

grocer. The milk in its progress towards human gullets has jumped a series of useless and harmful hurdles. To obviate some of these effects of officialdom Prof. Fairchild would have the Federal Government take them over, on the homeopathic principle that "like cures like." Instead of having first things come first he proposes to have last things come first. I would tackle the fundamentals first with every assurance that the incidentals would take care of themselves. Sweet are the users of *laissez-faire* when working under conditions of freedom.

Prof. Fairchild writes, "Any one who is familiar with the role played by speculative profit-seeking in the creation of depressions will recognize that the removal of this force would produce sweeping results." My belief is, that the cause of depressions is an inability to meet obligations, in other words, DEBT. It is true that when the value of stocks fell and the buyers on a margin were called on to put up cash or more stocks, and could not, that the depression became manifest. There are two necessary steps to prevent depressions. First, take away the speculative value of land by taxing it at its part or full value, preferably the latter, which would be about five to seven per cent. Or, do as the socialists propose, take it over and charge rent for its use. That makes Iowa and Florida land booms impossible.

I think a splendid argument against Prof. Fairchild's scheme of governmental meddlesomeness, regimentation, and purblindness is his own statement, "the one great unanswerable objection to complete socialism has always been that it would be virtually a system of state slavery. With the government the only employer, anybody who worked at all would have to work for the government, and since such a government would not allow idleness, there would ensue an actual condition of forced labor. Forthwith there arise the habitual questions as to who would assign jobs, who would affix wages, who would be on the regulating committee?" That little paragraph is like a bullet; it hits his argument. Any argument based on fundamentals should succumb to that wound. But arguments based on incidentals are so shifty and attenuated that they are apt to be only excited by the thrust of a basic principle.

A state to control monopolies only, gets us back to the Jeffersonian idea of government, that it is best when governing least. A non-corporative state is a misnomer. Prof. Fairchild's state would be practically a huge corporation with multitudinous details, licenses, officials, annoyances, and assaults on the law of equal freedom.

IF "real estate" can not bear the burden of governmental expense then the government deserves no support. Every useful governmental act increases land values and automatically makes land able to bear the expense. Acts that are not useful have the opposite effect and the government must be indulging in a lot of them if "real estate," or rather the land part of real estate, can not pay.

## Democracy

By HENRY WARE ALLEN

IS our democratic form of government a success? This question is being asked more and more frequently. Italy is pointed to as having the most efficient government today and speakers before our civic clubs in referring to Mussolini, himself a Rotarian, are apt to receive prompt applause when suggesting that we ought to have a benevolent despot of his type in the United States. College men and liberals who might naturally be counted upon as the strongest supporters of democratic institutions, are foremost in the ranks of those who have become discontented with present conditions. Possibly the reduction of salaries has something to do with this attitude of mind and it may also be responsible for the easy acceptance by them of the programme of state socialism. There is a growing belief that big business can not be handled in any other way and that the state must take care of the unemployed and the underpaid.

Socialism is an elastic label. Years ago it was used as a term of opprobrium and the word socialist was an epithet. The socialist like the anarchist was a dangerous agitator. Then Christian Socialism was introduced and although the plans and proposals of socialists themselves are more or less vague and indefinite its advocates are now much more numerous to be found in the parlor than in the street gathered about soap box orators. The standard dictionary defines socialism as involving the "public collective management of all industries." Says Henry George, "Socialism seems to us like men who would try to rule the wonderful complex and delicate relations of their frames by conscious will." This is exactly what the government at Washington has started to do. It is an innovation diametrically opposed to democracy and if continued is certain to result in usurpation of power with tyranny. A benevolent despotism easily changes to a malevolent despotism. Socialism is founded upon the theory that the individual citizen is not competent to manage his business affairs but that he must on the contrary be subject to the management extended by the superior wisdom of government. Most important of all is the fact that socialism denies and ignores the existence of natural law and, therefore, substitutes in place of natural law the regulations and restrictions of puny men.

In this connection it is interesting to note that socialism has a tendency to lead away from that faith in God which is based upon reverence for His natural laws which are provided in every realm of science including that of political economy. Conversely, it is the universal testimony of those who have come to understand the full development of democratic ideals that this, by revealing the harmony and inter-relation of natural law, has given them a new faith in God. It is true that in Russia where socialism is now in force on a grand scale, antipathy to the church

had for its origin the corruption which existed in the old days between church and state and which was largely to blame for maltreatment of the Russian Serf, but entirely aside from that influence it is noteworthy that in Russia, as everywhere with socialism, there is but little room for religion, natural or revealed.

