

totality is inexhaustible. This is the solution of the labor question, indeed, it is the end of it. Labor without land is impossible. Settle the land question right, and labor questions will disappear.

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## THE WAY TO PROSPERITY.

*(For the Review)*

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BY A. W. JOHNSTON, M. A.

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"We don't want cheap land. We don't want dear land. We don't want land at any price at all."

"Why not?"

"Because every penny spent in buying land is just so much taken from our working capital. We can never have too much capital working, because the more we have the more we can produce, and the wealthier and more prosperous we become. But if we are compelled to spend part of our money in buying land, that money becomes idle capital. It is locked up in the land, and can be got out again only by selling the land. While it remains locked up it is of no use to us, and we must therefore have so much less capital to work with. That means that not only are we less wealthy and less prosperous than we ought to be, but also that there is less employment than there should be for all who live by labor."

"But surely, if we make land cheaper than it is, prosperity must increase and the number of unemployed must decrease?"

"How do you propose to make land cheaper, and how much cheaper will you make it?"

"A progressive land tax with exemption up to £5,000 in capital value will make land too costly to hold in large areas, and will cheapen land by forcing it on to the market. As to how much it will reduce the price I cannot exactly say."

"Then you are doubtful of the effect of your own proposal. If you cannot foresee its exact effects, you cannot be sure that it will not produce effects contrary to your expectation, and should therefore hesitate to apply it. But your proposal is impeachable on the highest grounds, because you have no moral right to tax land, to impose an arbitrary tax with an arbitrary exemption, or to limit the area any man may hold."

"Then you deny our right to do what is done by every civilized government in the world, what is being done every day with all the sanction of the law."

"Certainly I deny it. No man has any right to do what is morally wrong, and that is morally wrong which is without sanction of the moral law. Your proposal has no sanction but that of your own arbitrary will, because you may make your land tax heavy or light at your pleasure, and you may fix your exemp-

tion at any figure you please. It is therefore purely arbitrary and has no moral sanction to justify it."

"Can we not enact laws to empower us to do these things and give them legal sanction?"

"You cannot override the moral law. You may make your actions legally right, but for all that they may be morally wrong and unjustifiable."

"But I don't see how the moral law is infringed by the proposal to tax land."

"Your tax will take from landlords a part of their private property, and that is theft, which is forbidden by the moral law."

"By the same rule every tax is immoral and unjustifiable, and we cannot raise revenue for public purposes without disobeying the moral law."

"Every tax is immoral and unjustifiable, but we can raise public revenue without breaking the moral law."

"How can we raise revenue without taxes? That is what we must do if all taxes are immoral, and I don't see how it can be done."

"Let me explain. The value of land is not fixed by human law, but by natural law. It arises from the presence, needs, and achievements of population. It increases, decreases, and vanishes as population increases, decreases, or vanishes. It is a natural fund, created by natural law, and naturally belongs not to any individuals, but to the whole community whose presence has produced it. This value is the annual rental value of land, or economic rent. Since it does not, and cannot rightly belong to any man or class of men, but is and always will be public property, the State may appropriate and use it for the public benefit without taking private property from any person. That is, by appropriating economic rent, the State can raise revenue without a tax of any kind, without stealing private property, and without invading the moral law."

"But when a man legally and honestly buys land, does he not buy this rental value also, and thus make it private property?"

"He acquires a legal right to it, but that legal right is a moral wrong and is nullified by the moral right of the whole community. All moral rights are permanent and unchangeable, but legal rights exist only while the law by which they are created remains in force. Repeal these laws and all legal rights under them are destroyed."

"Still, it seems unjust to come down so heavily on a man who has honestly bought land and has done no wrong. His legal rights should be respected, even if he has no moral rights."

"When he buys land he pays nothing for the 'unearned increment.' Therefore, when the State appropriates the economic rent of his land, he will not lose anything he has paid for, but only what he gets for nothing, for which he would otherwise make no return. If the law can give him a legal right in opposition to the moral rights of the whole community, then in justice to the whole community, and without injustice to him, the law can take away his

legal right, for what the law gives the law can take away, and it is no secret that the law is not fixed for ever, but is always liable to alteration."

"For all that I think he should not be deprived of a legal right legally and honestly acquired."

