

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World.

ARRIERE-PENSÉE.

(*For the Review.*)

By the late JAMES LOVE.*

The world is a lively place enough, in which we must accommodate ourselves to circumstances, sail with the stream as glibly as we can, be content to take froth for substance, the surface for the depth, the counterfeit for the real coin. We wonder that no philosopher has ever established that our globe itself is hollow. It should be if nature is consistent in her works".—Economic attitude of the schools.

At any place or time the prevailing social institutions, to the people involved, must seem both natural and just, otherwise they could not prevail. And no matter how grotesque they may be and in conflict with common sense, nor how far removed from primitive self evident notions of justice, they have been so slowly evolved that change was never noticed. In the eternal city during nineteen hundred years of our era when Latin has been supplanted by the Italian tongue and Paganism by Christianity, the inhabitants have daily attended to their domestic affairs, opened their shops, labored at their trades, engaged in discussions, attended spectacles, worshipped in the temples, and prostrated themselves before the same altars and the same gods. Never suspecting in any decade or even through century of years that vital transformations were going on. And so the freedom of action and just equality of wealth found in simple tribal societies may, from seemingly small mis-step, slowly and imperceptibly develop into chattel slavery of the masses, or later into an industrial slavery in some ways far more heartless and unjust.† May evolve institutions which, though in a more enlightened age recognized to be the extreme of injustice, at the stated places or times were proof against human reason—even against Divine revelation.‡ For in the lapse of ages civil law, philosophy, ethics, religion, theology, necessarily have adapted themselves to existing and believed-to-be

*James Love, author of "Japanese Notions of Political Economy," and one of the *Review's* valued contributors, died last month at Camden, N. J. See notice of deceased in back pages of this issue.

†Two thirds of the inhabitants of India, China, Siam, etc.—civilized peoples—go naked and subsist almost wholly upon rice.—John Randolph of Roanoke said that, during the few weeks on the *Man of War* that bore him to Russia, more flogging had been administered to 500 *free* seamen than had been administered to 500 slaves on his Virginia plantation during his whole life.

‡Up to fifty years ago poverty and its accompaniments were in the main believed to rest not upon social maladjustments, but upon individual misconduct. Thus to the "Society for the Diffusion of Useful Knowledge," Sociology was not useful knowledge. The causes of poverty and vice was suggested only in such articles as *Gin Lane*, the *Idle and Industrious Apprentice*, the *Rake's Progress*, and so on—as punishment for personal wrong doing.

natural social conditions. One error supports another. An attack upon one custom is held to be an attack upon all. An attempt to suppress or even to modify the system of polygamy in Turkey would be opposed to the death by women as by men, by slaves and free, by priests and robbers, by rich and by poor, by men with no wives or but a single wife, as well as the multi-wived. Just as the attempt to check the extension of negro slavery was opposed by all classes, slave-holding and non slave-holding, in America. We can often recognize the fearful tyranny of custom in considering another people, but are seldom willing to admit that we are also in bondage.

Thus an attack upon scholastic Economies seems to be—and really is—an attack upon the whole social structure, and notwithstanding the brilliant reasoning of Single Taxers, their cutting satire, their just and caustic criticism which tears apart the inwoven tissue of absurdities there is aroused, in the main, but a dread of anarchy. For nearly every one, especially the “Learned Man,” is so dead sure that our social institutions are just that to defend them would be to waste effort, would be to defend the impregnable. Hence the Duke of Argyle wrote: “It has not been my aim to *argue* but to disprove George’s argument by its ‘Reduction to Iniquity.’” And again, “I know very well *whether I can unravel his fallacies or not* he is talking the most arrant nonsense, and must have in his composition, however ingenious or however eloquent, a rich combination and a very large percentage of the fanatic and goose.”

Hitherto in the world’s history growth in civilization seems to have been ever accompanied by moral decay.* And to-day in our great schools notwithstanding the many brilliant men in such departments as astronomy, geology, archæology, chemistry, mechanics, history, mathematics, languages, literatures; the studies that deal more particularly with the laws of mind, under whatever name, psychology, ethics, metaphysics, theology, sociology, political economy, might, it seems to me, be termed “The Immoral Studies,” as being divorced from morals, and in less rational state than in days of Plato or of Job.

