,
An to beg, steal, or starve, be driven by rents,
An the bread-eating taxes the Devil invents.

'Tis a devilish plot—by Satan 'twas planned—
That fathers, for jobs, go roaming the land,
While children, to toil, be driven by rents
An the home-wrecking taxes the Devil invents.

'Tis a devilish plot—by Satan 'twas planned—
That the most of all toil be for leave to use land,
And the most of all lives be wasted by rents,
An the vampire taxation the Devil invents.

'Tis a devilish plot—by Satan 'twas planned—
That people be slaves, to serve lords of the land—
From babies take milk, to eke payment of rents,
An the ravenous taxes the Devil invents.

'Tis a devilish plot—by Satan 'twas planned—
To let war-dogs be loosed on the homes of a land,
That robbers possess its resources an rents—
Rob it daily with taxes the Devil invents.

'Tis a devilish plot—by Satan 'twas planned—
That mothers bear sons to spread war o'er a land—
To be mangled an slain, for the pirates of rents,
Cursing nations with taxes the Devil invents.

'Tis a devilish plot—by Satan 'twas planned—
Of blood to make wine, for the lords of the land—
That people be grape, in the wine press of rents,
An be crushed under taxes the Devil invents.

'Tis a devilish plot—by Satan 'twas planned—
To keep people in torment, for lack of God's land—
Turn the world to a hell by the looting of rents,
An the grinding of taxes the Devil invents.

* * *

Will toilers to torture for ever consent!—
For places in hell, for ever pay rent!—
Will the sword be avenger, as Satan has planned,—
Or the scales rid the world of the lords of the land?

Ah, listen, ye lords! By the Fiend it is planned,
To let Folly an Ravin run wild o'er the land,
An the Furies ye fed, with taxation an rent,
Be drinking your blood, when too late to relent.

—ASHER GEO. BEECHER.

A PUBLIC-SPIRITED citizen of Indiana paid \$5,000 for a pedigreed bull. The conscientious assessor, following the letter of the law, assessed the animal at \$5,000. Whereupon the owner took the bull into a county whose assessor—appreciating the value of good stock in the neighborhood, counted the animal as one of the herd, and assessed it at \$50. The farmers of the first county are now wondering whether a conscientious assessor is worth as much to them as a pedigreed bull.

BOOK REVIEWS

THE INTELLIGENT WOMAN'S GUIDE TO SOCIALISM AND CAPITALISM*

This book is a formidable work of 463 pages, preceded by a foreword for American readers, 5 pages in length, and a table of contents 34 pages long.

It contains an appendix of six pages, and an index of 25 pages. Examining at random, the letter "B," I find under the 136 classifications, references to

Babies, Bachelors, Baked Potato Men, Barbers, Battle Ships, Bees, Bibles, Birth Control, Blacklegs, Bonar Law, Book Makers, Bootlegging, Boy Scouts, Breaking a Bank, Bulls and Bears, Burglars.

Truly the mountain has labored. Shaw says of this book on which he has been working for over six years, "It has been more difficult to write than all my plays—it is my last will and testament to humanity."

America, he writes, "can claim that in this book, I am doing no more than finishing Henry George's job."

Shaw is no coward. He assumes full responsibility. "This book is not a compilation; it is all out of my own head."

But wait. Shaw is also modest. He dedicates it to his sister-in-law, "The intelligent woman to whose question this book is the best answer I can make." True humility.

Let us now examine the mouse this mountain has brought forth. In the very first paragraph Shaw states, the discussion is to concern itself with the *distribution* of the wealth we produce every year. We can agree with him "that the existing distribution is so anomalous, monstrous, ridiculous, and unbearably mischievous, that it must be radically changed if civilization is to be saved from the wreck to which all the older civilizations we know of were brought by this very evil." (Page 5).

"When wealth has been produced, each gets his legally appointed share." (Page 7).

What should that share be?

"That must be settled by law." (Page 8).

That there is a natural law which should govern the distribution of wealth does not dawn on Shaw.

There are, Shaw writes, seven plans of distribution.

1. To each what he or she produces.
2. To each what he or she deserves.
3. To each what he or she can get and hold.
4. To the common people enough to keep them alive while they work all day, the rest to the gentry.

5. Division of society into classes, the distribution being equal or thereabouts within each class, but unequal as between the classes.

