

taxation ever conceived by the mind or enforced by the hand of man; which at the same time would open up free opportunity to every man who earns his own bread.

Let us turn a deaf ear to the siren song of scientific tariff revision. There is but one scientific revision of this iniquity. Personally I would do it by an act of congress of a dozen lines cutting down tariff duties twenty per cent. a year for five years, in the meantime giving opportunity for adjusting the machinery of the new tax. I believe that Morrison and Hurd had the best idea of tariff revision ever put forward in congress.

If we take this broad stand for a free trade which will be epochal in its effect, we shall have with us in the work the great mighty spirit of truth. It is sweetening the world in its might. Let us share in its work and its triumph.

THE ABOLITION OF POVERTY BY THE RESTORATION OF EQUAL RIGHTS TO THE USE OF THE EARTH.

AN APPEAL TO THE WHITE SLAVES OF LANDLORDISM.

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VII.

HOW EQUAL RIGHTS TO THE USE OF THE EARTH MAY BE RESTORED; THE TAXATION OF LAND VALUES.

The question now confronts us: If all men have an equal right to the use of the earth, how can we give effect to this right? Manifestly, the land cannot be equally divided. What must be done?

Experience teaches us that the solution of the most important problem is always found in the most simple means. If there were no simple and effective means by which we could give effect to the equal right of all to the use of the earth: if to this end wide-spread plan and complicated laws had to be invented, which would upset all existing arrangements, all the previous development of mankind, then one might even question the truth of the conception itself.

But such is not the case. There is a means, and to give effect to this fundamental and vital right, a means based on the very nature of things, which with the greatest ease and simplicity would fully and effectively secure the equal right of all to the use of the earth. And that is, as already indicated in the first chapter, by appropriating for the joint and common benefit of all the unimproved value of the land.

How does the unimproved value of the land, which to-day enriches the land-owner, without any exertion on his part, come into existence? Manifestly, owing to the presence, needs and industry of the whole population. Land has a value only where there are people who have lived and worked upon it. Take away the whole population, and land will have no value; reduce the population, and land will diminish in value; increase the population, and land will increase in value. The greater the advantages, natural or artificial, available in any given district, the more people will throng to it, the greater will become the demand for the use of the land within such area. The greater the demand for land, the higher will its value be, the greater will be the advantage which the land-owner, as owner, will be able to derive from the needs and necessities of his fellow-creatures. The protection, the aids and the advantages which society gives to the land-users finds expression in the value of the land; it materialises and crystallises into rent, and to-day accrues to the land-owners. Owing to the presence of a large population, and to the continuous public expenditure of the community, the owner of a site in one of the chief streets of our great towns can command a higher rent than the owner of a similar site in one of our small villages. Owing to the same circumstances, the man who owns fertile land in the neighborhood of one of our larger towns can draw a higher rent than the man who owns similar land in the neighborhood of one of our villages—and that because the user of such land can satisfy the requirements of his fellows at a less cost of labor than his less privileged fellow citizens, and this economy crystallises into rent. Land-owning is a privilege granted by the community to the individual; and Justice warrants the community demanding back from each land-owner in proportion to the value of the special privilege he is being permitted to enjoy, in proportion to the unearned income accruing to him owing to the presence, needs and activities of his fellow-citizens. In other words, Justice demands that the publicly-created rental value of land should be appropriated for public purposes.

Such public appropriation of the publicly created rental value of land is to-day known as the Taxation of Land Values. A tax upon land values is the one and only equitable tax; it is the one tax to which every citizen would

have to contribute, since all have to use land, and that in proportion to the special privileges and advantages he is permitted to enjoy. It is the one tax that secures to the community that which is called into existence by the presence, needs and activities of the community. A community which fails to recognize and enforce this fundamental principle, which allows its natural public revenue, the rent of its land, to accrue to those who have created it, and to replace it has to impose taxes on the earnings and industry of its citizens; such a community is like a man who allows the fruits of his labor to be appropriated by others and attempts to maintain himself by beggary and robbery.

