

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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IX.

SMALL HOLDERS AND THE TAXATION OF LAND VALUES.

Not only the workers, in the ordinary sense of the term, but all who live by their labor, by service, will be benefited by the Taxation of Land Values.

To many this may seem impossible. For according to the popular Socialistic philosophy the interests of the workers and the employers, large and small, are necessarily and essentially opposed one to the other. According to its teachings, anything that benefits the employers must necessarily injure the employed, and vice versa. But if such teachings were true, then the conditions of the workers, of the employed, should be at their best when those of the manufacturers and "capitalists" were at their worst, the workers should be having a good time when the factories and businesses of employing classes were being shut down for want of orders, and should be having a bad time when business is good, orders plentiful, and the employers are making big profits. But all the world knows that the very opposite is the case.

The well-being of the whole industrial population, employer and employed, depends upon the land, the natural source and opportunities being well and fully used. This is not only true of agriculture and mining industry, but of all trade and industry. For one and all can only be successfully carried on in suitable districts, where either the raw materials of the special industry are easily obtainable, or a ready market is to be found. All such advantages accrue to the land, and materialise as land value, as is proved by the fact that the land value of our towns and centres of industry are far higher than in places having fewer advantages either for trade or industry. The use of land is, in short, the primary necessity of all production and all trade. If all land were taxed according to its value, the land-owner would be compelled to put his land to its full use, or allow some one else to do so. He would no longer have the power profitably to withhold from others the use of land. The Taxation of Land Values would tend to bring the land into the hands of those who can best use it, to stimulate the production of wealth, as well as to ensure a more equitable distribution. For the expansion of industry would not, as now, materially benefit only a few, the fortunate holders of the land upon which alone it can expand, but every worker, artisan, employer and business man.

The opponents of the equal right of all to the use of the earth have one ally upon whom they believe they can unhesitatingly rely, viz., the peasant class. They avow that we will never be able to convince the peasants that they will be benefited by the restoration of the equal rights of all to the use of the earth. Even many who are convinced of the injustice and evil social, industrial and economic effects of the unequal distribution of landed property, are of the same opinion. In Switzerland this view is very wide-spread, since in this country there are no, or few, large landed estates. Indeed, the advocates of peasant proprietorship, as a solution of the social problem, or to serve as bulwarks of private property in land, hold up Switzerland as a model to be imitated. In Switzerland, they tell us, there is everywhere to be found a robust peasantry, well-to-do and contented. In such a country any movement involving or threatening the abolition of private property in land can have no future. But can these eulogists of peasant proprietorship show us a single peasant community in Switzerland where the land is equally or equitably distributed, where the minority does not possess more land than the majority? Can they tell us of a single community where differences in fortune are based solely on difference in industry, economy and skill in management? Have they nothing to say about the hundred thousand landless farm laborers in Switzerland? Are these not men? Are they forever to be excluded from all share in the earth?

In the Berne Canton a return of the ownership of agricultural land was made in 1888, from which time it is certain that no great change has taken place in the distribution of ownership. The official figures are: Land owners, 14,529, owing in all 167,489 hectares (a hectare equals $2\frac{1}{2}$ acres): whereas 60,176 landowners hold 77,730 hectares. Four-fifths of the whole population of the Berne Canton do not own one third of its arable land, while more than two-thirds are in the hands of not quite one-fifth of the number of owners. According to those who uphold private property in land, this is equitable distribution of land in Switzerland! If one sought out from the prisons of Europe all the worst thieves and robbers, and put them to the task of dividing the Berne Canton amongst themselves, who can doubt the division would be more equitable than that which is today imposed and maintained by the laws of a democratic free State. Coun. Dr. Hoffmann writes in "Handwörterbuch des schweizerischen Volkswirtschaft" ("Encyclopaedia of Swiss Political Economy"): "One may assume that the distribution of ownership in the Berne Canton is typical for nearly the whole of Switzerland. As far as is known only the Aargau Canton forms an exception favorable to small land proprietors." In the commune of Stettfurt, which the same author cites as an example of the distribution of landownership, about two-thirds of the population possess only one quarter of the soil, while more than three-quarters is in the hands of the other third.

Would the Swiss peasant have any difficulty in realizing that such a distribution outrages all justice? Would he not readily understand that if equal rights to the land be restored to all he must be the gainer and not the loser?

Is the peasant not incapable of reckoning? Can the peasant not add two and two together? If we establish the equal rights of all to the earth, how is it possible that those can lose who today possess less than is their due by a just distribution? Are we to consider the peasant so stupid that he cannot grasp the difference between wealth made by man's labor and the eternal and indestructible gifts of nature? Should he not be able to see that his poverty arises from the fact that he has too little because others have too much? If these facts are made clear to the peasant, then the eulogists of a robust peasantry who pocket so comfortably the rent of the larger section, the "robust peasantry," will certainly have a rude awakening.

