

had learned to 'earn a little and to spend a little less.' We had no children of our own. We came up here to this heavenly place, and——" she glanced around. The elder children had gone to the field. "And so we picked up here and there and adopted as our own these five children, all of unhappy and unfortunate parentage. We love them; they love us, and we feel sure they will run straight. All we have and are belongs to them, of course, and we have worked together to make a home out of Hill-Top Farm."

"There ought to be a million more people just like you," he said, as he shook hands with them on parting. "You have brought yourselves and five children and this bit of soil and the whole wide universe into harmony. These children will have homes full of sweet memories of you, and people all over this hill-country will tell pleasant tales of your life here."

Then he rode away; the old man, the elderly woman, the five children, waved their hands in gay farewell. He rode down into the Avalon-land of apple orchards, green-acred Pajaro Valley, and thought with reverence how forty years had justified their wisdom.

CHARLES HOWARD SHINN.

BOOKS

FINANCE AND SOCIAL ORGANIZATION.

Taxation and the Distribution of Wealth. By Fred-eric Mathews. Published by Doubleday, Page & Co., New York. 1914. Price, \$2.50 net.

Mr. Mathews' book, one of the latest contributions to economic discussion, bears the sub-title "Studies in the Economic, Ethical and Practical Relations of Fiscal Systems to Social Organization." This is a large subject, and the work in question covers more than 650 pages and is divided into five parts headed, Protection, Taxation, The Natural Tax, Progress and Politics, with many subdivisions under each head. Much space is given to analyses of religious and philosophic thought which may be lightly passed over in the following comments.

The economic discussion is developed mainly from the orthodox English economists, and from their postulates the author derives a conclusion in harmony with the ideas of Henry George, whose vital contribution to economic thought he strangely neglects to discuss. "Progress and Poverty" is not mentioned, and some of the fallacies which George exposed arise again to confuse the reader. Thus it is assumed that labor is dependent upon capital, although it is shown that the Southern States, after the widespread destruction of capital during the Civil War, began almost at once

to threaten the supremacy of the North in iron and textile industries (p. 27); and E. G. Wakefield is quoted as pointing out in 1833 that the American colonists, with land available, "could employ themselves independently of accumulated capital," with the result that labor was "uncertain," wages high, and the capitalist unable to dictate terms (pp. 47-8). Land is confused with wealth (p. 166), and the Malthusian spectre appears on page 317, where the advisability of limiting increase of population to the means of subsistence is suggested.

But in spite of occasional flaws, the argument as a whole is admirably conclusive as to the iniquity of our present economic structure and the soundness of the Singletax theory. Protection is studied in all its varying and self-contradictory phases, and revealed as a thoroughgoing fraud upon the credulity of the people. "Indirect taxes, in order to produce important or constant revenue, must be laid upon the necessaries of life and industry. The taxation of such necessaries is, in consequence, the same thing as the direct assessment of living expenses. As the necessary living expenses of the poor form a relatively larger part of income than the necessary living expenses of the rich, the forced effects of such taxation will be the same thing as an inversely proportionate income tax; levying increasing tribute upon poverty, and exempting wealth in proportion to its amount." Hence "the convenience created by indirect methods seems largely measured by the convenience of different forms of starvation, and their security dependent upon ignorance and the time necessary to bring about the inevitable political upheaval due to disproportionately placed burdens." (pp. 149-50).

Having rejected indirect taxation as vicious, a study of direct taxes shows that the only one which meets the test of fairness is that on unimproved land values. For "a tax on ground rent conforms to the first principle laid down by Adam Smith, stating that individuals should contribute 'in proportion to their abilities.' As their abilities are measured by their revenues, in the form of improvement, rent, profit and wages, and, as ground rents are 'proportionate to their abilities'" (p. 172). In other words, the ability to pay can be measured only by the value of the natural advantages in the possession of the taxpayer. "The idea of regarding the taxing powers of a society as something apart from the interests of any class or elements into which society may be divided, in order that all its elements may be brought to the highest degree of productive efficiency, through untaxed production and consumption and untaxed markets, is yet, if ever, to dawn upon the political horizon" (p. 109).