The land-owner has no just claim to be allowed to become rich without working. Therefore, the Taxation of Land Values can equitably be increased until it appropriates the entire unimproved value of the land, that is, its value irrespective of the value of any improvements on or in it. Then the value of the land would be represented by the rent or tax annually paid to the community for the privilege of holding and using it. Land would then cease to have a selling value, though its use value, and annual rental value, paid to the community, and expended for the joint and common benefit of all, might be higher than ever before in the history of mankind. However this might be, if the value of any holding of land declined, its holder would pay less tax; if it increased, the holder would pay more tax.

A tax appropriating the whole of the rental value of land, while leaving the individual the exclusive possession of his land, would practically make the land the common property of the whole people, would effectively "nationalise" the land, without purchase and without forcible disappropriation. But to the land-owner would still remain what would be and should be secured to all others, viz., the full fruits of his labor and interest on all his capital employed in productive enterprises. Land monopoly would be at an end. The full reward of their work would still remain to all, but to no one would accrue the degrading and degenerating burden of unearned wealth.

Such a tax would establish, not a utopian equality, but an equality of fundamental and vital rights. So long as men have different desires and different capabilities, there can be no such thing as an absolute equality, nor is it even desirable. But law, like God, should be no respecter of persons; nor should it be allowed to disinherit some in order to heap favors and advantages on others. Under such conditions the use of the land, the field of all labor and the source of all wealth, would be available to all upon equal and equitable terms.

The land-owner would no longer have the power profitably to withhold valuable land from use, to the detriment of his fellows. If he wants to exercise such a power, he could only do so by paying to the community, to the rest of his fellow citizens, its full value. In form he might still remain proprietor, in reality he would be a tenant paying rent to the community, to the State, holding the land as the representative of the people. In other words, our land-owners would once again be converted into land-holders, retaining the power to use land, but not to misuse it, to hold it, but not to withhold it.

All men would equally be owners and equally tenants. The equal right to the use of the earth would be restored in the only way in which it can be restored in our times, in the only way compatible with our social and industrial requirements. A Reform such as here proposed would necessarily bring about many other great social changes. It would at least lessen the number of thieves, of beggars, of unemployed, and of unemployable; and thus lessen the burden they impose upon the rest of the community, upon its industrious and honest working members. Further, it would set free for really useful and productive work a whole army of officials, custom's officers, and so on. It would reduce the number of willingly unemployed, now living as parasites upon the industry of other. It would purify and uplift our sense of right and wrong, so that in the future a nation would regard it as a crime to fall upon weaker neighbors to enrich itself at their expense. Many, many things to-day regarded as necessary and involving an enormous expenditure of human lives, time and money, would then be found useless and unnecessary and to have been some of the fruits of the prevailing inequality and injustice.

How things will shape themselves in detail under equitable conditions, may be beyond human calculation. But neither prophesy nor calculation will convince where the conviction is lacking that changes based upon justice must necessarily be beneficial. That the reform is practical we shall prove by showing that even here in poor Switzerland, the unimproved value of land is sufficient to defray the national and local expenditure.

A valuation of land apart from improvements has recently been made in the Swiss Canton of Aargau, which is thickly populated, but which contains no town of over 10,000 inhabitants. The valuation which is officially regarded as too low rather than too high, returned the value of the land, apart from buildings, at 337 million francs, showing, at 3% interest, a rental value of 10,000,000 francs. According to official accounts, the inhabitants of Aargau to-day pay to the Canton and local communities about 5,000,000; the Federal taxes amount to about 20 francs per head, so that its 2,000,000 inhabitants pay another 4,000,000 francs; total 9,000,000 francs. So that even to-day the annual rental value of the land of Aargau would suffice to defray all its public expenditure. But the dead weight of rent and taxes to-day imposed upon the productive industry of Aargau would be reduced by a half by the Taxation of Land Values. A family of six who to-day for rent, interest and taxes have to find over 500 francs, would in the future have to pay about half.