In these schools, to pass examinations for a degree in a physical science, some real knowledge is absolutely needed. In chemistry the would-be Master or Doctor must not assert that acids are really nothing but alkalies, and that the distinction is unscientific; in geology to argue that it is impossible to determine

*Overlooking this social truth so clearly suggested in the “Deserted Village,” we admire that poem mainly for its charming rural descriptions. While Professors are pleased to quote such passages as the following to illustrate “the Popular ignorance of Economics.”

“Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.”
* * * * * “The man of wealth and pride
Takes up a space that many poor supplied—
Space for his lake, his parks extended bounds
Space for his horses, equipage and hounds;
The robes that wraps his limbs in silken sloth,
Has robbed the neighboring fields of half their growth;
“Where, then, ah! where shall poverty reside,
To ’scape the pressure of contiguous pride?
If to some common’s fenceless limits strayed,
He drives his flock to pick the scanty blade,
Those fenceless fields the sons of wealth divide
And even the bare worn common is denied.
If to the city sped—what waits him there?
To see profusion that he must not share:
To see ten thousand baneful arts combined
To pamper luxury, and thin mankind;
To see each joy the sons of pleasure know
Extorted from a fellow creature’s woe,” etc.

the relative ages of the strata, and that no rock is of sedimentary origin except granite, would be as fatal to aspiration as it would be in astronomy to declare that both sun and moon revolve about the earth. In each of these sciences there is a great body of ascertained—verified—indisputable truth. But in the aforesaid more strictly mental or moral sciences there are apparently no absurdities that may not be received. Nothing is settled. Everything passes. So that he who wishes to get through swimmingly and with applause follow their roseate pathway; to come out quite as well equipped to teach as my Reverend friend Stewart, accoutred with the smallest of opera glasses, was at a total eclipse, to study the "Solar protuberances."

Thus, in Economics, (really mere bric à brac of disconnected notions) he may insist upon man's natural selfishness or his natural benevolence. His graduation thesis may deal with politics only, or "Finance," or agriculture.* He may advocate free-trade and eulogize Adam Smith, or advocate protection and eulogize Carey and the corn laws. May argue that social troubles all arise from pressure of population upon subsistence, or from overproduction of subsistence.† May maintain the "Bargain Theory of Wages," the "Supply and Demand Theory of Wages," or the "Standard of Life Theory of Wages." May insist upon a vital distinction between Capital and "Capital Goods," or may insist that everything in the universe—including man and his natural or acquired powers—is capital. May attempt to connect the prevalence of sun spots, or extravagant consumption of millinery, with periods of commercial depression, or try to show a relation between weather conditions and the prevalence of crime. May write, as did Albert Shaw in the *Review of Reviews*: "The Pension Bill, while it makes an enormous drain upon the revenues of the country, is not exhaustive of the resources of the people, because it represents a great sum collected from the people and at once disbursed to them again, and put back again into the channels of general circulation.‡ Or as Brisben Walker in the *Cosmopolitan*: "The world's real rulers are those who control the concentrated portion of the money supply."§ May treat Economics as vesting upon moral law, or, like Seligman, deny the existence of moral law. Anything passes—the more extravagant, the more acute, the more incomprehensible, the more profound.

The applicant will be commended, should he, after stating that Labor, Land and Capital are the primary and *wholly distinct* factors in production, declare that Land is nothing more than Capital, and that skilled Labor is Capital. He will not be rejected should he reply that he doesn't know what Economics means—cannot say what is included in its teachings. Does not one of the

*Prof. James E. Thorold Rogers of Oxford, in 1883, published a book entitled "Ensilage in America. Its Prospects in English Agriculture," evidently believing that it pertained to Economics.

† "All commercial difficulties arise from over-production and never from under-consumption.—Henry Duning Macleod, Trinity College, Cambridge.

