

being relieved of the tariff burden, by their victory it is now much heavier than before on most articles of their clothing, food and housing; a surprising example is the duty on shoes which has advanced 200 per cent since 1914. An important aid to this counter-reform has been the ominous Art. 123 which has bred a school of selfish labor leaders which looks abroad for its technique and argues: "If the trade unions in the United States and Australia find it profitable to back their employers politically and share the loot from their schemes, of mulcting the morons through higher tariffs, why shouldn't we do the same here?"

### TAXES FAVORING LAND SPECULATION

Finally, I will glance at the effect of the Revolution on the main source for Cientifico plunder, land speculation in the Federal District. On reviewing the main provisions of the latest (1929) tax law, I find all the old legal aristocratic European devices, for diverting public wealth to private pockets, in full operation. House property when occupied pays a local *predial* (real-estate) and sewer tax of 12.7 per cent on the annual rent; but if unoccupied the tax is reduced 50 per cent, thus encouraging house monopolies for raising rents. The system of taxing rent (rather than selling value) is itself a scheme for encouraging land speculation, by enabling valuable lots to be held cheaply by covering them with shacks leased at low rentals.

In 1922 the old local tax rate of 1 per cent on vacant lots was raised for a while to 2 per cent, but this mistake was soon "corrected" by a new schedule dividing lots into 6 classes, according to value, with a different tax-rate for each class. While the first class (over \$75 a square meter) is taxed at 3 per cent, the fifth class (\$3 to \$8) pays 1 per cent and the sixth class (under \$3) only 0.5 per cent. Since most of the colonia land is included in the last two classes, the value of the "correction" for the Cientifico speculators is evident. Moreover, the assessment being usually only 50 per cent of the true value makes these nominal rates really double the real ones. A further reduction can be secured, of 15 to 40 per cent of these rates, by planting a vacant lot with trees. The above *local* rates in the capital (as everywhere else) are always increased by a *federal* tax which varies from year to year; this increase is now 20 per cent and puts the total rate on house rent at 15.24 per cent.

The writer made a detailed fiscal investigation in 1921 of the Federal District, for the Ministry of Finance, and later published his report entitled: "Catastro Democrático," in the "Memorias de la Sociedad Científica Alzate," Vol. 45 for 1926; a copy of which will be found in any of the world's scientific libraries. This report summarized that real estate was paying only 26 per cent of local taxation or (if 50 per cent of this figure be subtracted for the tax on buildings) that land values were only paying 13 per cent of the total. Later, in 1922,

the writer worked on an official commission which drew up a complete plan for the gradual shifting of the taxation of the Federal District from the consuming masses to the land holders; but its report was repudiated and the Diaz system has continued to the present, as the reviewed law of 1929 proves, in spite of two decades of "popular" revolution.

### BLOCKING REFORMS

As novices in Latin intrigue, you could never guess the why of such ridiculous self-contradictions of government, but initiated Mexicans explain the mystery as follows: The Cientifico leaders in 1911, as soon as they surmised the probable fall of Diaz, selected some of their bright young disciples (not known as such to the public) as "The second line of defence." Later, when the leaders had to flee abroad, their disciples remained on guard to "join the Revolution," and soon rose to such political prominence as to have been able ever since (as "new" Cientificos) to block the efforts of any meddling reformers who might try to disturb the vested graft of their exiled friends as publicly-subsidized manufacturers and realtors.

My hasty sketch of the Mexican revolution may perhaps seem incredible to such of you as have long drunk deep at the well of propaganda, but, before voicing your doubts, remember that: "Truth is stranger than fiction," and that there is no locality where that old adage can be better demonstrated than in this queer land of fantastic happenings of which the half cannot now be told.

## Mistakes of Ingersoll

IN that unsettled period after the Civil War, Robert G. Ingersoll, orator and agnostic, did as much as any other to mould and direct the political opinion of the Nation. He met the argument, then often urged, that slave labor would bring down the wages of free labor by saying, "If I belong to a superior race, I will not fear the competition of an inferior race."

Is there any principle or proposition less in need of elaboration—less open to dispute? What, indeed, is the use of being intelligent or superior if you can't compete with the inferior? What is the test or proof of superiority? Without doubt, the swimmer who comes ashore after the race is won, the skipper who is defeated by a coat of paint, the jockey who is beaten by a nose, would urge in vain the claim of superiority.

And if it be true that the superior, the intelligent and the skillful can compete without fear with the inferior, the ignorant and the unskillful, we have completely refuted, have we not, the propaganda of the protectionist? For have they not always claimed that a protective tariff was necessary because intelligent American labor could not compete with the unintelligent pauper labor of Europe?