For the town of Zurich we have no exact figures. The valuation, however, shows that the same things applies here. The inhabitants of the town of Zurich have to find for the town, canton and federation, taxes to the amount of 18 to 20 millions francs. The capital value of the land is about 600 millions, which shows an annual rental value more than sufficient to cover the whole of the taxes.

The value of the land of the whole of Switzerland has been estimated at over 9,000 million francs, which, at 3%, shows an annual rental value of about

270 millions francs. This is much more than is required to cover the whole of the revenue taken by the towns, communities, cantons, and federation.

It is a great mistake to suppose that our rural population would be injured by such a system of taxation. The land value of the town of Zurich is per head of population double as much as that of the Canton of Aargau, and thus more than double as much as that for the rural districts of the whole of the Canton. This means that if the whole of the rental value of the land were appropriated to defray the public expenditure, the inhabitants of the towns would pay per head double as much taxes as those of the rural districts.

Where population is concentrated, there the value of the land is high; where population is more dispersed, there the value of the land is low. Where the population is concentrated, there too, more public expenditure is necessary; and thus the value of the land everywhere adapts itself to the public needs.

True, that as between district and district there are cases where the value of the land is very unequal; but all such inequalities would be remedied by the taxation of land values. Though perhaps this is a question that should only be raised by those who believe in this method of securing the equal rights of all to the use of the earth, as it can only be decided after the victory has been won, still it is not out of place to indicate how much inequalities may be remedied and the revenue brought in by the Taxation of Land Values be equitably divided.

In the Canton of Aargau the value of the land amounts to about 50 francs per head of population; in the town of Zurich it amounts to about 100 francs. Again the value of the bare land varies in almost every one of the different communes. These differences might be fairly equalised by leaving to each commune a certain minimum amount per head of population. If we assume that for the Canton of Zurich this minimum were fixed at 40 francs, then every commune in the Canton where the value of the land was not above 40 francs per head would have to pay no taxes to the Canton or Federation; the whole of the taxation raised in their own districts they could keep to defray their own communal expenses. The whole of the revenue required by the Canton and the State (the Federation) would have to be found by such Communes where the value of the land was over 40 francs per head of population, chiefly by the large towns or such districts naturally specially fertile or more favorably situated. This would be manifestly just and right, for the outlay of the State benefits first and mainly the large towns. The value of the land of the town of Zurich is due not only to the people of the town of Zurich, but to the presence, needs and activities of the people of the whole Canton. So, too, the value of the more fruitful and fertile land, or the land containing the greatest natural treasures or natural advantages, is practically due to the demands of the whole people. To assess land values only for taxation means to distribute the taxation in such a manner as to impose the heaviest contribution for the maintenance of social life upon those who most benefit by it.

FREE TRADE AND THE TAXATION OF LAND VALUES.

The supporters of privilege and monopoly, the upholders of "things as they are," never weary of asserting that the Taxation of Land Values is the most unjust of all taxes; that the proposal to exempt the earnings and instruments of industry from taxation and to tax land values only, would result in exempting the rich business man and manufacturer from taxation and in ruining the small landed proprietor. But this is not true.

Landed proprietors, large or small, who hold their land for use, not as a means of levying tribute on their less privileged fellow-citizens, would be benefited, not injured, by having all taxation removed from their earnings, implements and improvements, and being called upon to pay taxes according to the unimproved value of the land they are holding and using. It is quite false to imagine that taxation can equitably be imposed according to income, whether the income be earned or unearned. As levied to-day, the landless citizens in both town and country pay taxes twice over. They pay taxes of all sorts to the different Communities in order that streets and roads should be made and maintained, schools and universities established, and life in town and country protected and made comfortable, and, after all this has been done at their expense, land increases in value and they have to pay to its owners increased rent for the privilege of living and working on it. Every improvement made for the benefit of the citizens by the State and local communities eventually results in increased land values and increased rent. Even the fact that in some districts the taxes are lower than in others is made use of by land speculators to put up the selling price of land in that particular district. In the advertisements of building sites one often sees the word "Low Taxes." So we see that if the community does not take the rental value which its activities and public expenditure call into existence, the land-owners and land speculators will do so. The only means by which the benefit of their activities can be secured to all is the Taxation of Land Values. Other direct taxes, taxes on improvements, on incomes, and earnings, and so on, help nothing in this direction.

