

A VISIT TO AMERICA

By Carl Marfels



[Mr Carl Marfels is one of the representatives for Germany on the Committee of the International Union for Land Value Taxation and Free Trade. He has a lifelong association with the watch and clockmaking profession, at first in business and later in the editorial chair of its most important journal in Germany. He is a distinguished art collector. Recently he spent five weeks in the United States to exhibit in the foremost museums his rare collection of antique clocks and watches, of their kind probably without equal in exquisite workmanship, and including the wonderful timepiece made for Philip the Good of Burgundy about 1430.

Mr Marfels has written much on philosophy and research, and in his books and other literary contributions has not failed to spread the teaching of Henry George, whose ardent disciple he is. His editorial articles in the *Watch and Clockmakers' Journal* on philosophical subjects, since printed in book form, bore that message time and again.

Returning home to Germany from his recent visit, he tells a long and informing story in the *Watchmakers' Weekly* (Leipzig, 1st January) of his "Impressions of a Journey to America." The final paragraphs speak for themselves and these we have been glad to translate (from advance proofs) and submit to *Land & Liberty*. When in the States Mr Marfels made the acquaintance of a number of friends in the Henry George movement, a party of whom, including the Hon. Charles O'Connor Hennessy and Mrs Anna George de Mille and others, were delighted to entertain him in New York.—A. W. M.]

I conclude with a word about social conditions in the New World. What strikes one interested in economic study is this: Here is a country of inexhaustible natural resources and millions of energetic people with technical ability wonderfully equipped. Its power of production is so great that if it were really exploited every one might live in the greatest well-being if not in overflowing prosperity. But what do we find in fact? In the midst of immense wealth and luxury there is shameful poverty and as an inevitable consequence a menacing state of crime that grows from year to year. Would not the Goddess of Liberty bow her

head if she could see how it fares now with the truth proclaimed in the American Declaration of Independence that all men are created equal, that they are endowed by the Creator with certain inalienable rights and to these belong life, liberty and the pursuit of happiness? During my stay in the United States, I saw the following local news item in the papers: A man with his wife and four young children had come to New York to better his lot. The man fell ill and died. His wife sold one after another her scanty sticks of furniture. She and her children starved; no one came to her help, and in her desperation she destroyed herself and her children! If any one should think that such distress is exceptional, let him go into the poorer quarters of New York; and if all feeling of pity is not dead in him, he will be aroused to righteous anger that such misery should exist in a Christian country so teeming with wealth.

Can anyone in America or anywhere else in the whole world speak of freedom and justice when the great majority of mankind are obliged to pay yearly tribute to a minority for the right to dwell on the earth or make use of its treasures—to pay sums that are reckoned in thousands of millions? When a minority, as in the New World, withholds from use great areas of land, countless building sites and coal, petroleum and mineral resources on all hands, exacting still higher prices and thereby preventing access to Nature's storehouse, the fount of all existence? In this atrocious injustice is to be found the sole origin of the poverty problem; it is the one reason why, notwithstanding all our progress, the earnings of the working people not only do not increase but are actually less than they were hundreds of years ago. It is the reason why millions of men willing to work cannot have the opportunity to get busy and produce all the good things for want of which they are in deepest poverty.

An example will serve to show the part that land value (privately appropriated) plays in preventing an increase in wages and in returns to industry.

In New York recently a building site was sold at a price of \$5,000 a square foot, which is \$45,000 a square yard. Taking the area of the site to be no more than 200 square yards the total price works out at \$9,000,000, or roughly £1,850,000. At 5 per cent this is equivalent to an annual value of £92,500 which the users of the land have to pay in rent every year to the interested party who by virtue of reckless legislation is able to say "This piece of the Earth is mine!" The incomes of those who use and work on this patch of ground are stunted of £92,500 every year; in the same manner the earnings of the working people of a whole country are diminished by thousands of millions for the benefit of those who have done nothing to assist production. If the land value of a country, instead of falling into private pockets, were to flow into the public treasury—for the benefit of the whole community—all taxes and tariffs could be abolished and no man would be condemned to starve. He who is now disinherited and every new-born child would have his just share of the rent that proceeds from the land of his country. The chief duty of politicians and statesmen, therefore, consists in finding ways and means to get rid of the long-standing wrong, and in a manner that accords with the recognized interests of all. But the way has been found . . . by the American political economist Henry George, who without question is among the greatest thinkers that have ever lived. His masterpiece, *Progress and Poverty*, has been translated into all civilized tongues and there ought to be no statesman, politician or business man who has not read this remarkable book; the more so as it shows the only way by which the world may be preserved from a great

catastrophe and be led to the so much needed political and social peace.

A Conversation on the Journey

Mr Marfels has sent *Land & Liberty* his notes (here translated) of a conversation he had on the way back to Europe with an American, who seemingly saw at first glance that he was foreign and without hesitation asked him, "How did you like New York?"—to which the reply was: "I was immensely impressed; all the same I am glad I don't have to live there."

