

given by private individuals or organizations, unless it is necessary to establish some new department or extend the service of those already established there would not be the large increase in paternal government that we have had, nor any such expanded expenditure as during the past fifteen or twenty years.

When it is proposed to issue bonds for some new public improvement or extension of public service, the "average citizen" does not consider that it has much to do with his welfare, but it has a widespread influence on his Nation, State or Community aside from any small sum it takes from his earnings. Our relations are so interwoven in these days of advance civilization that the prosperity of others materially influences the welfare of each and every one of us. This is being forcibly impressed upon our minds in these days of depression and it is hoped it will find lodgment there: that we may recognize our responsibility and duty to carefully scrutinize any proposal that will increase cost of government. This is particularly true of State and Municipal expenditures. When protesting against high taxation most persons refer to the National Government, but the percentage of National expenditure is less than one-third of the total, more than two-thirds are State and Local. The old adage "Economy begins at home" is true of taxation.

When we consider per capita tax, we are likely to be misled and think the majority of our citizens pay something approximating that amount, say \$110.00 per annum as given for 1931, or for \$440.00 per annum for a family of four, but, as most all our taxes are ultimately paid by the consumer, it is manifest that the large majority of our citizens pay very much more than this average, while those of great wealth pay very much less in proportion to their ability to pay, but ability to pay is not a fair method of taxation. "Soak the rich" is a demand that is very difficult to satisfy. Under the ability to pay theory of taxation every sort of method from torture to persuasion has been tried during the past two thousand years and without success. Neither should it be done, for that which a man honestly earned whether he be rich or poor should not be taken by government so long as there exists a fund which rightfully belongs to the public and should be used for governmental purposes.

The fund referred to is the land value of the United States. It was not created by any individual: it belongs to the people and it is the first duty of government to collect it. There would be little need for any other form of taxation as the annual ground rent amounts to thirteen and a half billion dollars, considerably more than the cost of National, State and Local Government in anything approaching normal conditions.

It would take nothing from those who produce goods or furnish service to their fellowmen. It would be taken only from those who now give us the privilege of staying on God's earth and using its resources to satisfy our human desires. Furthermore, it would open up for use a vast amount of land now held by speculators awaiting the increase in value that comes as a result of the industry and growth of the population, thus solving the unemployment problem. Fifty per cent of the land within our cities is either unused or unimproved. A tax that would make it unprofitable to hold for speculative purposes would bring it into use.

It would so simplify taxation that every man could know who and what was paying the cost of government, something impossible to determine under the heterogeneous variations of the present tax system.

—FRANK H. HOWE in *Bulletin* of the Ornamental Iron, Bronze, and Wire Manufacturers for November.

**WE** think of modern industry in terms of huge manufacturing plants, but the average factory in the United States employs only 42 persons. The U. S. Chamber of Commerce tells us that this is only seven more than the average of twenty-five years ago. The small factory may be passing, but it is taking its time about it.—NEWS NOTE.

## Successors to Malthus

**O**NLY about a century and a third has passed since Malthus, the English economist, wrote his "Essay on the Principles of Population." That essay was destined for a hundred years to bedevil and mislead economists and statesmen and serve as a cloak for evil thinking and wicked practices. The author's thesis was that while population tends to increase at a geometrical ratio, the production of food can increase at only an arithmetical ratio. Therefore, because of the growth of population beyond its power to feed itself, hunger and poverty were the inescapable lot of multitudes of humanity. And the salvation of the race from ultimate extinction lay in the very evils, such as war and pestilence, which most oppressed it. Only by such means could the pressure of population on subsistence be held within bounds.

A hundred years later Henry George wrote "Progress and Poverty," which was to become equally famous with the Malthusian essay. In it, with sound and brilliant reasoning, abundantly fortified, he effectively knocked the skids from under the pernicious theory of the British economist. Since then the progress of events has conclusively sustained George, and proved the Malthusian doctrine to be but one of the numerous and costly errors of which great thinkers are capable.

Now other great or near-great thinkers—the technocrats—are assailing us with their gospel of gloom. It isn't a new gospel. Indeed it is centuries old. The machine is putting man out of business. It means immense production with no mass-earning power to consume and enjoy the product. For how can the man made jobless by the machine buy? Ultimate starvation is the destined common lot, therefore, in the midst of a fantastic over-plenty. Unless, that is, we demolish the present system and substitute for it—the technocrats know not what.

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The trouble with the theory was the trouble with Malthus' theory. It does not mesh with the facts. As Prof. James E. Thomas writes, in *Nation's Business*: "That the machine 'throws men out of work' is one of those 'perfectly self-evident propositions' which does not happen to be true."

Prof. Thomas turns to England, "where the figures have been carefully recorded for more than a hundred years." Arkwright invented the first spinning machine in 1769. By 1855 that machine was doing the work of 700 men, "throwing 699 out of work." But in 1856, 379,000 men were employed in the British textile industry, as compared with only 218,000 in 1835. By 1914 the number had grown to 689,000. While population was doubling the number of workers in this machine industry was trebling. In the engineering trades the number of workers increased 250 per cent in 40 years. In the printing trades, in 40 years, the number of employed increased from 80,000 to 224,000. In all industry in England, between 1881 and 1911, employment increased 48 per cent while population increased but 38 per cent. And Prof. Thomas comments:

"Of course the fact is that but for the machine, England's population could not have increased at that rate. The country could not possibly have supported them. Starvation, or peasant standards of living for all, is the alternative of the machine."

In the United States it is the same story. Between 1920 and 1928 machines displaced the labor of 1,957,000 employes, including 800,000 agricultural workers. But in the same period, in new trades and professions, it provided work for 2,527,000 persons directly, and for something like 2,000,000 more indirectly.

Our census figures show that in 1914, out of each 1,000 of our population, 80.4 workers were employed in manufacturing industries. In 1929 the figure was 83.9. In manufacturing, mining and mechanical employment the percentage was 15.6 in 1880; 29.1 in 1900; 30.9 in 1930.

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In general, until the dislocation growing out of the war and its