It is also significant that the Roman Catholic Church while condemning unequivocally state socialism has signified that it finds no objection to the democratic system as interpreted by Henry George. Socialists blame the competitive system for all of our economic ills. As a matter of fact the competitive system is in harmony with beneficent natural law and has the effect of providing prices on all commodities that are fair and just to both buyer and seller. This may be proved by assuming an imaginary sale in which by extreme altruism the seller endeavors to secure as low a price as possible while the buyer tries to pay as much as possible. The final result of such bargaining will be found to equal exactly what would be reached by the natural procedure of the buyer paying as little as possible and the seller asking as much as possible. Let us not be deceived! State socialism leads directly away from democracy, freedom and independence, to despotism, tyranny and ultimate slavery.

Most eloquent of all tendencies away from democracy and towards state socialism is the programme that was so quickly put into effect by President Roosevelt after his inauguration with his National Industrial Recovery Act. The ease with which this measure has thus far been advanced without any serious opposition is due first to the fact that from the day of his inauguration President Roosevelt has been accepted as a greatly needed Moses to lead us out of the wilderness of depression and who was gladly given carte blanche to go as far as he pleased in the steps which he considered necessary to restore prosperity. In the second place Mr. Roosevelt, an aristocrat in every sense of the word, has been able to put over a partial programme of state socialism which would doubtless have been stoutly resented had it been attempted by the socialist party.

The answer to this much mooted question, Is democracy a failure? must be made as was Henry Ward Beecher's retort to a similar query, "It has never been tried!" The real cure for an apparent failure of democracy is *more* democracy. Unfortunately, the science of political economy, as given to the world by Adam Smith, Ricardo, John Stuart Mill, and Henry George, has been neglected by our schools and colleges, being replaced by "Economics," "Sociology," "Civics," etc. Insistence upon the same inexorable natural laws in application to the affairs of government, which are readily accepted in the realm of astronomy, mathematics and mechanics has been replaced by theories based on expediency alone. It has been difficult for "Progress and Poverty" to be accepted as a textbook when its author was known to be without a college education.

And so the American people have approved a plan for the recovery of prosperity in which cause and effect have been transposed. Inasmuch as when times are prosperous wages are high and hours of labor are short, the government, forsooth, issues an imperial edict that employers shall shorten the hours of labor and shall pay higher wages, thus producing prosperity! With regard to the distressing condition of agriculture the same theory is applied. When the selling price of wheat and cotton is high the farmer is prosperous. Ergo, the government commands that acreage be restricted and growing crops destroyed, and it accompanies this command with subsidies of hundreds of millions of dollars in order that the crop shortage shall result in high prices! Incidentally the taking out of cultivation of millions of acres of fertile land has the effect of increasing the artificial scarcity of land, in that way aggravating the evil of land speculation. That this entails a heavy burden upon the taxpayer in addition to the increased cost of living thus artificially produced is a consideration not taken into account by the government. Needless to state the carrying out of these measures includes the creation of a new army of public officials at heavy expense to the taxpayer.

In this connection it may be of interest to recall the way in which the farmers of Denmark reacted to a similar situation. During the seventies the exportation of American grains to Europe reached immense proportions. The farmers of most of the European countries demanded and received from their respective governments a protective tariff which enabled them to continue the raising and selling of wheat and corn in their home markets. But the farmers of Denmark were made of better stuff. They did not pauperize themselves by demanding governmental favor. They chose the democratic plan in preference to that of state socialism. They decided to utilize instead of to obstruct the free entry of grain into Denmark. They wisely ceased to raise those cereals and changed their farming operations to include dairying, stock raising and poultry raising on an enlarged scale, the net result of which proved to be of decided advantage to them and justified the decision which they had made.

In times past it has been assumed that the Democratic party accepted and followed the traditional democracy of Thomas Jefferson, which stood for a strict construction of the constitution, a minimum of centralized power at Washington, a tariff for revenue only if not, indeed, "freedom of trade with all nations, entangling alliances with none," and above everything else that foundation stone of true democracy, "equal rights for all and special privileges for none." Today we are confronted with the fact that every one of these tenets of democracy has been reversed. The government at Washington is now working upon a loose construction of the constitution, the functions of the centralized government having been amplified to an extraordinary degree; instead of free trade or a tariff for revenue only we have a monstrously burdensome pro-

tective tariff which the President's advisers are said to demand shall be still higher, and the foundation stone of democracy has been changed to read "equal rights for none, special privileges for many."

