

order" in Colorado, and a tyrannical despotism in Russia?

S. D.



### An Old Ogre In a New Guise.

There is an old adage among a certain class of statesmen that the quickest way to allay discontent at home is to engage in war abroad. And now that modern preparations for war have become more expensive than war itself, the mere question of armaments is used to stay social progress. English politics have reached the highest point in years. One of the questions that has held the country's attention for a generation—Irish Home Rule—is on the very point of settlement; and another question of still greater importance—the land question—is in a fair way to receive consideration if the public attention is not distracted by other things. And now come rumors of a possible disruption of the cabinet over the question of increased naval expenditures. War and preparations for war! What will they not have to answer for in the final reckoning! David Lloyd George and Winston Churchill are the aggressive, fighting members of the cabinet. Should the first lord of the Admiralty insist upon his naval demands, it will seriously hamper the Chancellor's social reforms. Chancellor Lloyd George may acquiesce in the unreasonable demands, and curtail his own program; or he may stand out in opposition, and so, by forcing Churchill's resignation, jeopardize the Liberal Party's lease of power, and the policies that are at the point of fruition.

S. C.



### UNIVERSITY "ECONOMICS"

"The Case Against the Singletax" by Professor Alvin Saunders Johnson, in the January number of the Atlantic Monthly, should be carefully read and studied, not only by confirmed Singletaxers and confirmed opponents, but by all who are investigating the merits of the proposition. It presents in a scholarly, concise form all that can be brought against it by one of the most able and learned of its opponents. Bearing that fact in mind the reader who will carry Professor Johnson's arguments to their logical conclusion will find it difficult to avoid a decision favorable to the Singletax. The argument, while ostensibly a reply to a previous article by Mr. F. W. Garrison, was apparently prepared independently of it.



Professor Johnson's arguments are substantially as follows:

1. Although among the Singletaxers are to be

found representatives of many intellectual groups, the one group not represented is that of the professional economists.

2. The justification of a reform depends entirely upon what class will be despoiled thereby. In the United States land values are mainly in the possession of the middle classes. Singletax would result in strife between the very rich and the very poor for possession of these land values, with the inference that the very rich would win.

3. The doctrine that property rights depend on labor "can lead to only one conclusion—communism."

4. "If we had administered our lands from the beginning according to Singletax principles" Western forests would not have been cleared nor prairies planted with grain, for centuries to come.

5. Lure of unearned increment now induces men to become farmers. This would be lost.

6. Lure of unearned increment induces builders to erect houses in cities before demand for them arises. This would be lost.

7. It would lead to Socialism.



The first argument is little more than a plea that we should accept the professional economists as authority in preference to our own judgment. It is a rather stiff request, especially in view of all that Professor Johnson goes on to say about them. The Professor admits, or claims, that of all the classes which he styles intellectual, the professional economist alone is unrepresented in the Singletax ranks. Assuming the statement to be accurate—fact to the contrary notwithstanding—the reflection seems to be on the professional economist. We have all heard the story of the eleven stubborn jurymen. That must have been a jury of intellectuals, with one of Professor Johnson's professional economists as the member who complained of the stubbornness of the others.

Moreover, Professor Johnson himself shows that these professional economists are no more fit than ordinary laymen to act as guides on economic questions. He says "all the social heresies of matter and mind find their exponents among economists standing high in their professions. Except the Singletax." Some of these, he says, defend protectionism, others approve private monopoly, others fiat money, and there are some with socialistic leanings and some who coquette with philosophic anarchy. Apologists for the Industrial Workers of the World are also not hard to find among them. Such differences would not be possible in any professional group, in which the members possess knowledge of the fundamental principles of

the science they are supposed to teach. Professor Johnson's description of this wide divergence of views indicates that most of these professional economists have failed to become acquainted with the science of political economy. That is one reasonable explanation of the scarcity of Singletaxers among them. Another explanation is suggested by such incidents as the dismissal from the West Virginia University of Professor Brinsmade, after presiding at a Singletax meeting.



One of the exceptional "professional economists" who is acquainted with political economy is Professor John Graham Brooks. Some years ago Professor Brooks published his "The Social Unrest." He showed therein that the middle class constitutes less than eleven per cent of the country's population and owns a fraction over thirty-two per cent of its wealth. Since this included wealth in all forms it rather contradicts Professor Johnson's assertion that the middle class owns three-fifths and possibly four-fifths of all land values. He is further refuted by the United States census. He estimates land values in the United States at fifty billion dollars, declares three-fifths of this to be value of agricultural land, and that two-thirds of these lands are owned by their cultivators, who are all of the middle class. Now the total of fifty billion is but a guess. Professor Johnson declares it to be a conservative estimate, and so it unquestionably is. The correct figure is probably much larger. But the estimate of three-fifths of land values being on the farms is not a conservative estimate. It is the most careless kind of statement. The federal census shows the value of all farm lands, exclusive of buildings, to be something more than twenty-eight billion dollars. But since buildings are the only improvements excluded from these figures all other improvements must necessarily be included. A conservative estimate would consequently place agricultural land values at a much lower figure than twenty-eight billion dollars.

