

knowledge was at once embracing and thorough. His memory for illustration and figures was prodigious.

It is no small compliment to compare that work with the one before us, which does not suffer by such comparison. For Mr. Ralston has written a work which is easy to understand and which is a devastating attack on the present system of taxation. While we might be inclined at times to question its philosophy the clarity of its style merits all praise. It is positively interesting, and that is something indeed to be said of a work dealing with the subject of taxation.

This is not a clarion call to battle for the rights of man to the use of the earth. It is, instead, a calmly reasoned argument for a change in which land values shall be taken for the needs of government. Yet it all follows—the great gospel of industrial emancipation is indicated in all its implications. If we weigh the argument we shall find that nothing is really omitted. Just as all truths have many doors, so the door chosen by Mr. Ralston admits us to the house of "The City Beautiful," as readily as does the key supplied us by Henry George. And indeed it is true that if "Progress and Poverty" had not been written either would this admirable treatise on taxation have seen the light.

It is not peculiarly soul-stirring to be told that taxation should be levied upon land values. Yet the reasons for doing so include every related question of wages, industrial conditions, the abolition of poverty, all the ethical arguments, all the resultant benefits which may be pictured in the rapt eloquence of the seer are involved in this simple change in the incidence and operation of the taxing machinery.

It is true that the proposition of Henry George is more than a fiscal measure. Its advantages do not solely consist in giving us a better system of taxation. Nor approached in the manner that Mr. Ralston treats it is the argument thus narrowly circumscribed. Indeed it cannot be. The argument however cautiously begun must end in the ethical appeal for its validity, for ever the question, "Is it just?" must take precedence of the query, "Will it pay?" There may be little left for eloquence but much for the ratiocinative faculty.

To trace the true source of revenue Mr. Ralston examines the evolution of government that arises from the principle of cooperation. He is careful to point out that government is only beneficently operative when it serves this purpose.

Occasionally Mr. Ralston irritates us. To those who want the changes in the direction of sane taxation made at once he reminds us that the orderly development of human institutions do not admit of it. Perhaps not, but why stress the gradualness?

Nor are the reasons given by our author for the gradualness of approach as operative in the ordinary progress of nations quite convincing. He tells us that violent revolutions may and do take place. He says France changed from a monarchy to what was esteemed a democracy, but that after a hundred years "she still has great lessons to learn about popular rule." So have other nations which have not experienced violent revolutions. France is at least equal to these others in her ideals and practises of democracy.

In Russia he tells us upset by revolution the institutions of centuries and yet we cannot say it has brought liberty to the people, though her condition has slowly bettered. This improvement could have been attained more easily by more orderly methods."

How the tyranny of the Czarist regime could have been overthrown by orderly methods Mr. Ralston does not tell us; that infamous thing could first be destroyed before any improvement was possible.

He tells us that sixty-five years ago we abolished slavery with the aid of the sword and the stroke of a pen, but today the evils are not wiped out. Well, would gradual abolition have wiped them out? Would Mr. Ralston have us believe that?

There are also a few statements similar to those which formed the basis of a controversy between Mr. Ralston and the editor of LAND AND FREEDOM a few years ago. But why should we be so ungracious as to find fault? Mr. Ralston comes bringing gifts, real powers of analysis, demonstrations clear as a bell of the wickedness and stupidity of the present system of taxation. He tells us that his purpose is "no more imaginative or ambitious" than this. If in the attempt to keep his

feet on the ground he seems to have got too firmly rooted in the earth, let us forget that in the fine service he has rendered in writing this very useful book.—J. D. M.

HARD TIMES*

I think it was Carlyle who stated that the stupidity of the human animal knew no bounds.

I know that the late Senator Watson of Georgia, on being chided because of the low intellectual appeal he was making in a political campaign, replied:

"Sir, it is impossible to estimate how deep is the ignorance of the mass of the American people."

I need not refer to history to justify Tom Watson's remark. Witness our late war, wherein the mental age of our youth was found to be thirteen years. (National Academy of Sciences, Memoirs, Vol. XV, page 785, 1921.)

Observe the trashy tabloids which we so greedily devour. In New York City we have one which boasts of a circulation of 1,320,000, although it has been in existence only twelve years. Contrast this with the *New York Times*, a real newspaper, which in thirty-five years under its present management has been able to attain a daily circulation only one-third as great.

Here is a book written by a professor of economics, whose nonsense can befuddle only the unthinking mob. It would be cruel for me to point out all the drivel which this seventy-seven-year-old professor has placed between the covers of his book.

I am more disturbed that another pseudo-economist, George E. Roberts, occupying a position of authority in the National City Bank of New York, the largest bank in the United States, should deem this "a valuable book upon economics."

The dedication to Dr. Albert Shaw gives an inkling of the trash here to be found. Ely states that he first met Shaw at Johns Hopkins University. Shaw said to Ely:

"I am a country editor in Iowa, writing on strikes, boycotts, high tariff and other problems. I know nothing about all these things."

It is commendable to admit one's ignorance, but inexcusable for the blind to attempt to lead the blind. Professor Ely follows in the footsteps of Dr. Shaw, and attempts to write about something he knows little or nothing.

Let us examine more closely his mature reflections of forty years. He says, page 5:

"With the thought that I might get atmosphere for this book, I bought a copy of Dickens' 'Hard Times.'"

Very appropriately he read a work of fiction before he started this book.

"In our early days our wealth was chiefly in land—farm land, and to lesser degree, during the first half of our history, in urban land." (Page 16.)

Pray, gentle reader, when, if ever, was our wealth in land? Wealth, as that term is understood by the scientifically trained political economist, consists of natural products worked up to gratify human desires.

The ownership of land gives the land owner power to take wealth from those who produce it. Land is the source of wealth, but it is not now, nor has it ever been, wealth, no more than pickles are automobiles.

Professor Ely is unable to explain why the keenest sufferings occur in those countries which have reached the highest state in economic evolution, or why as we go forward from one state of economic evolution to another, panics become increasingly severe and hard times more and more terrible.

Inferentially he attempts to excuse land speculation:

"It is hard to find vacant property (evidently meaning idle land)

*Hard Times. By Richard T. Ely, clo. 193 pp. Price \$1.75. The Macmillan Company, New York City

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.