‡ (A note not needed by Single Taxers.) This argument to prove that cash stolen from my till is not lost to me if the robber spends it in my store, springs from the fact that civilized governments collect taxes in money and not "In Kind." What is *really* collected from the people, is what the pensioners obtain—food, clothing, tobacco, beer, railway fares, theatre tickets—*et id omne genus*. Which things are eaten up, worn out, as we say "consumed"—ended. Nothing is "Put back again into the channels of general circulation."

§ Said the Greenbacker—"Yes, the land question is important no doubt, but there are other questions. There is the money question. The money question is more important than the land question—you give me all the money and you may take all the land." "Well," replied the Single Taxer, "suppose you had all the money in the world and I had all the land in the world. What would you do if I should give you notice to quit." Carnegie, Rockefeller, Senator Clark, Astor, illustrate the power of monopoly, not of money.

highest authorities, Bonamy Price, of Oxford, in reply to the question, "What is Economics?" say "a precise answer will never be given." And though it is agreed that the chief object it deals with is "Wealth," the applicant may with assurance declare that to him Wealth is an unknown quantity, as Professor Price and Perry and many others do,* or he may attempt a definition to add to the economic bear-garden. Should he reply that the term Wealth consists alone of things having Value, most, but not all. Economics would assent. "Wealth," says Professor F. A. Walker, is everything that has value and nothing else." But—what is "Value," as the term is used in political economy? Though a correct response here is *absolutely essential* to a "science" of political economy the response of the schools is but vociferous confusion.

Adam Smith, clearly distinguishing between "Value in Use"—usefulness—and the Value with which alone political economy deals, "Value in Exchange," failed to distinguish *the two sources of Value in Exchange*. He writes, "Value (that is Val. in Ex.) is the equivalent of the toil and trouble of exertion that the valued thing will save to the owner, or enable him by exchange to induce others to take for him. Labor alone is the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared. It is their real price, money is the nominal price only * * Labor therefore is the only universal as well as the only accurate measure of Value, or the only standard by which we can compare the values of different commodities at all times and all places." But the term Value in *Exchange* used by Smith as a convenient term for a quality, has by all of his successors been used as expressing the *nature* of that quality, so that they rest upon *Exchange ability* as the true basis of value, and ignore that upon which Smith truly based Value—*Labor*.

Yet Smith sought to find some material standard that like a yard stick or a standard weight might measure the toil and trouble of exertion. A thing that cannot exist. "The only possibility of such a measurement being in—to use Smith's expression—"the higgling of the market"—competition among producers when seeking to exchange.

It is not the amount of labor expended in producing it, but the amount of labor (or things produced by labor) that it will exchange for, which fixes the value of a thing. But there are some things that can no longer be produced—a First Folio of Shakspeare, or an autograph letter of Washington, which because of sentiment or enthusiasm may attain great value. Also there are things not *produced* (therefore not wealth) that yet have value, and sometimes great value—value resting upon "Obligation." Government Bonds, for instance, the wealth exchanged for which was not by the government used as Capital (Wealth used to facilitate the production of more wealth) but has been consumed in unproductive ways—building war ships, or in maintaining armies, etc. The so-called "Interest" paid over to bond holders, not being the share of product "Distributed" to capital—not being "Produced," is not interest at all, but only wealth arbitrarily taken from the people by taxation. Also, there are the values of patents and other monopolies, especially the value of "Land." Land value, steadily increasing with increase of population and advance in the arts. Yet except in its relation to population land does not change, but remains as it was in the beginning when it had no value at all. There is increase of

* Perry says that it is impossible for Economists to define wealth. Bonamy Price (Oxford) says that we must give up all hope of a scientific definition of Wealth. Denslow says that there is utter discord in the definition of Wealth. And there has been a tendency to substitute for that term the terms Prosperity, Riches or Goods. Most of the newly fledged Economist however use the latter—"Goods,"—But the trouble was not in the name. The trouble was and is that these gentlemen can find no common characters that will enable them to unite in one class certain things which custom only forces them to believe must be in one class.

value without increase of wealth. Just as there would be should the buyer of a boat, in payment give his note for the price—thus doubling values.