The Professor furthermore assumes that this value is all owned by farmers. The census contradicts him. Only fifty-five per cent of the farm lands of the country are improved, says the census. That implies that at least forty-five per cent of farm lands are owned by persons who are not farming them. Thirty-seven per cent of farmers are tenants, says the census. Only sixty-three per cent of those who use fifty-five per cent of the farming area are even nominal owners. But twenty-three per cent of farmers own under mortgage—are

practically tenants. So in the end the census shows that only forty per cent of those who work the fifty-five per cent of less than twenty-eight billion dollars worth of farm lands are unencumbered owners of any agricultural land values at all. Professor Johnson's figures need considerable revision. The census indicates that the true proportion of land values owned by working farmers is less than one-fifth of three-fifths of the total, even accepting the conservative estimate of fifty billion dollars total as accurate.

However, Professor Johnson to the contrary notwithstanding, the merits of any economic measure are not to be decided by consideration of how any class may be affected by its application. The principles of political economy, like all laws of nature, are the same where ownership of land is widely diffused, as they are where it is concentrated. It would be no more ridiculous to oppose a principle in mathematics on the ground that acceptance of it would work injury to some interest, than to argue, as Professor Johnson does, against a principle of political economy on the ground that it must injure a class he holds to be entitled to special consideration. The fact is that when he declares the salvation of the middle class to depend on ability to appropriate what rightfully belongs to others, he stamps it with the stigma of unworthiness.

That the rich and poor would fight for possession of land values appropriated by taxation is ridiculous. Why any one should consider it worth while to fight for possession of something that must be turned over to the public, the Professor does not explain. All the disagreements and discussion over disposition of taxes as now collected are not frequently in the nature of struggles for possession between the rich and the poor, and the instances where this is the case would necessarily have less cause for existence under the Singletax. Attempts are sometimes made to secure expenditure of public money in a way to increase land values, and put unearned increment in some one's pocket. Such attempts could not accomplish their object under the Singletax.



Professor Johnson apparently disputes the principle that the right of property rests on labor alone. At least he warns Singletaxers against it, lest it lead them into communism or socialism. There can be but one valid objection against being led into advocacy of any idea: that it is not true. If following a true principle leads to communism or socialism then all objections to these ideas must necessarily fall. There would be little use of any

discussion of economic questions if we may be withheld from following truth wherever she may lead, by fear of being led to places we have previously held to be disagreeable. The Professor fails to throw any light on what does justify property rights, if labor does not. In disapproving of the labor test, and substituting no other, he seems to leave the property question unsettled, and rather makes it easy for the communist to quote him as authority in defense of communism.



The Professor's fourth objection might have emanated from Diedrich Knickerbocker. That eminent historian and philosopher showed the great value of swamps on the site of Communipaw, New Jersey. These beneficent swamps offered inducements to the early Dutch settlers to build dykes and dig ditches, as in Holland. Had the land been high and dry the settlers might have devoted all their efforts to raising crops or producing other forms or wealth, or might perhaps have had time to enjoy themselves. So perhaps Western forests would not have been cleared if we had had the Singletax from the beginning. But why not? Because there would have been no need. The settlers would have got all the land they needed nearer home. They would have been spared the necessity of traversing miles of good lands withheld by speculators from use to finally settle in the wilderness and endure all the hardships of pioneers. "The frontier never yielded wages commensurate with its hardships," admits the Professor. Does university "economics" actually teach that a system is beneficial which drives men to work in places where wages are not commensurate with labor performed, but offers as an inducement a chance to recoup by appropriating what others have produced? This is substantially Professor Johnson's explanation of the function of the unearned increment.



The fifth and sixth objections put farmers and builders in a class with the men of Gotham who went to the trouble of rolling huge stones up a hill in order to make the sun rise. To get unearned increment it is no more necessary to cultivate a farm or to build a house than it is to get daylight by the Gotham method. It is only necessary to wait until other people have improved nearby land. Unless others come and improve surrounding lands one's own improvements on one's own land will bring no unearned increment. If these others improve it is not necessary to improve one's own land to get unearned increment.

Here is a clear economic truth that does not seem included in the teaching of university "economics."

If men can only be coaxed to do useful things, as Professor Johnson claims, by giving them a chance to get something that they have not produced—something which others have produced—then civilization is a failure. When one man gets something he has not earned, another loses something he has earned. A civilization can not be defended which compels workers to gamble for their wages, with the inevitable result that some get more than their share and others less.

But it is not true that a chance to profit by the loss of others is a necessary inducement to labor. While it is possible for individuals to profit from the unearned increment, they will try to get it, of course. But if it should be no longer possible to get such profits will labor stop, or even slacken? For every farmer who has taken a farm in the wilderness in the hope of getting unearned increment, a dozen possible farmers have been driven by the high price of land to the cities to help force down the wages of city workers. For every builder who has put up a house in the hope of deriving unearned increment from the land on which it was built, a dozen builders have been discouraged by high land prices from building, men who might have found employment have swelled the unemployed ranks, and renters have been forced by high rents into crowded slums. Yet the Professor says: "It is almost a waste of time to inspect the Singletax project for destroying the slum." It certainly is if one insists on keeping his eyes closed during the inspection. Are university classes in "economics" taught that men will continue at great financial loss to withhold land from use after conditions arise that make the most complete use of it the only means of profit?