Yet, strange as it may seem, Ingersoll was always a protectionist. He must, therefore, have believed that there



was some peculiar ingredient in foreign inferiority that differentiated it from American inferiority and placed the foreign brand in such a favorable position that it could enter into competition with the superior labor of America and excel it by producing the same goods at lower cost or better goods at the same cost.

Inferiority, you see, was not to be feared unless it was foreign inferiority; the home brand could be grappled with successfully by the superior class in the country.

If the South, for instance, had won the war that slavery caused, the principle so clearly and concisely stated by Ingersoll, instead of operating as it now does throughout the territorial limits of the Nation, would have been confined within the boundaries of the North and South respectively.

I would rather believe such a conclusion to be a mistake of Ingersoll's rather than to think that a principle so fundamental would change its hue, chameleon-like, on the result of a war or on the crossing of an artificial boundary line.

Again, in what he called a "Lay Sermon" delivered in New York in 1886, Ingersoll expressed opinions that should lead one inevitably to the acceptance of the philosophy of the Single Tax, and yet he was unwilling to acknowledge any such doctrine. Here is what he said: "There is something wrong in a government where they who do the most have the least. There is something wrong when honesty wears a rag and rascality a robe." *See Is-4*

Then he puts his finger squarely on the trouble:—"No man should be allowed to own any land that he does not use. Everybody knows that—I do not care whether he has thousands or millions. I have owned a great deal of land but I know just as well as I know I am living that I should not be allowed to have it unless I use it."

Continuing, he says: "Now, the land belongs to the children of Nature. Nature invites into this world every babe that is born. And what would you think of me, for instance, tonight, if I had invited you here—nobody had charged you anything, but you had been invited—and when you got here you had found one man pretending to occupy a hundred seats, another fifty, and another seventy-five, and thereupon you were compelled to stand—what would you think of the invitation? It seems to me that every child of Nature is entitled to his share of the land, and that he should not be compelled to beg the privilege to work the soil of a babe that happened to be born before him. And why do I say this? Because it is not to our interest to have a few landlords and millions of tenants."

Splendid. No one can find fault with that. If words mean anything, Ingersoll's doctrine was—and it's my doctrine, too—that a child born into the world must not be at a disadvantage so far as the land is concerned because others were born before it; that the earth—the storehouse of all wealth—is the provision that Nature made for all just as the manna that fell from heaven was the

provision that Jehovah made for all the Israelites when Moses led them on that march of forty years through the wilderness and out of a certain kind of bondage.

Then, as though he had forgotten the foregoing or was unconscious of its meaning, Ingersoll proceeds: "I do not want to take, and I would not take, an inch of land from any human being that belonged to him. If we ever take it, we must pay for it—condemn it and take it—do not rob anybody."

Is it possible to harmonize this last paragraph with what has gone before? The fact of the matter is Ingersoll has contradicted himself in succeeding sentences. He takes on this subject both sides of the question. He affirms and denies. So he must be at least fifty per cent mistaken.

Either the ones who came early in response to his invitation had a right to monopolize the seats as they claimed to the disadvantage of those who came later, or they did not have the right. If they didn't have the right to more seats than they could use, their claim was false and it's folly to suggest that they be paid to surrender such a claim. To pay them is to acknowledge their title.

So, either the land belongs to the children of Nature or it doesn't. If it doesn't, we should pay the price of the ones who are monopolizing it if we want to use it. This means that we must humbly beg the privilege to work the soil of the babes who are holding it on such terms as they may specify. Their terms become increasingly oppressive as land is taken up until as now, we are compelled to give about everything we have for the privilege to work the land that Nature gave. Under this principle, labor is enslaved and work is everywhere regarded as a curse; idleness is respectable; those who toil most get the least; millions, plundered and discouraged, turn to crime; the President appoints a crime commission to ascertain the cause of wide-spread disrespect for law, and a civilization such as we now have is produced—the necessary and natural result of such a theory.

On the other hand, if the land belongs to the children of Nature, as Ingersoll stated, all have the right to use it on equal terms, and so long as there is idle land there need be no idle men. There is ever present the opportunity to work and to obtain the full reward of the effort exerted. The means of a livelihood being within the reach of all, want and the fear of want is done away with and man is economically free. And economic freedom is the basis of all other forms of freedom.

Ingersoll proved conclusively that his thought on this subject was ill-considered and merely impromptu when he said that the land belonged to the children of Nature, but in order to get it they should pay the price exacted by the land monopolist. This is as though he were to say it doesn't belong to them at all. To pay the price exacted is to recognize the soundness of the title of the monopolist. How did he get the land, anyway? Did he make it? Can he trace his title to the maker? Of



course not. It is quite evident that force and not justice is the basis of his claim of ownership.