6. Let us go on as we are.

7. Socialism; an equal share to everybody.

Shaw's conception of socialism is to divide up the income of the country equally between everybody, "making no distinction between lords and laborers, babies in arms and able bodied adults, drunkards and teetotallers, arch-bishops and sextons, sinners and saints." (Page 93.)

How is this to be brought about?

"By Law." (Page 93).

"The first and last commandment of socialism is 'Thou shalt not have a greater or less income than thy neighbor; but before such a commandment can be even approximately obeyed, we shall have not only to pass hundreds of new Acts of Parliament and repeal hundreds of old ones but invent and organize new Government departments; train and employ no end of women and men as public servants.'" (Page 97).

"Socialism is from beginning to end a matter of law. It will have to make idlers work." (Page 98).

"If you will encounter a lazy slut you will lambast him with a stick until he is black and blue." "If the slattern is to be whacked it must

be done by order of a court of law by an officer of the law after a fair trial by law." (Page 99).

"Socialism insists that the first duty of the Government is to maintain equality of income and absolutely denies any private right of property whatever." (Page 101).

"Socialism, the equalization of income, involves the complete substitution of personal for private property and of publicly regulated contract for private contract with police interference whenever equality is threatened, and complete regulation and control of industry and its products by the State." (Page 103).

"Compulsory social service is so unanswerably right that the very first duty of a government is to see that everybody works enough to pay her way and leave something over for the profit of the country and the improvement of the world." (Page 357).

"Socialism would impose compulsory social service on all serviceable citizens just as during the war compulsory military service was imposed on all men of military age." (Page 356).

"Socialism is an elaborate arrangement of our production and distribution of wealth in such manner that all our incomes shall be equal." (Page 377).

How is the State going to bring about this equal distribution of wealth among all its citizens?

According to Shaw, "Practical Socialism must proceed by the Government nationalizing our industries one at a time by a series of *properly* compensated expropriation after an elaborate preparation for their administrators by a body of civil servants who will consist largely of the old employees but who will be controlled and financed by Government departments manned by public servants very superior in average ability training and social dignity to the commercial profiteers and financial gamblers who now have all our livelihoods at their mercy." (Pages 382-383).

"Socialistic legislation means an active interference in the production and distribution of the nation's income; and every step of it will require a new department of extension of the civil service or the municipal service to execute and manage it." (Page 384).

But halt. Even after the State shall be operating all business for the benefit of all of us private business will still be in operation according to Shaw.

"Long after Capitalism as we know it shall have passed away more completely than feudalism has yet passed away there may be more men and women working privately in business of their own than there ever can be under our present slavish conditions." (Page 386).

In fact under Shavian Socialism "A Socialist Government should not only tolerate private enterprise but actually finance it." (Page 388.)

"In fact, if only we can attain and maintain the equality of income a Socialist Government will tolerate private enterprise or subsidize private enterprise, or even initiate private enterprise." (Page 389).

I have quoted from Shaw *in extenso* in fairness to him, and because I believe that the veriest reading of his words will disclose their folly.

Equality of any kind is impossible. Nature in unmistakable terms has so decreed. In a world wherein no two grains of sand are alike or equal it is against all natural and psychical law to advocate a system wherein all men shall have equality of income.

Our goal should be to establish among human beings as nearly as may be, equality of opportunity, realizing however, the great natural differences between human beings. When we shall have established equality of opportunity, we shall have done as much as may be reasonably expected of finite beings.

How to do this has been clearly shown by Henry George, the greatest economist the world has yet produced, in his works on Political Economy, particularly *Progress and Poverty* and the *Science of Political Economy*.

Political Economy is the science which deals with the production and distribution of wealth. No discussion of this subject can lead to right conclusions which concerns itself only with one phase of the subject, whether it be production or distribution.

This is the great defect of Shaw's book, that it deals exclusively with the distribution of wealth and ignores how wealth is produced. Obviously, before we can determine how wealth shall be distributed we must clearly understand how it is produced.

The formula then should be: to those who have produced, shall belong the wealth they have produced.

Now, all wealth is produced from the Earth, and from the Earth alone. It is the application of human labor to raw material (Land) that give us potatoes, automobiles, buildings, suits of clothes and the like.

No discussion of Political Economy can be worthy of the name which fails to recognize the fundamental importance of Land as the source of all wealth.

Capital does not produce wealth. Labor does not produce wealth. Land does not produce wealth. Only the application of Labor to Land will produce wealth.