These two distinct sources of value, one arising from production and adding to the general stock of wealth—the value of the boat; the other arising from obligation and adding nothing to the general stock—the value of the note or of the land—so clearly presented by the genius of George which when recognized permit a true definition of "Wealth" and raise political economy to the dignity of a science; one of the most exact of the sciences, as well as the simplest and most beneficent. A science, that when applied, making progress incompatible with poverty shall herald a peaceful social revolution greater than the most sanguine of reformers ever dreamed of.*

But in the schools, these two values, not being recognized as distinct, the professors continue to grope without light or guide as in a Cave of Despair producing writings that in absurdity seem to me to exceed the theological compositions of the dark ages.

The term Value is so fundamental, says Mill, that Whately proposed to name political economy Catallactico or the Science of Exchanges, and other eminent economists have called it the Science of Values. It is a term so important that "the smallest error on that subject (Value,) infects with corresponding error all our other conclusions, and anything vague or misty in our conception of it, creates confusion and uncertainty in everything else," and though Mill immediately adds, "Happily, there is nothing in the laws of Value which remains for the present or any future writer to clear up; the theory of the subject is complete." Yet here now, in the year 1905—fifty-seven years after Mill wrote the above, and a century and a half after the Physiocrats and Adam Smith—the meaning of the term Value is wholly in dispute. To be sure, during the past few years the "Marginal Utility Theory of Value" of German origin is something of a fad in our universities, whose Economists, to indicate their own profound learning like to show familiarity with the long titled German books, the names and rank of their authors, and the recondite terms that they use. But none of them comprehend the theory. It is not to be comprehended. They win a reputation for depth by assuming to comprehend it. Making no distinction between utility and value—that is, between "Value in Use" and "Value in Exchange," this latest theory makes the term Value—as used in Economics—expressive of the *intensity of desire*. Ignoring the patent truth that all men seek to satisfy their desires in the easiest way, and will never, no matter how great the desire for a thing, pay more for it than they are obliged to.

Believing with Spinoza that the first step towards truth is the recognition of error, I have written a number of papers intended to be helps to the recognition. But it is a weary work. For in these matters not only professors, but most men really, *prefer* error to truth. Error is quieting, is far easier to acquire and to teach. Besides it doesn't endanger one's chair, one's pulpit, one's income, nor one's political nor business aspirations. Though Lamb said, in defence of lying, that "Truth is precious and not to be wasted upon everybody," he referred probably to the concrete article. Abstract truth is seldom held to be precious, and in political economy is ever despised and rejected of men. So the schools will continue to accept, and under the guise of pseudo science, teach current vulgar opinion. And improvement will come—can only come—when forced upon the schools by a more intelligent vulgar opinion. And as for political improvement, that in the past—because certain institutions were not recognized to be hurtful—has often lagged till civilization was overthrown. We Single Taxers, however, may, I think, find hope and consolation in the fact

*Unto you only, Oh, Single Taxers, is it given to know the certainties of the Kingdom of God and His righteousness.

that the evil institutions of *our* age, tending to operate with a speed electric, may be more easily recognized as hurtful. To illustrate—(In old times on the Atlantic coast,) at the outbreak of the Revolutionary War, one hundred and fifty years after the first settlement at Plymouth, there was in all New England not one man perhaps worth \$200,000. But there was little crime and no beggars.—(In our times, on the Pacific coast)—within twenty-five years after the real settlement of California by Americans, besides other millionaires, there were the "Solid Nine" said to be worth twenty-five or thirty millions each. With the accompaniments however of frequent strikes, much crime and many beggars. The fact that one man within a few years after he had been retailing whiskey by the glass over his own bar, and another, not long after he was boiling beans in an emigrant's cabin, are each worth thirty millions; while so many of our people can find no employment and wages are low, suggest, more forcibly than in slower times, that somewhere there must be a political mistake. But, wrote Franklin in substance, such mistakes are not new. History is full of the errors of States and princes. Those who govern, having much business on their hands, do not generally like to take the trouble of considering and carrying into execution new projects. The best public measures are therefore seldom adopted from previous wisdom, but are forced by the occasion. So—let us hope that the occasion is presenting itself in the undreamed of land values, especially in our cities, with consequent buildings twenty-five stories high, families crammed into apartments, flats, tenement rooms; children daily killed on the streets; the unemployed hordes, the hungry, the insane. The exaction of trolley, gas, water companies with the increasing municipal revenue troubles,* shall soon, in the Light of Progress and Poverty, force a beneficent occasion.