If it is finally determined that the children of Nature are the rightful owners of the land, as Ingersoll said they were, this change in the theory of land tenure would be prejudicial to the rights of none except those holding land unused, hoping to reap the harvest that belongs to others.

—JAMES EUGENE OLIVER

## Where Voltaire Stood

**D**URING the reign of Louis XV there arose in France a group of economic students, who were later called "physiocrats", and who had advanced ideas on political economy. They antedated Adam Smith as free traders and Henry George as Single Taxers. Like modern advocates of the same ideas they were misunderstood and one of those who misunderstood their doctrines was Voltaire. He satirized what he erroneously supposed to be their proposal in his "Man of Forty Crowns", which was a forerunner of the modern objection to the Single Tax wherein there is presented a millionaire "who owns no land" and whose fortune is all invested in securities and a farmer "who owns nothing but land". Voltaire overlooked that the millionaire's securities are but title deeds to or liens upon valuable land while the farmer's land has little or no value aside from improvements. Perhaps the physiocrats failed themselves to make this as clear as they should. But Voltaire was a wise man and consequently was not averse to changing his mind. He did so in this case. This is a fact not stated in Professor E. R. A. Seligman's use of this satire as a refutation of modern Single Tax arguments, nor is it mentioned in the tract issued by the National Association of Real Estate Boards which follows Seligman's example.

Voltaire made clear his change of view when the landed gentry of France and their sycophants, the Babbitts of that day, made war on Turgot, the physiocratic Finance Minister who established free trade in grain, abolished forced labor on the public roads, recommended taxing land values to pay for road improvements and, the landed interests feared, was about to put into effect the Single Tax advocated by the physiocrats after abolishing the local tariffs. Voltaire came to Turgot's aid with a pamphlet in defense of his views. It must have been unanswerable for the parlement of Paris suppressed it. Turgot was dismissed and on hearing of this Voltaire wrote:

"I have nothing but death to look forward to since M. Turgot is out of office. The thunderbolt has blasted my brain and my heart."

This was more than mere rhetoric. He died shortly afterward. Undoubtedly he recognized the calamity to France involved in the loss of opportunity to put in effect the principles he had once satirized..

—SAMUEL DANZIGER.

## Our Australian Letter

**T**WO economic missions, one invited by a Nationalist and the other by a Labor Government, have visited Australia from high financial and industrial circles in England, have examined into our condition, and have pronounced what is practically the same verdict, namely, that national bankruptcy can only be averted by a complete change of system. A few figures will disclose what our financial position really is. According to the latest figures just issued we owe over a billion pounds sterling—£1,100,598,000 to be precise—on account of the Commonwealth and States, on which we pay interest amounting to over £55,000,000 every year, with the rate of interest continually increasing. Our budgets both commonwealth and State show a deficit every year, there are only a trifle over 6,000,000 people to bear the burden, and overseas financiers have refused to lend us any more till our credit is restored. Both Commonwealth and State Governments in a panic have resolved to make their future budgets balance; they are decreasing expenditure in every direction, public works are being abandoned, salaries and wages are coming down with a rush, and everything but the right thing is about to be done to put our house in order and restore our credit. No competent person who has watched our policy in the past is surprised at what has happened. The only surprise is that Australia has not broken down long before. For her position is utterly unsound.

Australia is like a pyramid resting on a three-cornered foundation—Protection, Land Monopoly, and Artificial Wages—each of which is morally inequitable and therefore economically unsound. While drastic reductions are good in their way they are only palliatives at the best and our position can never be wholly retrieved so long as our foundations are unsound. The Labor Party—or at any rate the Industrial and Trade Union section of it—denounces any reduction in wages so long as the present high rate of interest is still paid. Some even go so far as to advocate the repudiation of the immense debt we incurred for carrying on the war, As if war debts were in a water tight compartment all by themselves and could be dealt with apart from other debts, which economists tell us they can't. The principle at stake is the same. If you repudiate one you must repudiate the other.

### WHAT IS WANTED

What is wanted is not repudiation of the war debt but the repudiation of false principles, of the rotten foundation on which our policy has been hitherto reared. Let us consider for a moment what these rotten foundations are. I: In the first place, Protection, which is the pet hobby of the Labor Party as it is the fetish of them all, is the compulsory enrichment of one section of the community at the expense of the primary producers and the rest of the community. This is manifestly unfair to the