

AS OTHERS SEE US.

THE BRITISH CITY: THE BEGINNINGS OF DEMOCRACY.*

Dedicated to "Our Tom"—for Tom L. Johnson of Cleveland belongs not merely to the American democracy but to the democracy of the world—this book is manifestly animated by the social philosophy in which this good and true servant and leader of his people finds the guide and inspiration of his public life. Coming from the author of "The City, the Hope of Democracy," which we reviewed in August, 1906, we cannot give it higher praise than to say that it is in every way worthy of its predecessor. In fact, we feel convinced that the land reformers of this country will soon recognise it as one of the most inspiring and instructive books in the literature of our movement. When we read Mr. Howe's first book we realised we were communing with a singularly clear-sighted and far-seeing student of both history and economics, and the perusal of this his latest book has but revived and strengthened this impression. The never-ceasing economic struggle between democracy, or freedom or social justice, and aristocracy, or monopoly or social privilege, is clear to his mental vision. And in economic conditions and economic motives he finds the predominant factors moulding and determining the life, destinies, and development of the individual as well as the life, destinies, and development of the community.

THE BEGINNING OF DEMOCRACY.

Our author regards modern democracy as still in its infancy, as just beginning, and as beginning and growing and finding constructive work and articulate voice in the great centres of our industrial civilisation, the cities. As he tersely expresses it—

"In Great Britain, as elsewhere, the problem of the city is the problem of civilisation. . . . Great Britain, like America, is being democratised through the cities. . . . In England, as in America, constructive democracy is at work in the cities. . . . Real democracy is but beginning. It is finding its voice in the demand for industrial legislation. It is aiming to make use of the ballot for the correction of the present unequal distribution of wealth. It is inspired by the fearful poverty of the bulk of the nation, by the injustice of the system of taxation, by the tyrannous use of power by the classes long in control of the Government."

WHAT THE COMING OF DEMOCRACY INVOLVES.

Nor is our author blind as to what the coming of democracy involves, as to the meaning of the great struggle which has already commenced. As he says—

"The unprivileged classes are struggling for the control of the Government for the benefit of all the people, just as the landowners, the franchise corporations, and the privileged interests have heretofore controlled it for the advantage of a few. . . . The struggle involved is one for economic opportunity. It is a struggle for the chance to work and to participate in the wonderful industrial progress of the past century. And everywhere the city is the centre of this new political activity. Everywhere the tendency of democracy is toward decentralisation, to the use of the powers resident in the municipality for the relief of the poverty and despair which has settled down upon the submerged classes."

THE ENEMY IN ITS PATH.

The entrenched enemy in the path of humanity, in the path of democracy, is also clearly discerned by our author. Again we will let him speak for himself—

* "The British City: The Beginnings of Democracy." By Frederick C. Howe. English Publisher, T. Fisher Unwin, London. Price 7/6.

"Whenever a Government creates a privilege, that privilege is lured into the Government; and if it is big enough to do so, it becomes the Government. That is the experience of Great Britain just as it is of America. . . . All that the Imperial Government has ever meant to the great mass of the British people has been the privilege of carrying the aristocracy in idleness upon its back. . . . It is doubtful if any nation in Christendom, outside of Russia and Spain, is so remorselessly plundered by its ruling classes as in Great Britain. . . . To live without labour means that one must live by the labour of others. This is the motive of privilege. It is the instinct of monopoly. It is the meaning of protective tariffs, of railway, franchise, and mining grants, of land monopoly, of subsidies, of indirect taxes upon consumption, of unjust taxation in any form. It is the lust for something for nothing that makes the House of Lords and the United States Senate instinctive obstacles to democracy."

THE REAL TEST OF A CITY.

The real test of a city, our author holds, is—"What does it do for its people?" He realises that the British city has attempted to do much, and would willingly do more; but his thorough investigation has laid bare to his ken that—

"In form the British city is a simple democracy. In reality it is in a state of servitude. . . . Its powers are ample when they do not conflict with the class which owns. In all matters which endanger some vested interest, however, supervision by Parliament is constant. . . . In other words, the Councils do not legislate on any of the most important questions affecting the city. Parliament is the real Town Council for all of Great Britain. . . . Thus the freedom of a British city is not a very substantial thing. It is bound by Parliamentary thongs. It may not move in any direction which affects the purse of the overlord without the permission of the overlord. The sovereignty of the city is really subordinate to the sovereignty of the landlord."