How does it happen that the standards of ethics observed by governments are so far below the standards which are observed by individual citizens in their relations one to another? Whatever the explanation of this the very existence of this fact gives strength to the democratic demand for a minimum of governmental activities, supporting the maxim that "the least government, consistent with law and order, the better." And for the same reason this makes stronger the objection to state socialism with its abnormal power, regulation of and interference with the rights of the individual citizens. But the explanation of a prevailing lower code of morality with governments than with the individuals living under those governments is not far to seek. We have as a heritage the fiction that "the king can do no wrong." Modernized, this means that the government can do no wrong, that it has the right to do what it pleases. The government acknowledges no higher power to which it is responsible. It acts upon the principle that might is right. The decalogue is for its citizens but not for itself. The government may covet, may kill and may rob with impunity. This general fact is illustrated throughout all history, punctuated as history has been, with periodic rebellion against the tyranny of government. Of course, it is true that violation of the moral law and all other natural law by governments as by individuals is punished with inexorable certainty. This is why nations have perished. Democracy has shattered the idea that kings rule by divine right, and it has at the same time permanently established the idea that the voice of the people is the voice of God.

If we indulge in a little primary political economy and have under consideration the wages of labor which, of course, affect all wages and salaries, it will be found that when the number of jobs exceed the number of workers then wages will rise, whereas when the number of workers exceed the number of jobs then wages will fall. Wages are not fixed by employers, employees or by government fiat; they are fixed by the natural law of supply and demand. The object of statesmanship should be to so affect conditions that there will be an excess of jobs over workers. Every impediment, therefore, should be taken away from those forces which produce wealth with consequent prosperity. Wealth is produced by three factors: labor, capital and land. At the present time we find that capital and labor are mercilessly taxed in a multitude of ways, the sum of which is responsible for the depression.

Those who would scrap the democratic system, because, due to the inclusion of antagonistic elements, it is found to be working badly, must be placed on the same mental level with one who would scrap a fine automobile simply because its engine is working imperfectly. It will be found upon examination that the democratic system, per

se, is all right and not to blame in any way, but that what is to blame is a system of taxation which violates throughout every consideration of justice and equity, many of the taxes amounting to downright robbery. Take, for example, the income tax. This proposition was originally found to be unconstitutional, but unfortunately the Sixteenth Amendment to the Constitution was adopted, and then this iniquitous law went into effect. Up to the present time it has taken more than fifty billions of dollars from the legitimate earnings of capital and with no pretense whatsoever of providing equivalent service in return. Only about two per cent of the population have paid this income tax, this in itself violating the basic principles of democracy. The government has in effect said to the taxpayer, "Heads I win, tails you lose," for when there is a profit the government takes the lion's share, when there is a loss the government is not interested. The law has been so complicated that business men have been compelled to pay large fees to specialists for its interpretation and even then in thousands of cases they have had to pay large additional assessments under protest. After costly litigation it is frequently found that the government was in error but the costs have to be borne by the taxpayer. The logical effect of the income tax has been to cause tens of thousands of individuals and corporations to close their books and to go out of business rather than to submit to being robbed of their just profits.

Then there is the protective tariff tax. It is interesting to consider what coming generations will think of those of us who are responsible for a tax which keeps wealth out of the country, which greatly interferes with commerce, which involves inquisitorial methods with violations of the rights of citizenship, and which returns to the government in revenue but a small fraction of the amount actually collected from the public. This has been and is the most costly of all taxes paid by the American citizen. The protective tariff tax violates the basic principles of democracy.

Analysis of all the other taxes brings us to the same conclusion: namely, that whereas the individual citizens when dealing with each other invariably make settlements on the basis of equal values exchanged, the government proceeds in violation of every consideration of equity and collects the taxpayer's money wherever it can be found regardless of service rendered. The democratic system of government can not be charged with failure so long as a system of taxation which violates all the essentials of democracy is tolerated.

Business has been taxed to death. Tens of thousands of self reliant, capable and honorable American business men, manufacturers, bankers and others have been forced to close their doors through no fault of their own but because of the unscientific and unjust taxes placed upon them by the government, thus robbing them outrageously of the fruits of their labor.

It has been falsely assumed that there is a natural con-

flict between capital and labor. This is not true. The conflict is between labor and capital on the one hand and monopoly on the other hand. It is, therefore, the part of statesmanship to relieve both labor and capital of the onerous taxes which are responsible for the business depression.