The trouble is that before Labor may have access to land to produce wealth, it must pay tribute to landlords which tribute is called Economic Rent. This latter term means the price exacted for mere permission to use the bare Earth. In short, labor finds the bare earth which the Supreme Power gave to all his children as a reservoir from which they might satisfy their needs, in the hands of a limited class denominated the land owning class. Labor finds that before it can go to work to produce its potatoes, automobiles, buildings and suits of clothes, it must agree to pay over to land owners a share of the wealth, it, Labor, will produce.

The portion of wealth which labor pays over to the land owners is called Economic Rent. Now, this land owning class renders no service to labor in producing wealth. Certainly it cannot be called a service for land owners to allow labor to use the Earth. Economic Rent therefore is that part of wealth which is taken from labor for mere permission to work.

Now Rent is constantly increasing. This must be obvious when we reflect that the earth we live on is fixed in quantity while the pressure of population is making increasing demand on the natural resources for food, clothing and shelter.

This constant increase in Rent is automatic. The land owners have nothing to do with bringing it about. It is due solely to the increasing pressure of population.

The Single Tax would socialize Economic Rent, in other words, make it the common property of all mankind. When once this is done, the Earth is, for all practical purposes, owned by all its inhabitants, since they share equally in the enjoyment of its Rent. A somewhat similar situation would arise if a loving father should desire to give his seven story building equally to his nine children. If he provided that the net profits of the building should annually be divided among them, they could, in truth, say that they were equal owners of the building. We propose to do the same with this Earth on which all of us live, and from which all of us must draw our sustenance. We say to those having possession of the Land "Keep it, use it, or not, as you wish, but pay over to the community, annually, what it is worth for you to keep your particular tract in your possession."

So far I have said nothing about Capital. This is the Big Ogre of Shaw, and indeed of all Socialists. Now, to understand a thing, we must be agreed to as to what we are talking about; in other words, we must be agreed on our definition of the thing we are discussing.

Labor, I think, we are all agreed, is the application of human energy to raw material. In its simplest forms, we may give as examples of labor the planting of seed and the cultivation of the ground from which finally comes fruits, vegetables, grain, etc., etc. Another example; the digging of coal or ore out of the bowels of the earth, the coal being relieved of its impurities and finally delivered to users in a form suitable for burning in our fires, the ore being finished into steel beams to form the frame work for our homes, factories and office buildings. A third is the raising of cows, sheep and other animals for their food, wool or leather or other products needed by human beings.

Now, as society becomes more complex all labor need not be applied directly to land to produce wealth. In fact, for the most efficient production of wealth, it becomes advisable to find new methods to make labor more productive. Inventions come into existence which render Labor a thousand times, yes ten thousand times more productive than otherwise would be the case. A machine is invented, for example, to drop seed into the ground enabling the farmer to plant one hundred acres where before he could plant only one acre.

First, the Wheelbarrow, then the Cart, then the Wagon, then the Railroad, then the Automobile, then the Aeroplane, were invented, enabling the man to carry himself and his products more speedily and more efficiently than before. Machines of all kinds are invented to enable the worker more efficiently to convert the raw cotton, silk and leather (Raw Material) into the finished products (Dresses, Suits, Shoes). The machine, in economics is termed "Capital."

In other words, Capital is that portion of wealth which, instead of being immediately consumed is set aside to assist in the production of more wealth. Capital is the creature of labor. It possesses certain characteristics. First: it can be produced in illimitable amounts. If we want more capital, all we have to do is to apply more labor to land.

Secondly: Like labor, capital must justify its existence. If the machine cannot help labor to produce more wealth than labor could produce without it, labor will dispense with the machine. Obviously, the farmer is not going to use a machine to plant seed if he can do it faster or better by hand. This is the same as saying that capital must find its reward in the increased wealth which it, in association with labor, has produced. To put it in other words, the wealth which labor assisted by capital has produced must now be divided between them, labor receiving wages and capital receiving interest.

The trouble is, that before these two factors can divide the wealth they have jointly produced, the landlord who has done nothing, comes along and takes his Economic Rent. The wealth, which labor and capital have produced must now be divided between three parties, although only two have had any part in its production. It must be clear that the bigger portion any one of the three, Labor, Capital or Land Lord takes, the less that there is left for the other two to divide between themselves.

Now, the land owner is constantly taking a bigger and bigger portion of wealth, due to the fact that Economic Rent is constantly rising as population increases.

