

which has increased in value as rapidly as money put into a savings bank at 4%." (Page 27.)

He suggests the need of legislation to curb excessive subdivision of land. (Page 35.) He would have the government introduce "balanced production," whatever that means.

On page 48 he cites a German Socialist who advocated increasing the income of wage earners. On the following page Ely claims that:

"With higher wages a great many will lose their jobs."

I suppose Ely would advocate maintaining high wages by government fiat. I wonder if Ely understands the law of wages. I wonder if he realizes that before Labor can receive wages, and Capital can receive interest, the Land Owner must receive rent.

"One of the troubles now is that we have had this orgy of spending, including excessive instalment buying." (Page 69.)

I suppose the good professor is referring to the purchase of automobiles and radios. Does he seriously believe people would buy these things on the instalment plan (which necessarily means paying more for them than if they were purchased for cash) if they were able to acquire them outright? No rational person would hypothecate his future earnings if he were reasonably able to pay cash.

"Blessed be our savings banks * * * a man who, through savings banks and building and loan associations, has a home and has it paid for * * * can always borrow on a first mortgage. (Page 70.)

How does this sound coming from a professor of economics?

Ely repeats the drivel about the farmer who stakes everything upon a single crop. He fails to realize that in most cases the farmer who raises only wheat, cotton or sugar, or any other commodity, is doing so because his soil is especially fitted to raise that product, and moreover he can more efficiently raise one crop than many crops.

So long as our present lack of system continues which deprives the consumer of his full purchasing power, so long will the farmer be unable to dispose of his crops, whether one or many, at prices that will give him a reasonable return for his efforts.

Ely advocates quack remedy of employment on public works. The slightest consideration will show that not even the United States Government and all the state and city governments are sufficiently strong thus to solve the "unemployment" problem.

In New York City, for example, after the most heroic efforts by the Prosser Committee, and the expenditure of many millions, work was found only for about 53,000 men, although more than ten times that number were unemployed. These unemployed received \$15 for three days' work each week.

Ely advocates that the government shall step in "to give occupation." (Page 104.) For example, he says a company like the United States Steel Corporation, with the revival of prosperity, needs 10,000 men. Application can be made to the general staff of the peace-time army, who would immediately dispatch to the proper place men with the requisite qualifications.

This can actually be found on page 105 of this "valuable book on economics."

He advocates:

"A well devised sales tax covering relatively few commodities." (Page 113.)

This he claims, will meet with general favor as soon as we become adjusted to it! (Page 114.)

In the appendix he sets forth a programme for relief, presented to the fifth annual convention of the American Federation of Labor. From this we learn that the American Federation of Labor knows as little about economics as does Professor Ely.

Neither the professor, nor his book, is worth the space which the editor of LAND AND FREEDOM has so generously allowed me. We feel, however, that it is high time to expose him. He is representative of a class of teachers who know better but who deliberately misrepresent.

B. W. B.

IS THIS THE WAY OUT? *

This is a good book. It is an important contribution to the literature of liberalism and a timely and much needed text on Modern Socialism, or Socialism brought up-to-date. Indeed, the author, himself in this book, does much toward bringing Socialism up-to-date. Would that Socialists generally could see with him eye to eye!

For Single Taxers or Land Value Taxationists the book would have an appeal in the fact that its author recognizes the economic advantage of collecting the rent of land, although not in lieu of all other taxes.

In a thesis that sets itself the task of a "restatement of the Socialist case in the light of post-war-history," and whose author believes that he "might help to correct some of the absurd misunderstandings of Socialism still current among non-Socialists, and start among Socialists and near-Socialists a healthy facing of facts and an examination of those stereotyped answers which every great movement develops in lieu of real wisdom," occurs the following:

"Of all forms of private ownership landlordism today is obviously least socially defensible, and land rent represents the clearest drain out of the stream of natural wealth by and for those who do nothing to earn it. Henry George's statement on land and rent remains the most eloquent economic indictment and plea in the English language

And this:

"It is the advantage of a tax on rental values of land that it does not dispossess but encourages the man who wants to rest his title to a modest home or farm on occupancy and use. It will lighten his burden by making it possible to lessen or remove the tax on the building and puts up for his home and other improvements. It will end the injustice of taxing a man for improving his lot with a home while his neighbor who holds the land for speculation and raises only weeds pays a large tax until the work of the home owners or some public improvement enables him to sell out at a profit. When a man's only rent is his land tax more men may have homes rather than barracks."