But if our direct taxes are useless, our indirect taxes are even worse. They are in fact, nothing but concealed means of still further impoverishing the landless classes. Our taxes on improvements and earnings, our custom's duties, and other taxes, are all the necessary consequence of the unrestricted private ownership of land. Leaving the publicly created value of the land to enrich the privileged land-holders, the State is compelled to impose taxation upon the methods, implements and earnings of labor. The system of indirect taxation originated in the era of absolute power, when the extravagance of princely despots knew no bounds. Covetousness and avarice are its god-parents, fraud and corruption its twin sisters. On both ruler and ruled, princes and subjects, government and governed, these taxes work as a slow but sure and deadly poison. Periodically customs and other indirect taxes are increased in accordance with the increasing demands of the powerful, influential and articulate few whom alone they benefit. With them, as the history of the

United States proves beyond dispute, the appetite grows with eating. Every success of one group stimulates the covetousness of all the others. Demands which a few years previously aroused universal indignation, are recognized a few years later as justifiable. Protective tariffs necessarily bring national politics under the dominion of the most corrupt and corrupting influences. Nothing has more poisoned the political life of the present era, nothing has more corrupted the sense of right and wrong on political questions, than custom's tariffs avowedly imposed for the protection of labor.

Protect labor, cry our Protectionists. If ever there was an infamous lie invented to deceive the masses of the people, it is that custom's duties can protect or ever have protected labor. Can labor be protected by taxation imposed upon flesh and blood, upon bone and muscle. What are the custom's duties on bread and meat but the taxation of our very life's blood, taxation of the barest necessities of life, taxation bearing most heavily on the very poorest of our disinherited fellow-citizens?

Why do not the Protectionists demand that the custom's duties, avowedly imposed to protect labor, should be raised directly, so that each should know what he is paying and why he is paying it? Why do they not openly demand that each parent should pay, say fifty shillings a year for each child he is bringing up, and that the proceeds should be distributed among the owners of the land? This would be more simple, less costly and less harmful, and is only what is being done under the pretense of protecting labor.

But are not custom's duties necessary to maintain our rural peasantry and small holders? Not at all. It is a delusion to imagine that we must plunder our artisans in order to secure to the peasants the fruits of their labor. Custom's duties serve only to benefit such agriculturalists, such land-holders, who imagine that they have a right to live and grow rich at the expense of their fellow-citizens. This is the "agricultural interest" that has to be maintained by custom's duties, and that in Germany, England, and everywhere else include the strongest supporters of the Protectionist fallacy. They know full well their acceptance will benefit them, whoever else may suffer.

The progress of humanity has been greatly advantaged by the strivings of mankind to promote cheap production, and to facilitate the exchange of all commodities. To this may be attributed all the multifarious improvements in our industrial methods, the use and continuous improvements of tools and machinery, the making of roads, railways, and other means of communication and transport, the progressive harnessing into the service of man of all the mysterious forces of nature. But if the Protectionist's theories are right, all this is wrong, and then we should do better to destroy all our roads, railways and machinery, instead of building more, and to surround our country with an impassable Chinese wall. But, as an American statesman has well said, Protection is not a policy, nor a philosophy; it is a swindle, a swindle under cover of which unjust and injurious privilege is protected and the industrial masses of the people are progressively robbed of an ever increasing proportion of their legitimate earnings.

(To be continued.)