BOOK REVIEWS

A NEW WORK BY LOUIS WALLIS*

"The Burning Question, Making Your Living in a Monopolized World," is another welcome contribution to our literature from Louis Wallis and fitly supplements his previous work, "Safeguard Productive Capital," which has had a wide circulation.

The author in his preface introduces his subject as follows: "This book deals with the problem raised more than half a century ago by Henry George, without some of his presuppositions, and from a different point of approach."

He begins his discussion with the housing problem, which he declares to be "but a single phase of the larger economic problem which now challenges civilization."

The author indicates the weakness—indeed the absolute futility—of federal housing schemes, while the double pressure of heavy taxation on improvements and the inflated, speculative cost of land continue. He sees the slum problem as created by the force of public authority, "which penalizes improvements by overtaxing them and undertaxing both improved and vacant land to such a degree that speculators have been able to withhold a large part of the ground area in America from all use, and selling and leasing land at prices far above productive worth."

He commends the federal information agencies for making thorough research into the appalling facts which in themselves doom its housing problems. All this is enforced with admirable simplicity which we do not recall to have seen surpassed anywhere. Productive enterprise is crushed between two forces, the power of taxation and the exactions of private monopoly.

There are many passages which we would like to quote, such as: "It will be news to most persons that bona-fide human industry is under organized obstruction by the law, while speculative, unearned incomes are specially favored and protected by the law."

The chapter in which Mr. Wallis states his differences with Henry George seems to us rather attenuated. We would point out that withheld wages cannot for long reinforce the stream of productive capital; since the return to capital is determined by the same law that determines wages—the margin of production.

We would differ with Mr. Wallis when he quotes approvingly from Dewey and Tufts, that "no individual knows how much he creates; it is a social product." This lends strength to the socialistic viewpoint. But with rent no longer privately appropriated the amount going to wages automatically determines the value of the individual's contribution to society, which we think Mr. Wallis, on reflection, will not deny.

We have not the space to review this somewhat metaphysical point more in detail. The work is so excellent that these points of difference need not be emphasized.

Advertisements of this valuable litte work appear in newspapers and periodical mediums, covering a million and a half readers in this locality. What more can we ask of the services of one man to the cause of greater economic freedom?

J. D. M.

*Burning Question, Making Your Living in a Monopolized World. By Louis Wallis. Cloth. 111 pp. Pocket size. Price 75 cents. Willett, Clark & Co., Chicago, Ill.

Correspondence

DEFINITELY CORRECT

EDITOR LAND AND FREEDOM:

I read in your November–December, 1937 issue, page 181, an example of slip-shod writing and thinking; which is all too rampant among us. I am becoming convinced that our own mental fogginess is a powerful deterrent to our getting anywhere in convincing clear thinking people.

The reporter of the Detroit Henry George Congress, purporting to quote a speech by David Gibson, cites statistical figures for the City of Cleveland, winding up with the startling statement that "One-third of the land value is held by 125 families." So far so good. This is excellent information with which to convince our potential convert, provided we follow it up with the right conclusions. But look at the conclusion attributed by the reporter to Mr. Gibson, and printed by your magazine.

$50,000,000 rent (presumably the assumed entire rent for the whole city) must be paid each year before anything can be done. This is an absolute debit against producers.

This clearly implies that there is something wrong about the payment of the $50,000,000 rent, and that our movement will do something to correct the wrong. That is where our potential convert, if he is a clear thinker, will become a cynic and will eventully confound us.

Nothing is more fundamental with us than that ground rent (exclusive of speculative rent) is not only just, but is inevitable. It arises largely from the simple fact that a given number of people on the earth at any particular time, in order to live, must have the privilege of using a definitely limited amount of usable land. We should never promise, expressly or impliedly, either to abolish or reduce rent. In fact, we should prophecy its increase. The tenants of the land owned by the 125 families in Cleveland should in all justness pay their rent. We make an insidious mistake in doing anything to lead them or others similarly situated to believe that we will abolish or reduce their rents, or do anything for them, as distinguished from all other members of society, by reason of their special condition.

The statement that the rent of Cleveland is "an absolute debit against producers" is particularly unfortunate. The rent is just and should be paid. If it is a debit against producers, it is a perfectly just and proper debit, and nothing is proved. Furthermore, to call it a "debit against producers" is to suggest in a backhanded way the old bugaboo about whether "rent enters into price," for if it is charged to producers, it is ultimately charged to consumers in what the producers produce, and this goes by indirection into the high cost of living. The statement quoted thus not only alienates the outsider, but tends to start argument among ourselves.

We can and should draw at least two proper conclusions of a convincing nature from the given statistical material. I speak not of convincing ourselves but of convincing our potential ally.

First, we can draw a statistical conclusion, not from the fact that $50,000,000 rent is being paid, but from the facts as to who are the recipients of that rent. The conclusion is that the general public is being subjected to an unjust burden of about $50,000,000 per year, by reason of its having to pay exactions of taxes, licenses, permits, fines, etc., to the extent of $50,000,000, which it would not have to pay if that $50,000,000 rent were paid to the general public as it should be. The injustice of the thing arises not from the payment of the rent, but from its payment to private individuals. The hurt comes not from the payment of the rent at all, but from the payment of the taxes. Where we come in is to lead the way in abolishing the taxes by having the rent paid to the proper people.

Second, the statistics lead to a nonstatistical conclusion, but one highly important. They show graphically the major cause for the concentration of power in the hands of a few, with all of the attendant evils of trade monopoly, price fixing, graft, lawlessness, and the various social evils that arise from the existence of silver-spoon babies and power-drunk moguls. Many of these problems appear on the surface to be far afield from ours, and it is probably sound to be cautious about promising too much for them. But the fact remains that they are definitely connected in a large way with the land problem. The solution of the land problem will go far in ameliorating any ill connected with the concentration of power and wealth.

Cincinnati, Ohio. F. B. MCCONAUGHY.