Speaking of rack-renting in farming districts the author sees that

"Under this system, whenever a tariff did stimulate a certain crop like the growing of Sumatra leaf in the Connecticut valley for wrapping cigars, the benefit, such as it was, went first to the land owners, and to the working tenants. The landlords got it by raising the rent. It is clear, therefore, that Socialist society cannot allow an indefinite continuance of landlordism in farm areas."

Also, on the question of the tariff the author recognizes that:

"The tariff is not an instrument either for revenue raising or social justice on which Socialists can look with friendly eyes. The newest interest of British Labor in encouraging empire trade by discriminatory tariffs is a step backward from a true Socialist standpoint. As a revenue raiser the tariff is a sales tax, and as such bears most heavily on the poorer."

Of course, the author's endorsement of the taking of land rent, the taxing of land values, and his inclination toward the removal of tariff barriers are not undiluted by other and different methods of taxation and Socialistic suggestions in proposing remedies for the ills that beset the social structure. But here is a Socialist talking to Socialists and to those whom he would convert to Socialism, who insists on the inclusion of the Single Tax in his programme for Modern Socialism.

In voicing the need of other measures than the Single Tax in solving the problem of poverty and oppression, the author says:

"Socialists, to be sure, cannot agree with Mr. George in picking land rent as the only form of unearned increment, or accept the Single Tax as the complete cure for our economic ills. Under modern procedure hundreds of corporations issue stock out of all proportion to the amount of machinery, buildings, etc., which represent the working plant. Hundreds of millions of water which was originally the Steel Trust's common stock, and even more glaring examples of stock watering by bar-

*America's Way Out: A Programme For Democracy. By Norman Thomas. Clo., 324 pp. Price \$2.50. The Macmillan Co., New York City.

numerous mergers and consolidations, represent as truly as landlordism merely a claim on future earnings of workers. Moreover day land ownership by a corporation like the Steel Trust is so tangled up in the whole scheme of corporate ownership that it could hardly be disentangled by a Single Tax. Society creates values for locks in basic enterprises almost as obviously as it creates them for favored landlords. Not all our economic dynasties are based solely or chiefly on land ownership. With the passage of every year it becomes clearer that to deal with this situation requires affirmative social control, not merely a trust in individual initiative and enterprise, if these are freed from the chains of landlordism."

The "hundreds of millions of water which was originally the Steel Trust common stock" mentioned by Mr. Thomas was the basis of a Congressional investigation in the early days of that trust, and the fact that the nominal value of this stock was, as the author says, "out of all proportion to the actual machinery, buildings, etc., which represented the working plant," was one of the main charges brought against the trust in that investigation. Charles M. Schwab, the main witness on behalf of the trust, claimed that the "machinery, buildings, etc.," formed hardly any part, and surely no appreciable part, of the value of the stock; that these could all be entirely discarded and the value of the trust's ownership of lands, mines, rights of way, etc., would more than make up the capitalization represented by the stock then issued, and that indeed these properties would warrant the issuance of additional stock. This testimony was accepted by the Congressional investigators as a complete justification for the stock then on the market.

A consideration of the effect of a Single Tax on the "stock watered" by bankers in numerous mergers and consolidations, "which Mr. Thomas says "represent as truly as landlordism merely a claim on future earnings of workers," will disclose the fact that a Single Tax on Land Values or the taking of the Annual Rent of Land in lieu of all taxes will not merely encourage putting land into use and improving it as Mr. Thomas admits, but that it will *discourage holding land out of use and keeping it unimproved, for a Single Tax on the value of idle land is a penalty for keeping land idle.*

Land put into use, immediately compels the employment of labor. Forcing all valuable land into use creates a demand for labor that cannot permanently be satisfied. As land seeks users and improvers, jobs would seek men. Wages would not merely rise; labor would be given the whip handle of the bargaining situation and wages would represent that the product of labor was worth. Would labor want more? This is the care of the "producers" whose interests Mr. Thomas would convey by "organization." Nor is this all that a Single Tax on Land Values will do. Forcing land into use means the erecting of buildings, growing of food products and the working of mines, quarries and forests, thus creating a greater supply and lowering the prices of all that we need to live and satisfy its wants and desires, and to realize its best hopes and dreams.