I have been led to these moralizings by a paper in the August No. of the *Quarterly Journal of Economics*. A lucubration of 37 pp. by Jacob H. Hollander, Ph., D. of John Hopkins, entitled, "The Development of Ricardo's Theory of Value."

Ricardo, who died in 1823, spent much of his latter life in unsuccessful effort to define the fundamental term Value as used in political economy. A term which still, eighty-two years later, defies professional Economists. Hollander's article, learned and dull to the last degree, may yet serve as well as another to illustrate the lettered confessed ignorance that passes for wisdom, and the pitiful bewilderment of scholastical economists. Without attempt at thought it is fortified, of course, with constant reference to authorities—Malthus, McCulloch, Torrens, Rogers, Wiesner, Mill, Smith, Say, Cannan, Ramsay, Trower, Senior, et cet., at bottom of every page.

It commences, "Modern discussion of the validity of the economic system of David Ricardo has centered about the theory of Value." "On the one hand, Jevon's classic attack has been maintained with undiminished vigor by a group of critics among whom the Austrian representatives line up conspicuously. On the other hand Professor Marshall [of Cambridge] has broken a mighty lance for the essential correctness of the Ricardian theory, and has inspired in this as in other directions a distinct re-appreciation. But this doctrinal doubt has been waged with such heat that polemic endeavor has in no small degree replaced textual study. Fallacy hunting has been met by generous interpretation. Hypercriticism has been answered by apology, and in intent concern upon establishing or overthrowing alleged errors both critics and supporters have relatively

*The Carnegie million dollar gift to Philadelphia for a public library, it seems is insufficient to buy even a properly located site. The Dundas-Lippincott lot at Broad and Walnut, abt. 150x250 ft. is priced at two and a half millions. Sherwood forest, a grand and ancient piece of woodland, is being destroyed, the land to be cut up into small building lots, the city being unable to buy it. So it goes everywhere. Surely a *rational* creature from Mars would be confident that "Man" is an irrational animal.

neglected Ricardo's original explanation of Value and the successive changes which the exposition underwent"——"Starting from Adam Smith's recognition—in itself as old as Aristotle—of the two different meanings attached to the word Value (namely Value in use, and Value in exchange.) Ricardo pursued the course, etc."——"Malthus had early declared that 'The money price of corn in a particular country is undoubtedly by far the most powerful ingredient in regulating the price of (Value of ? Wages of ?) labor and all *other commodities*' "——"Ricardo later, "I am more convinced than ever that the great regulator of value is the quantity of labor required to produce the commodity valued."——"In 1820 appeared Malthus' *Principles of Political Economy*. An entire section was devoted to a vigorous and effective criticism of the adequacy of the labor which a commodity has cost considered as a measure of exchangeable value."——"In 1821 James Mill in a discussion with McCulloch summed up conclusively, 'It thus appears by the clearest evidence that quantity of labor in the last resort determines the proportion in which commodities exchange for one another.' "——"Feb. 3, 1823, at Political Economy Club. Torrens in the chair—Malthus, Ricardo, Took, Mill and Mosher among those present. Question 'What are the circumstances which determine the exchangeable value of commodities ? ' "——"At a third meeting the related question—'Can there be an increase of Riches without an increase of Value' was discussed."——"Later on Ricardo wrote to Trower that Warburton and Torrens—to say nothing of doubtings of Blake, Took and other members of the group—had their particular view as to the proper measure of Value."——"Ricardo's theory of value was distinctly a doctrinal growth. * * And only when interrupted in the light of the successive conditions and influences which affected Ricardo's scientific life does the growth become * * intelligible."