When he comes to applying the principles which he has established, Mr. Mathews betrays a mind

hospitable to the subtleties and sophistries of the professional economists. Shutting his eyes to the rights of the disinherited, he argues that to take away ground rent from its legal possessors would be unjust, and he evolves a complicated scheme of progressive taxation to bring about a readjustment without upsetting the business world (p. 216). His plan would be to get back from Paul the stolen wealth of Peter without inconvenience to Paul. The attempt leads to a sea of perplexities. "The indirect tax in theory is a useless and dangerous burden; in practice, it is a very different thing. In practical finance it acts as a force pump, keeping the nation alive." Socialists, anarchists, free traders or single taxers, if placed in a responsible position, where they had to act, and not talk, would, methinks, be turned at once into high tariff protectionists; for "these taxes exist as financial factors, and are as vital a necessity to the nation as food and drink to man."

The established order is thus potent because "the solvency of every fiduciary institution in a country is directly dependent upon indirect fiscal schedules, because these schedules represent industrial values against which the savings of the people have been lent, and in which these savings have been invested by the institutions of trust. No intelligent man, therefore, in responsible administrative control, will ever allow these schedules to be dangerously affected, he well knows that, through the great institutions, they represent literally the life-blood of the nation" (pp. 585-7). Thus, having bought their taxes with their savings, the people are placed in a dilemma. If they abolish their taxes, their savings will be swallowed up in a financial panic, and if they go on with the present régime, which is admittedly "undermining its own foundations," (p. 589) Socialism or revolution stares them in the face. If we must choose, let it be the financial crash, for it may turn out that the panic will not spread beyond the timid minds of the scholars in political economy.

The plan of reorganization which Mr. Mathews develops in a chapter headed "A Fiscal Clearing House" (p. 621) will not appeal to the practical reformer, but having launched his suggestion, the author returns to solid ground in his final pages. Having reviewed a wide field of thought, in which will be found much that is interesting and suggestive, "the conclusion suggests that ethical and rational considerations support commercial and industrial freedom as the most advantageous system of human relations, national and international." Accepting the Golden Rule as the essence of all religious teaching, and obeying the command to render unto Caesar that which is Caesar's, men may construct a new social design, "purer, stronger, and more enduring than anything they have yet conceived. At the head of the corner of that new design will be laid the stone the other builders had rejected. On that stone,

cut clear and deep, will be the words: One Tax, One Freedom, One Kingdom, One God."

F. W. GARRISON.

BOOKS RECEIVED

—Taxation. By C. B. Fillebrown. Published by A. C. McClurg & Co., Chicago. 1914. Price, 50 cents net.

—In Freedom's Birthplace: A Study of the Boston Negroes. By John Daniels. Published by Houghton Mifflin Co., Boston. 1914. Price, \$1.50 net.

—The High Cost of Living. By Karl Kautsky. Translated by Austin Lewis. Published by Charles H. Kerr & Co., Chicago. 1914. Price, 50 cents.

—Unpopular Government in the United States. By Albert M. Kales. Published by the University of Chicago Press, Chicago. 1914. Price, \$1.50 net; postage, 12 cents.

—The Financial History of New York State. From 1789 to 1912. By Don C. Sowers. Whole Number 140, Columbia University Studies in History Economics and Public Law. Longmans Green & Co., Agents, New York. 1914. Price, \$2.50 net.

PAMPHLETS

Effective Voting.

In this pamphlet of 34 pages, written by C. G. Hoag, General Secretary of the American Proportional Representative League, and introduced by Senator Owen of Oklahoma as Senate Document No. 359, Second session of the 63d Congress, Mr. Hoag has presented some matter on methods of voting that should be in the hands of every man and woman in this country. The first half of the treatise is devoted to methods of electing men to single offices by means of preferential voting, that is, by allowing the voter to express a second, third or fourth choice. This permits of the nomination of candidates by petition, and gives the voter greater choice and power in a single election than he now has in primary and election put together. The preferential vote is absolutely essential to the full expression of the voter's will. Mr. Hoag has treated the question broadly, presenting the principal methods for applying the preferential vote; and should this lead to confusion in the mind of the novice, and leave him in doubt as to which method he should adopt, he can safely adopt any; the poorest is far superior to the orthodox plurality.

Part II, or Unanimous-Constituency Voting, presents concisely the best methods of electing representatives to those bodies that are made up of a number of officials of equal rank, such as city councils, legislatures, commissioners, and Congressmen. This also must come, though it is more than likely, that the simple preferential vote will be adopted first, because of the necessity for correcting at once the inherent evils of the present primary system. Copies of this pamphlet may be had by addressing Mr. Hoag, Haverford, Pa.

S. C.