THE CONSCIOUS AIM OF DEMOCRACY.

As Mr. Howe clearly recognises, the conscious aim of democracy is to abolish poverty, and to remedy the present iniquitously unequal distribution of wealth, by doing justice and securing equal liberty and an equality of economic opportunities to all within its beneficent influence. As he well says—

"The well-being and the happiness of the people should be the most important question before any Government. The existence of poverty on a wide scale should banish every other question till its cause is explained. Every consideration of Christianity, of humanity, of long-sighted statesmanship, should place this problem first in the programme of any party. Questions of armament, of colonial administration or expansion, of war or of peace, should be ignored until some explanation is found and some solution is offered for the existence of poverty in the midst of great plenty, of national decay alongside of unparalleled luxury, of overflowing prisons and workhouses in a civilisation that has made all nature tribute to the ingenuity of man."

THE NEED FOR ITS REALISATION.

Surely the present need for the speedy realisation of the inspiring aim of democracy need not be emphasised in this country. For, as our author expresses it—

"The cities of Great Britain represent the final result of the existing industrial order. Here poverty seems worse than any place in the civilised world. . . . Words cannot exaggerate the degradation which seems to oppress the mass of the inhabitants of the British city. It is seen in their wretched tenements, but mos

of all in their appearance. No country of Western Europe present a scene of such universal despair as do the cities of Great Britain. The scale of wages, the extent of non-employment, the statistics of poverty, the loss of physical stamina, all confirm the evidences of the eye. The country villages are but little better. And Parliament, which represents the privileges primarily responsible for these conditions, refuses to grant any relief that threatens to interfere with the ancient abuse of its members."

WHY SO LITTLE HAS BEEN ACCOMPLISHED.

"Taken as a whole, it is doubtful if contemporary politics in any portion of the world presents a more disinterested, honest, and efficient body of public officials than are to be found in the Town Councils of Great Britain." After paying this well-deserved tribute, and giving a brilliant summary and analysis of the great work these Councils have accomplished within a comparatively short space of time, Mr. Howe raises the all-important question as to why all this honest work and high endeavour have made so little impression upon the poverty of the British city, and effected so little to improve the general economic and social condition of the masses of the British people?

Nor does he leave the careful reader in any doubt as to the one true answer to this vital question. As every instructed land reformer knows, and as bitter experience is to-day bringing home to every thoughtful man, we started wrong. Influenced by the dire need for immediate action, and guided by the swift logic and superficial reasoning of the enthusiastic and philanthropic, but inadequately instructed, social and municipal reformer, instead of commencing with the necessary reforms of our land and rating systems, we commenced by doing all manner of necessary and useful things. The masses of our people deliberately closed their eyes to the fact, repeatedly urged on their attention by our at the time handful of adherents, that even if entirely successful, and in exact proportion to their success, all such enterprises, under the present land and rating systems, instead of benefiting those for whose advantage they were intended, would simply increase the tribute levied upon their industry and earnings by the privileged land-owning classes.

As a prominent Glaswegian, quoted by our author, well summarises it—

"We extended our tramways far out into the suburbs; we had so many poor, such terrible slums, so much sickness, vice, and misery. We wanted to give our people a chance, wanted to get them out of their tenements and into the country, where land was cheap. We reduced our fares. In consequence, earnings fell off. Instead of making land cheap for the poor, we made it valuable for the landlords. We cut down commuters' fares a pound a year, and rentals went up exactly one pound a year. We sought to secure cheap homes for our people, but the land speculator appropriated the whole thing."

Our whole system of government is, in truth, directed to this end—to crush, enslave, and impoverish the industrious, and to aggrandise, endow, and enrich the privileged idle classes. And manifestly no mere extension of municipal activities will remove these effects so long as the causes thereof remain untouched. We may municipalise, cheapen, or even make entirely free all our public services—gas, water, electric power, tramways, and schools—but so long as we leave our land system and rating system as it is at present, we shall have accomplished nothing, save enriching those who own the land beyond the dreams of even their avarice. For, as our author well says in the closing pages of his excellent work—

"The interests of the landlord are ever at war with the interests of humanity. Every effort of the city to improve the condition of the people is frustrated so long as the private interest of the land owner remain

superior to the well-being of the community. Any reduction in the charges for water, gas, and transportation becomes but a contribution from one class of land owners to another. . . . The British city can only cure its economic diseases through the most radical departure in its land system and the method of assessing local revenues."