"When the law is altered he has no longer any legal right under it. But there is another law bearing upon the subject, the highest law of all—the Law of Love. A man who loves his neighbor can have no desire to inflict a great injustice on a whole community, and he will welcome with joy such an amendment of the law as will deprive him of the power to inflict it."

"Well, the same law of love should make the people respect his legal right, and waive their moral rights so as to allow him to enjoy what he has legally acquired."

"Not so. A moral right is not conferred upon the people for nothing, but for their good, and it imposes upon them the duty to maintain, preserve, and assert it against all encroachments. And if the law steps in between them and moral right, it is their duty to insist that law shall be amended so that there shall be no conflict between legal rights and moral rights. The people have no option as to whether they will or will not claim and exercise their moral rights, but must exercise them or suffer by neglecting them."

"If the people's duty compels them to exercise their moral rights, does it not also compel them to respect legal rights or to compensate those whose legal rights are withdrawn?"

"Not in the sense of giving them something more than is given to others. The State appropriation of economic rent involves the abolition of tariff taxation and the free use of all public services, and these benefits will be the only compensation they will receive."

"But everybody will receive those benefits, and the losers of legal rights will not receive more than those who lose nothing."

"The loss of their legal right gives them no claim to more. They do not earn more than others, and they will not receive more."

"That seems to be unequal and unjust."

"It would be unequal and unjust to make any difference in favor or against any particular class. The moral rights of all classes are the same and must receive the same recognition under the amended law, and there will be no special privileges or legal rights for any class. Equal rights demand equal recognition, and to give to some more than others would imply that the legal rights abolished by the amended law still remain in force after their abolition."

"Of course, if you have power to do as you choose, you can refuse to give anything for what you take away, and that in my opinion is robbery."

"Then it is robbery to rectify any wrong. The law gives the landowner the legal right to take rent from all other classes, and he gives nothing in return for that rent. In your opinion taking without giving is robbery, and I quite agree with you. But the State appropriation of economic rent gives more than it takes, therefore it is not robbery. It gives relief from tariff taxation and the free use of all public services to everybody, and as a special reward

to the landholder, it gives clean hands and a clear conscience. That is compensation more than sufficient to satisfy any claim he can make in reason or justice."

"I still maintain that the landholder's legal right should be respected."

"Then listen. So long as the landholder controlled the legislative power he could and did make laws to suit himself, but he never insisted that the people's moral rights should be respected. For centuries he has disregarded and overridden those moral rights and has gained wealth and power and privilege by robbery, that is, by taking without giving. Now that the people have regained the legislative power, they have not yet made any claim for restitution of what has been stolen from them, but they ask only that their moral rights shall be respected. Against this he sets up a claim for respect to his legal right, created and conferred upon himself by laws of his own enactment. Don't you think he should begin by recognizing the higher rights of others, which he has violated? Then, if he can find it, he may claim his legal right for all time."

"I believe you are right, after all, and I give in. We must have free land."

Katoomba,

N. S. W., AUSTRALIA.

*Land and Labor*, the excellent organ of the English land nationalization movement, attributes a large part of the present dissatisfaction with British rule in India, to the land system in that country. This is especially true in Bengal where the Zemindars, the large landowners, possess special privileges without rendering any return. Under the old system the Zemindars were tax collectors under a system somewhat resembling feudalism. Lord Cornwallis invested the Zemindars with all the authority to oppress their dependents. *Land and Labor* thinks because the system has been in operation for over a century it would be difficult to alter it, and even then that the land owners would have to be compensated. Forcible expropriation does present grave difficulties, but the taxation of land values would be found to be an effective remedy, and could be applied without serious disturbance.

What wondrous things would come to pass  
If Christians for a day  
Should shape their conduct to their creed,  
And practice as they pray.  
How low would current values fall  
Held now so highly priced,  
If men believed in God at all,  
And really followed Christ.

—Joseph Dana Miller, in *Chicago Public*.

#### **A Federal Tax of One Million Pounds for the Australian Commonwealth.**

It is announced by the Prime Minister of the Commonwealth of Australia that the land tax for federal purpose will produce a revenue of £1,000,000. This is one fifth of the whole revenue of the federal commonwealth, and does not include the income of each separate state.