Higher wages and lower cost of living! A paradox! Where will it come from? The "water" that Mr. Thomas tells us "bankers pour into their stocks during their numerous mergers and consolidations" have been squeezed out by higher wages and lower prices.

The rent of land that must now be paid to land owners before a pickaxe be struck or a spade turned in the earth (which "the Lord thy God hath thee," and which the landlord permits us to use at a price—price— or withholds from use)—that rent will have been redirected to the exchequer of the government, leaving the sum of all taxes and duties, direct and indirect, to remain in the pockets of the people; and added to these, and far surpassing both, will be the incalculable increase of the production of wealth, all of which will remain with the producers, who, may I respectfully suggest, are also the "consumers" that Mr. Thomas would "organize" for mutual protection.

Thus we see that not only "could land ownership by a corporation like the Steel Trust" be disentangled from its "whole scheme of corporate ownership" by the Single Tax, but inevitably *would* be.

Indeed, there would be nothing left but the actual investments for buildings, machinery, raw materials, rolling stock, tracks and such other actual evidences of labor products that could be translated into paper evidences of wealth. The capitalizing value of land will have gone.

Mr. Thomas says that "with the passage of every year it becomes clearer that to deal with this situation requires affirmative social control, not merely a trust in individual initiative and enterprise, if these are freed from the claims of landlordism."

How does Mr. Thomas feel that individual initiative and enterprise will act if freed from the chains of landlordism?

Food, shelter, a home, wife and children are the first and most compelling motives in the make-up of every man. These secured, quality, though perhaps secondary, is yet quite as compelling an urge that comes with the power to secure, and under the Single Tax the best food, the best shelter, the finest home and the very best there is both materially and spiritually for wife and children will be the rule.

Children will not be sent to work when the wages of the father will make this monstrous custom unnecessary; they will be at schools or in colleges. Men assured of a living will marry, and they will marry young. With children at school and women at their own firesides there will be few, if any, of either left to work in factories, mills, offices, stores or as servants in private homes, which will further tend toward an increased demand for the labor of men, toward the raising of the standard of wages and toward security for all labor. Women as mistresses in their own homes will rid society of another evil, indeed of several evils, that now are accepted as unavoidable (and even necessary) concomitants of "civilization" (?).

Relieved of the consuming and degrading fear of want, crime will disappear. Freed from worry, and given a chance to work and play, to live and laugh, disease will find no place among us. Men having enough, will not covet what is their neighbor's. Men, being free, with the avenues of effort ever open to them everywhere and at all times, will not seek the favor of those in a position to bestow a job upon them or to deprive them of it. Free men will dare to do right. The Single Tax will free men.

That, Mr. Thomas, is how "individual initiative and enterprise will act if freed from the chains of landlordism."

And may I submit for Mr. Thomas' consideration that such action or reaction on the part of individuals to freedom is not entirely, if at all objective; that it is part of man's make-up; that it is "in the scheme of things." Man's nature is an expression of All Nature, is part of All Nature, and is governed by Natural Laws that are as immutable and inexorable as are the laws of physics.

Why not approach these laws as every true scientist approaches Natural Law in his own field—study them, test them, and, having proved them, accommodate ourselves to them? We build bridges and "skyscrapers," and should build philosophies, in accordance with them.

OSCAR H. GEIGER.

CORRESPONDENCE

AN AMBITIOUS PROGRAMME

EDITOR LAND AND FREEDOM:

I feel that it is time you had another word from me repeating my commendation of your editorship of the current literature of our world-wide movement of regeneration, in the course of which comments I will make a few other observations.

LAND AND FREEDOM is a dignified and worthy organ of a transcendent cause. Though at times it may seem to you like casting pearls before swine, I think I may assure you the work you are doing is all big in constructive force, as all of us, by and large, are also workers—doing something every day for the Single Tax,—and you are handing us good dry ammunition constantly, and not a little inspiration.

I am far from satisfied that in this time, exemplifying as it does, all the worst phases of the phenomena that George saw, studied and solved,