THE BRITISH LAND SYSTEM.

Our author explains our British Land System in a most exhaustive manner, and we cannot refrain from giving our readers some insight into his true appreciation thereof. He reminds his American reader that—

"It is impossible for America to have any understanding of the attitude of Great Britain toward its aristocracy and the land which it owns. . . . Land, as land, is sacrosanct in Great Britain. . . . It is too sacred to be touched except by permission of those who own it. Land is really the controlling factor in Great Britain's political, social and industrial life. . . . Much of the land cannot be sold except by special Act of Parliament. And this is so costly that it is rarely resorted to. A perpetual aristocracy is assured by a system of primogeniture, by entails and acts of settlement devised to keep the estate intact within the family. Conscious of the power which the ownership of land confers in a country where all of the land is taken up, the aristocracy has made it almost impossible for one who is born into that class to divest himself of his heirship. It has made it equally difficult for any one not so born to obtain access to its sources of power. There is nothing quite like this in the civilised world."

AND THE BRITISH RATING SYSTEM.

"Those who own the land in Great Britain also control Parliament. They form the House of Lords. They pass all laws relating to taxation." Hence it is that "the British government is really merged into the economic interest of the aristocracy; that the history of national taxation and of local rating is so intimately related to the history of the evolution of landlordism; and that the question of rating lies at the root and is necessary to the understanding of the many municipal problems of the British city. As our author expresses it—

"The British city cannot grow until the lord of the manor lets go of his untaxed land. And he waits until he gets the last penny out of it. . . . For so long as it is vacant it pays no taxes at all. If it is badly improved it pays but little. . . . The British rating system punishes where it should encourage. It places a premium upon indolence. . . . The local rates are assessed against the tenant. They are paid by the occupier. The owner of the land pays nothing, or next to nothing. And, worst of all, property is taxed for local purposes not on its selling value, but at whatever the landlord may happen to get out of it in the shape of rent. If he does not see fit to rent it, it pays no taxes at all."

THEIR EFFECTS.

Mr. Howe summarises the dire effects of these correlated causes in a masterly and impressive manner. He says—

"In consequence of the monopoly of the land in a few hands, Britain is a nation of tenants, of tenants under the most remorseless system of wealth appropriation ever sanctioned by law. . . . It is this monopoly of the land and its exemption from taxation that explains the heart-disease of the British nation. . . . Herein, of itself, is an adequate explanation of the decay of Great Britain. For those who labour are being crushed between the upper and nether mill stones of ground rent and taxes. Ireland paid the price of the system in the devastation of the country, and the same process is reaching its logical conclusion in Great Britain to-day. . . . It may seem inadequate to find

in the method of raising local revenue, or the system of land tenure, an explanation of the decay of a nation, more especially of a country whose eminence lies not in agriculture but in its commerce and industry. But remote as the connection may seem, it is none the less true that Great Britain is in danger of losing whatever supremacy she enjoys because of the monopoly of the land and the resources of the nation, and their exemption from direct taxation."

THE NEXT STEP OF INDUSTRIAL DEMOCRACY.

Having thus traced the diseases that are sapping the vitality and eating out the heart of our nation to their true causes, Mr. Howe in the closing chapters of his book, indicates the one true line of real, radical social reform. "Complacency," he points out, "has given place to enquiry. The traditional explanations of the decline in agriculture, the decay in industry, and the increasing poverty of the people, are being questioned. The cure of the nation's heart disease is being sought, not so much through charity as through positive legislation." And he boldly contends that—"The most radical of the many seemingly radical measures of the present Ministry are those relating to the reform of local taxation."

THE TAXATION OF LAND VALUES.

Nor does Mr. Howe leave his readers in any doubt as to the direction this reform must necessarily take. His closing chapters are, in truth, a masterly exposition of the taxation of land values, its justice, its sufficiency and its effects. He claims land values for public purposes because it is the fruit of the public's presence and activities, because "it is the joint product of all," and "is purely social in its origin." He contends that—"Were all of the local and all of the imperial taxes levied upon the capital value of the land, the burden would be shifted from those least able to bear them on to those best able to do so." And that "even then the few hundred thousand at the top would be left in the enjoyment of unearned incomes of hundreds of millions of dollars a year." And he points out that—"The tax upon land values is the only tax which is a stimulus to production. All others are a burden upon industry and a charge upon labour. Moreover, the land values tax cannot be shifted. It remains where it first falls."