He (surprised at this answer): "Perhaps you are not a friend of liberty?"

I: "On the contrary. I worship liberty with all my heart and soul."

He: "Then New York should have been a real heaven to you."

I: "Does liberty exist anywhere in the world? I mean, the liberty that does not begin and end with the ballot paper, but is synonymous with justice. Does it harmonize with the frightful conditions to be found in the poorer quarters of the cities?"

He: "Are we not the freest people in the world? Does it prove our belief in equality that titles and distinctions are unknown in our country—that every four years we can elect the legislators and public officers of our choice?"

I: "Yes, I have observed that in all such respects the greatest equality and freedom obtains. But in one respect, the most important of all, it is conspicuous by its absence."

He: "And what is that?"

I: "The same as in my country. A minority is enabled, in quite a law-abiding way, to appropriate a considerable part of the income of their fellow-men."

He: "What do you mean by that?"

I: "Would you say a people was free and loved justice if it allowed a section of its citizens to say, 'The air belongs to us'? With the result that everyone else had to pay ransom for the right to breathe?"

He: "No, I would look on such a people as anything but free and in a very sad state."

I: "Quite right. But is it not a fact that also in your country a section of the people lay claim to exclusive property in an object of more consequence than the air, namely, the land? And not only the surface of the land but also all the treasures underneath—the ore and coal deposits, the petroleum springs, the minerals and other natural resources?"

He: "Is that so bad and so unjust?"

I: "Bad, certainly, and unjust too, objectively; since the payment the disinherited of this world have to make to the owners of land mounts into the thousand millions. That is why the earnings of labour never rise and why we find undeserved poverty everywhere. It is responsible for the struggle for existence that becomes more bitter every day; the increase in crime and the destructive tendencies that menace the life of civilization itself."

He: "I take it you are a Socialist if not indeed a Communist?"

I: "Far from it. Those schools of thought perceive that our economic system is out of order, that something is wrong when labour, the producer of all wealth, cannot find employment. They know that the facts won't agree; on the one hand we are able to produce far more than we require; on the other hand we see widespread poverty and misery. But they do not know where the defect is. In their efforts to bring about better conditions they make no distinction between things mankind produces that may therefore be possessed as private property and things that by the law of God and justice belong to all, like the land and the air.

They see no other way to deal with the present evils than to nationalize everything and put the whole people in an economic compound, as it were."

He: "Suppose you are right, what is your plan? Have not the present owners of the land got their property by lawful means? Will you take it from them without compensation? And how are you going to see that everyone gets his share of his native land?"

I: "Let it be granted that the present owners have acquired their property in land, coal, minerals, etc., in a perfectly honourable way (I myself own a house and garden), by what right could our forefathers make the Earth an article of sale? How could they give away for ever the natural rights of succeeding generations and subject the land to the huckstering traffic of the market place? And even if they did so by legislative act, have we not the right to annul such act by another legislative act? Was not slavery an injustice permitted by law and was it not also abolished by another law, and by your own country? The way to establish just conditions is assuredly *not* to give each person a piece of the Earth's surface (that would only be a new injustice to future generations) but to secure to each living person and to the yet unborn his or her share of the economic rent that attaches to the land. This would suffice to replace all taxes and tariffs and in addition render possible the production of wealth in such degree that every person would be assured an ample income lifting him above all material cares."

He: "And what have you to say about compensation to the landowners?"

I: "That problem is solved in a way that will be to the advantage of all the people. You only need to read the book written on this most important of all questions by one who is not only the greatest of your countrymen but also without exaggeration one of the noblest men and clearest thinkers of all time—the book *Progress and Poverty* by Henry George. It will reveal to you as nothing else has done the full significance of the words of Goethe in *Faust* :—

"Laws and rights are handed down,
Inherited like lasting ills.

From age to age they drag their course,
And soft they steal from place to place.

Make sense to nonsense; what's well-meant but afflicts.
Woe's thee, that thou art child and heir!

That right of ours we have by birth—
Of that, alas, no word is heard."

Any subsidy for building houses enables the landowners to raise the price. It is, in fact, a gift to landlords for doing nothing, and the only remedy is to take taxes and rates from industry and consumption and place them on the market value of all land whether used or not. With cheaper land houses could be built up to increased wages instead of down to low wages.—A. J. M. in the *Lennox Herald*.

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An official announcement by the British Treasury, 15th December, states that in further payment of Britain's war debt to the United States a sum of £18,000,000 is being paid to-day. Of this total only £5,000,000 represents repayment of principal, the remainder being interest due. This country still owes America £896,000,000.—*Glasgow Herald*, 15th December.

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Mr Ferdinand Meró of Budapest (a visitor to our offices last summer) had an informing article, "Report on the Present Hungary" in the issue of *Taxation Quarterly* of October, the organ of the Manhattan Single Tax Club, New York.