Labor and Capital therefore having less to divide between themselves, take to fighting each other, (strikes and lockouts), instead of fighting their common enemy the Land Owner. As conclusive proof that the interests of labor and capital are not antagonistic as claimed by Shaw and Socialists generally, we find that wherever and whenever wages of labor are low the return of capital likewise is low.

True, capitalists are often land owners. That is, the same individual who owns a business of making silk dresses may own the land on which his factory stands, or other land, or shares of stock in a railroad or telephone corporation owning land or possessing an exclusive franchise.

To the extent that this individual is running a factory to manufacture silk dresses and hiring labor and buying machines, he is a Capitalist. To the extent that he owns the land on which the factory stands, or shares of stock in a corporation owning land or an exclusive franchise, he is a land owner. Only in his capacity as land owner is he reaping where he has not sown.

The same is true of labor. Very often, in the United States at least, the wage earner owns his little home and the lot on which it stands, or he holds one or two shares of stock in some public utility corporation, or is himself trying to speculate in a piece of vacant ground. So far as the ownership of the house is concerned he is also a capitalist; so far as the ownership of the lot on which the house stands is concerned he is a land owner.

Shaw's great mistake is in failing to distinguish between Capitalism and Land Lordism. In no other way can he be excused for such erroneous statements as the following:

"By Capitalism we mean the system by which the land of the country is in the hands, not of the Nation, but of private persons called Landlords, who can prevent anyone from living on it or using it except on their own terms." (Page 100).

"Capitalism therefore means the only duty of the Government is to maintain private property in Land and Capital." (Page 101).

Landowners "are quite justified in making the strongest laws to protect themselves against having their land intruded on and their crops taken by rascals who want to reap where they have not sown." (Page 125).

"Capitalists failed to find employment for not less than two million demobilized soldiers who had for four years been not only well fed and clothed but trained in the handling of weapons" (Page 147).

"By letting their (Capitalists) land and hiring out their spare money (Capital) to others." (Page 165).

"Similarly, when there is a difference between the business ability of one person and another, the price of that difference is rent." (Page 341).

"Privately appropriated rent, whether of land, capital or ability, makes bad blood." (Page 343).

If Shaw, as we contend, is in error in condemning Capital and Capitalism, instead of Monopoly and Landlordism and if the interests of capital and labor are not antagonistic, it ought to follow that when labor is receiving a low wage for its exertions, capital should be receiving a low return on its investment.

And such is indeed the case as I shall now show.

The biggest department store in New York City, R. H. Macy & Co., last year did a gross business of \$82,200,000. Its net profits were only \$5,800,000.

The total sales of the largest meat packers in the United States, Swift & Co., last year amounted to over \$925,000,000. The net earnings were \$12,200,000.

The American Telephone and Telegraph Company received revenues last year amounting to \$894,600,000. The net earnings were \$103,000,000 or at the rate of 6.4% of the amount invested in plant and other assets.

United States Steel Corporation did a business of \$1,310,000,000 and its net income was only \$105,000,000.

The Pennsylvania Railroad's operating revenues last year amounted to \$664,000,000, and the net income was \$68,000,000, and \$43,000,000 of this was dividends and interest from securities owned by the railroad. In other words, out of its own operating revenues the road earned only \$25,000,000.

Who will say that any of these corporations have not rendered services entitling them to the comparatively small reward they have received as above set forth.

Shaw has indeed labored, but he has not brought forth even a mouse.

—BENJAMIN W. BURGER.

THE MARRIAGE OF RELIGION AND ECONOMICS*

John Emery McLean, now a resident of the Single Tax colony of Fairhope, Alabama, and former editor of *Mind*, the famous *Arena*, and *The Metaphysical Magazine*, has given us a book in which he has endeavored to fuse the spirit of true religion with the precepts of the material science of economics. And of a truth they are intimately related. Until men realize how close is this relationship between the aspiration that strives for a real union with the beneficent ruling spirit of the universe and the laws governing mankind in relation to the earth they inhabit, civilization must fail to grasp the essential spirit of religion. Until we truly love our neighbor, and by reason of the impulse of that love build institutions for the securing of justice on earth, mankind must endeavor in vain to realize the perfect Kingdom that all religions prefigure.

*Spiritual Economics; A Plea for Christianity in Action. By John Emery McLean, 112 pages. Price, 75 cents, Post-paid. Henry George Foundation of America.