ITS EFFECTS.

In a series of brilliant paragraphs our author expounds the beneficial effects which must necessarily follow the adoption of this equitable system of raising public revenues. How the cities as well as the country-side would respond to the stimulating influence of such a tax; how it would galvanise land owners to beneficial activity, the villages into life; how it would relieve the congestion of the towns and re-populate our rural districts with a thriving race of free and independent yeomanry; how it would reduce rents and increase earnings, and lay sound foundations for all other necessary reforms: are all treated in a manner which leaves nothing to be desired.

A SOCIAL RATHER THAN A MERE FISCAL REFORM.

Moreover, Mr. Howe clearly recognises that the Taxation of Land Values is far more than a mere fiscal reform. As he tellingly expresses it—

"The Taxation of Land Values is a social even more than a fiscal philosophy. It is not the relief of the overburdened ratepayer that inspires the movement so much as an opportunity of access to the resources of nature. It is a new dispensation, in which the earth will be reclaimed by the people, that has inspired workers in every quarter of the world to the belief in the single tax imposed upon the value of the land alone. And no country in Christendom is so inviting an experiment station for its adoption as is Great Britain. In no country is the land more closely monopolised or the people more completely exiled from its use."

A PHILOSOPHY OF INDIVIDUALISM.

Though our author's proposals are surely far reaching enough to satisfy the requirements of the vast majority of those who regard themselves as Socialists, yet is his philosophy far removed from that of the only logical Socialists, the Social Democrats or State Socialists. Again we will let him speak for himself—

"The Taxation of Land Values is far more than a fiscal expedient for the juster distribution of the burdens of government. It is a philosophy of individualism. It would place in the hands of the community those things that are public, and leave in private hands those activities that are competitive. The line of division is simple and definite. It is drawn at those monopolies which are identified with the land. It would have the community own the means of transportation, the gas, water, electric light, and telephone services, and administer them for the public weal. The city would take the value of land through taxation because the life of the community is dependent upon it, and because it is the joint product of all. . . . Such a tax, imposed to the limit, would substitute the community for the ground landlord. The rentals which now flow to a handful of owners would then pass into the public treasury."

CONCLUSION.

We have quoted at such inordinate length from Mr. Howe's great work because we regard it as the most encouraging, impressive and up-to-date work in the literature of our movement. We, therefore, desire to interest our readers therein, in order that they shall bestir themselves to promote its circulation, and see that it is ordered for every educational institute which they have power to influence. The author has done his work well; we must now do ours. We should use our best endeavour to spread amongst our fellows the new morality which animate our activities, and which is so aspiringly avowed in the pages of this book and of its predecessor. To close with the words of our author—"It is the morality of social justice, which is the mission of industrial democracy to the modern world. It is this that makes the city of to-morrow the hope of civilisation, just as the city of to-day is its despair."

L. H. B.

PEERS AS RENTMONGERS.—At the Restoration (1660), feudal land dues yielded about one half the National Revenue. Of this most just obligation our old nobility magnanimously relieved themselves, at a blow, by substituting Customs and Excise. They subsequently undertook to pay 4s. in the £ on "true annual rental," but they have since fraudulently kept to the original Valuation of 1692, with the result that they are now paying less than a million in Land Tax when they should be paying at least forty.

I well recollect my late dear old friend, Dr. W. A. Hunter, M.P., reckoning thus ingeniously the cost of this fraud to the Wage-earners: Whereas forty working men, with aggregate wages amounting to £2,000 (£50 a year for each) contribute £12 to the Revenue out of every £100 of their wages, one man—an absolute non-producer, perchance—with an income of £2,000, contributes but £3 out of every £100 of income. So much for the notorious Land Tax swindle, which the *Reform Almanack* has calculated has already caused the loss of some £1,270,000,000 of Revenue. In other words, the landlords are to that extent in arrear of rent to the State.

It is hopeless going to the country on a bloodless Education or even Plural Voting issue; but let the Government bring in a drastic measure, striking at the vitals of the land monopoly in town and country—the Peers alone own one-fifth of the soil and pocket £12,000,000 in rent—and the day will infallibly be theirs. The Peers will be smitten from Dan to Beersheba, or I am no prophet.—Morrison Davidson in *Reynold's*.