The third factor in the production of wealth, land, presents an entirely different problem. Land is the gift of God to mankind. It should be accessible to all and, therefore, as free as possible to everyone. It becomes free in proportion as it is taxed up to its rental value. When untaxed or partially taxed it becomes a monopoly, and through its ownership wealth is diverted into the pockets of those who have done nothing to earn it.

The territory of the United States is easily capable of supporting ten times our present population. The State of Texas with its seven million inhabitants is about the same size of Germany with its seventy million. Professor Switzer of the Iowa State College even goes so far as to assert that the population of the globe, some two billions in all, could subsist by intensive cultivation upon the soil of Texas. Anyone who has traveled across our country knows that it is sparsely settled. In the last century only one man in twenty-five lived in the city, all others living in the country districts. Now, largely because of the increased efficiency of labor-saving farm machinery, fully half of our population reside in cities. But we have the paradox of a country in which there is an artificial scarcity of land. This is due to land monopoly resulting from a wrong system of taxation. By taxing the land up to the limit of economic rent it becomes cheap in price and consequently accessible, and by so doing we would throw open to settlement and use what would amount to a new continent. Meanwhile the government is following the absurd procedure of maintaining irrigating projects in desert lands while paying huge subsidies to farmers for keeping rich lands out of cultivation!

It is a matter of common knowledge that there was little poverty with no unemployment, low taxes and a very decent degree of prosperity prevailing everywhere in the country so long as there was a frontier of arable land where the enterprising settler might go if not satisfied with wages paid. But now there is no frontier and the land of the country is in the grip of monopoly due to our stupid system of taxation. Fully fifty per cent of the land of every American city is held out of use in vacant lots by the speculator. The explanation commonly made in reference to the depression that this is due to mal-distribution is erroneous. Our distributing facilities are excellent. The fault lies entirely with inability of the citizens to buy what he needs, due to the unnatural poverty of the people. The procedure, therefore, for an enlightened government is not to command impossible wages to be paid or impossible conditions to be observed, but to take taxes off of capital and labor as quickly as possible and to shift this

tax upon the rental value of land. This constitutes the perfecting of the democracy of Thomas Jefferson, Abraham Lincoln and Henry George.

## Washington News

ON the last Sunday in May, between fifty and sixty Single Taxers and their friends met in Riverdale, Md., for their annual gathering, a custom inaugurated when Colonel H. Martin Williams was appointed Reading Clerk of the House of Representatives in 1912, a position which he held until his opposition to seeing our country involved in a European War led to his dismissal.

For twelve years, the hospitable home of Colonel Williams—better known to his ever widening circle of friends as "Uncle Martin"—and his niece, Mrs. Jessie Lane, was a Mecca for Single Taxers and the scene of their annual reunion on or about the last Sunday in May.

About two months after the passing of Colonel Williams on March 8, 1924, his niece became the wife of the man who had devotedly nursed him to the end, James Hugh Keeley, a loyal and active worker in the fight for economic freedom, as he had been for temperance and for District suffrage, and in an earlier day, for the enfranchisement of women; and for eight years Mr. and Mrs. Keeley entertained Single Taxers and other progressives in the old home, which had grown to be an economic oasis in the midst of a desert of conservatism.

On August 1, 1932, Mr. Keeley joined his old friend "Uncle Martin," and for the last two years, Mrs. Keeley has bravely carried on alone, entertaining the Single Taxers and their friends the last of May.

Following the basket picnic, there was a programme of speakers among whom were George H. Duncan, former State Senator from New Hampshire, now secretary to Representative Fred H. Brown from that State; W. R. Gaylord, former Socialist State Senator from Wisconsin; John Salmon and Francis I. Mooney from Baltimore; George T. Pickett, President of the Llano Co-operative Colony in Louisiana; Mrs. Elizabeth M. Phillips, who recited two poems; Judge Lawrence Becker, Henry W. Selah, and A. L. Colton; Linn A. E. Gale, President of the Washington Open Forum; and Harlan E. Glazier, Secretary of the D. C. Socialist Local.

Western Starr closed the programme with a well-merited tribute to the hostess, to whom, in the name of the Woman's Single Tax Club of Washington, D. C., he presented a pretty and appropriate greeting folder containing a birthday remembrance from members and friends of the society. Mrs. Keeley, taken too completely by surprise to make any extended response, was soon surrounded by her guests, extending best wishes as adjournment brought the end of another perfect day.—GERTRUDE E. MACKENZIE.

"I DO but hunt God's ain cattle on God's ain hills."  
CHARLES KINGSLEY'S "Outlaw."