The Professor's last objection is based on the argument that he has advanced in behalf of his second one. If elimination of the middle class is a valid objection to anything, then there is nothing to be said in favor of the present system. It is eliminating the middle class fast enough. But why should it be taken for granted that it is desirable that society should be divided into upper, middle and lower classes? Or if it is desirable why should not the higher class be the one which derives its entire income from the earnings of its members, and nothing from the earnings of others? The more one examines the professional economist's po-

litical economy the more it appears a thing outside of the realm of logic.



"The case against the Singletax," briefly expressed, is that the reform will enable no one to get any more than he earns and will assure to each one all that he earns. That that would be a desirable state of affairs seems quite reasonable, even though, as Professor Johnson assures us, the professional economists are not prepared to admit the fact. The "Case Against the Singletax" seems rather a case against the distorted teaching which passes at so many universities for political economy.

S. D.

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## EDITORIAL CORRESPONDENCE

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### MICHIGAN TAX ASSOCIATION AND SINGLETAX.

Kalamazoo, Mich., January 24.

The Michigan State Tax Association was organized in the interest of the railways and other public service corporations, together with certain prominent manufacturing and commercial interests, in order that the tax assessments should be so levied as to place an unjust share of the taxes upon the shoulders of the farmers, wage-earning home builders, and the smaller commercial houses who are not well able to organize for their protection. This Association has thus far been chiefly officered by attorneys of the public service corporations, and has been managed in their interest, and the addresses and papers which have been read at the meetings have mostly been those of attorneys or agents (the latter being called by their superiors, "Tax Commissioners") whose duty it is to keep the railway assessments as low as possible; and some professors in educational institutions who are known to be "sane and safe" are also invited.

Knowing the influences back of this organization, and feeling that its purpose was harmful to justice, I have not become a member, but being a large tax payer and the public being invited, I decided to improve the opportunity to express my views as opposed to the purpose of the organization, which I accordingly did, and am glad to say that I found the majority of the citizens who had come as visitors, were thoroughly with me.

Previous to the opening of the meeting I had a personal interview with Mr. George Lord of Detroit, Secretary of the Conference, and learned from him that he would make his address at a certain hour, and would read a letter from Mr. F. F. Ingleby urging consideration of the Singletax. But when I arrived he was speaking and said nothing regarding the letter at the close of his remarks, from which I inferred that he decided not to read it.

As there was no opportunity to introduce the question of Singletax at that session, I improved the first opportunity, and stated that I understood there were members present who were in favor of the Singletax, and also that some correspondence had

been sent in to be read, which the meeting would like to hear, and was then informed that Mr. Lord had read this letter before I arrived, but no opportunity had been given for discussion. I then made a motion that the Singletax be made one of the subjects of discussion at the next convention, when the chairman of the meeting, Dallas Boudeman, for over twenty years attorney of the Lake Shore & Michigan Southern Railroad, objected to my motion as I was not a member of the Association. I replied that technically I was not, but understood that citizens had been invited to participate, but had no doubt some member would be glad to repeat my motion which had already been seconded, and instantly my motion was again made by one of the members. Just before my motion, one of the members (in the interests of the public service corporations) had got a motion carried "limiting all discussion to the subjects of the papers which had been read, that no one who had spoken should again have the floor; and that the time should be limited to three minutes each!"

This was of course intended to bar out the Singletax, and as I had occupied five minutes the previous day, it was intended also to rule me out. But after the motion for the Singletax to be made one of the subjects at the next meeting, pandemonium immediately reigned, for it instantly became evident that there were a number of Singletaxers at the meeting, and the agents of the interests acted like mad bulls in the presence of a red flag, one of whom, who had formerly been an official State Tax Commissioner, jumped to the floor and at the top of his voice denounced the principle in the most vicious and brutal manner, after which another friend of the interests, in order to shut off discussion from our side, immediately moved an adjournment which was carried.

This will give you another picture of the bigotry and cowardice of those who dare not face a free discussion on a question of political justice; their fear of the results of the public discussion and the tricks used to keep all questions of progressive politics undiscussed.

I afterwards found there were many active Singletaxers present at the meeting who desired to have the discussion.

A. M. TODD.

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## INCIDENTAL SUGGESTIONS

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### THE REASON FOR WITHDRAWAL.

New York, January 15, 1914.

The action of the bankers in withdrawing from interlocking directorates and the reason they give for it, do not seem any special evidence of a change of heart or of new light dawning on them, for these gentlemen are responsive exceedingly to public sentiment in the way of conceding the form and thereby saving the substance as they had done in this case. It is only some of the big constructive men like Vanderbilt and Harriman who go on the "public be damned" theory and are careless enough to avow it, but the big banking element especially are very fully aware that they have got to have public sentiment with them in order to secure and retain the clients from whom they get their business, although