The paper concludes: "It is idle to conjecture to what extent Ricardo—had his life been spared for a few years longer—would have penetrated into the Value maze. He had come to a full sense of its intricacy and had passed beyond the stage of disputation. Certainly, he never would have remained long quiescent in doctrinal agnosticism. All that we know of his intellectual tenacity and his logical method suggest that he would have forged solidly ahead ultimately to attain, if not the central truth, at least a station far in advance of his disciples and his critics, and not far removed from that which his most sympathetic interpreters have been inclined to accord him."

These Economists are sometimes troubled because legislators neglect them. Thus Professor Price, of Oxford, says that "when important changes in the frame work of society are recommended it should seem but natural to consult the judgment of experts," and Hadley, of Yale, who has probably been snubbed by some rustic Solon, looks forward hopefully to a time when legislatures shall disappear and Economists be exalted. These gentlemen wish to direct the state, and hold that their direction will be wiser because of their "Economic principles." Indeed! What are economic principles? Except the so-called principle that population tends to increase faster than food supply, it would be hard to find any accepted principle in "Economics as she is spoke." Hadley does not write that every political proposition must be tested by economic principles, but every political proposition must be examined in the light of its *place and time*." Similarly Newcomb says that there are no economic principles to save the statesman the labor of working out each case on its own merits. Take any book on Economics, or Finance, or Politics and you will fail to find "Principles." You will find *opinions* political, agricultural, commercial, historical, fiscal—but more ungrounded than the opinions of the street.

President Roosevelt, I see, has appointed Professor Hollander to be Fiscal agent of San Domingo. And the appointee is probably well fitted to carry out the administration's views. However Roosevelt—a practical character with a

dislike for theorists, particularly of the Economic breed—most likely sought to find a man as ignorant as possible of political economy, and so chose a professor of it. Yet, at the same time, the President is credited with autocratic leanings—so it may be that Hadley's anti-legislative elysium is at hand and that the "Economists"—Heaven help us! are to have an inning.

I suppose that in ordinary life these professional gentlemen will pass muster with the average. But, when *Economic* writing and teaching are considered, it will be fair to compare them with Zadok Smeedle's deer. Zadok, a village Munchausen of my early years, shot at a deer which he failed to get, though sure that he had struck it. Next year he saw another deer with a white star on its forehead, and that seemed to have a bell about its neck—he heard it jingling. This deer being killed proved to be the one wounded the year before, when his ball it seems had struck it in the forehead, letting its brains run out. The bell-like sound was merely the lead rattling around in an empty skull.



* RADICALISM IN LITERATURE.

PART II. Some Modern Manifestations.

(*For the Review.*)

By GRACE ISABEL COLBRON.

In speaking of the manifestations of Radical Thought in literature, it is not our purpose in this article to include any such writings as are purely theoretical or dogmatic, however fine their literary quality may be. The intention here is to consider the awakening of the radical Thought in works of pure literature, so-called, in writings that conform to the one or the other art form, poetic verse, fiction, or the drama.

The development along these lines during the past century in all the tongues of civilization has been tremendous, more than the sum of all the centuries preceding can show. Of course in the scope of a short magazine article like this, it will not be possible to more than mention the trend of literature in some countries, or to give a name or two from others. From the struggle for political freedom which inspired Schiller and Kleist, down to the economic struggle as portrayed in Hauptmann's "Weavers"; from the unconscious teaching in Dickens' portrayal of London slums down to the very conscious preaching of George Bernard Shaw, for example, the same road has been taken by modern literature in every language. More in some, less in others, many factors working together to make the difference, but the trend has been the same, the same gathering towards a common goal.

Russia takes her poets' mission seriously, and therefore her autocrats, understanding the poet's power, clip his wings and attempt to muzzle him with legal gags. But as no danger can deter the poet who feels the call to speak and who knows that thousands are hanging on his words as on a gospel, Russia's radical literature has put forth superb blossoms. But the evasion of the letter of the law, rendered necessary for the Russian poet if he would be heard at all by his countrymen, has driven him to be more a portrayer than a preacher. With the exception of the fearless Tolstoy, the Russian writers' greatest strength lies in a pitiless portrayal of wrong conditions, more than in

* Part I. of this article appeared in the Winter Number of the REVIEW for 1905.