When newspapers and public speakers talk of "a robust and well-to-do peasantry," they mean thereby those substantial peasants whose wealth has generally been inherited or has been scraped together by extraordinary concentration and, too often, lack of scruples. The great mass of poor peasants, heavily laden with debt, and pressed down by care and destitution, are hardly ever mentioned in public discussions. The majority of them have not enough land to secure them a living. According to Dr. Hoffmann, the minimum for the up-keep of a family is four hectares (ten acres). This, however, is only true of fertile soil, which among other purposes allows of the cultivation of wine (grapes). In the Berne Canton, where the growing of wine is rare, four-fifths of the land owners own less than one hectare. And still the lot of the Swiss peasant family would be comparatively happy if they could but keep the yield of their small farm for themselves! As a matter of fact the small farmers of Switzerland are, for the greater part, so heavily indebted that the word "Schuldenbaeuerlein" (indebted small peasant) has become proverbial. According to the researches of Dr. Rusch, the small peasants in the Appenzell Canton are burdened with debt averaging from 70 to 80 per cent. of their property. As the value of the land is nearly always over-estimated, such indebtedness is really tantamount to the peasant owning no property at all. Thus the peasant has every year to pay several hundred francs in mortgage interest, rates and taxes. It is almost incomprehensible how these sums can be extorted from people who have hardly enough land to provide a scanty living for their families. In many cases home work must be undertaken to supplement the earnings of these mortgage slaves. According to a communication that appeared in the newspaper a short time ago, the woman workers in the agricultural parts of Berne Canton have a day wage of from 4d. to 8d.! No wonder that in Swiss peasant villages one sees so few people in full vigor, so many tired and bent, so few faces merry, and so many dissatisfied faces, bearing the imprint of over-work and under-feeding. The worn-out, prematurely aged figures of the small peasants and their dragging inelastic gait speak plainer than any official statistics of their hard fight against misery and want, of how they have been robbed and fleeced.

Private ownership of land was for the small peasants an accursed gift. In many parts of Switzerland and South Germany there are still remains of the old communal ownership of the soil, the so-called Allmenden. The

citizens of these communities have rights to the use of this Allmenden, but these are burdened with conditions which cannot always be easily fulfilled, and which often give preference to the rich man. In spite of all this it is a fact that in those parts of the country where Allmenden exists, poverty is much less prevalent than where land is held as private property. Where, however, the Allmenden is divided up, the citizens are hardly able to pay the poor-rate. It is an irony on the "robust peasantry" and "the prosperous husbandry" of Switzerland that many of the peasant communities are unable to provide the necessary support for their poor fellow-citizens. On the other hand, there is often no need for any poor-rate in communities where much land is still held as the property of the community. The poor man obtains the use of a piece of land from the community, from which he must then gain his living. He is consequently not degraded to an alms-receiving pauper. He need not remain in enforced idleness. He is not in the position of obtaining more the more shamelessly he begs, the more he destroys his self respect; but according as he works more industriously.

Private property in land has not only condemned the peasant to poverty and debt-slavery, but it has also poisoned his moral character, filled his mind with envy and selfishness. He daily sees that unscrupulous selfishness and mean avarice alone will pave the way to fortune, and that every inclination to helpful goodwill, kindness, and generosity must be a hindrance to him. He who cannot maintain himself on his inherited piece of land is lost: he has fallen among the outcasts of fortune, and there is no rising again for him. The high price of land, the difficulty of procuring a suitable piece of soil, and the still greater difficulty of finding a willing seller, make it impossible for the man who has once become landless to work his way up again. Is it any wonder if the peasant is not inclined to generosity or any other good action? Is it any wonder that he seeks jealously to maintain his advantage and his property when in his short-sighted egotism he estimates all men by their possessions? Can you wonder that avarice becomes an hereditary evil in all peasant families, to the exclusion of better feelings, so that children often await with impatience the death of their parents? On the other hand, where, as in the German Allmenden countries, the old folks of the family carry with them a share of the common land, they are, as a German professor recounts, tended with special care, and their children compete with each other in making the evening of their lives as agreeable as possible.

But, it may be said: "Even supposing private property in land to be harmful to the small peasants, it cannot now be abolished. It is impossible to introduce a tax on land values in the country. Where would the peasant be if a tax on land values were piled upon his load of rent? That would surely drive him from house and home?" This may seem to be so, but is not. The nominal owner of peasant land is in most cases only a sham owner, the real owner being a mortgage creditor. The mortgage creditor has a prior right even over the nominal owner. He must first be satisfied from the yield of the plot before the owner can satisfy his wants. The economic rent from

the property in agricultural land goes, in most cases, into the pockets of the mortgage owners and for the peasant there remains, in good times and in bad, only so much as the favor of circumstances permits his labor to produce. The peasant is therefore not a receiver of rent, but a payer of rent. A tax on the rent of land must, therefore, rather improve his position than make it worse.

The value of land in the country has been so enhanced by the great demand that its rental value only represents 2 to $2\frac{1}{2}$ per cent. interest on its selling value. But the peasant has to pay 4 to $4\frac{1}{2}$ per cent. interest on his mortgage. On an indebtedness of only 50 per cent. of the capital value of the land, the mortgage interest and taxes already absorb the whole rent.

The great majority of the small Swiss peasants are still worse off. Their indebtedness is on the average much higher, and therefore the peasant must even make a contribution from his wages in order to satisfy the mortgage owner.

Has the peasant anything to lose if the mortgage owners are forced to bear their share of these burdens of his? To-day there remains in the hands of the peasants only a small part of the gigantic sums which they raise to meet mortgage interest and direct and indirect taxes. The biggest part finds its way into the pockets of the mortgage owners living in towns, and another big sum is pinched by direct and indirect taxes, which (likewise with rent) serve to make the rich richer and the poor poorer. If the rent be taxed, then this pernicious state of things will be radically changed for the benefit of the peasants. The rich harvest of economic rent will flow into the coffers of the community instead of into the vaults of city capitalists. The peasant communities, which to-day have incessantly to beg support from the State, will then have an abundance of their own. The peasant who to-day knows the community only as an onerous taxgatherer doing him no good whatever would then have help and support from the community which might provide him with cheap capital, besides insuring his stock against illness, his fields against hailstorms, the house against fire, and giving him help in the days of illness, as well as insuring him against unforeseen accident that might rob him of the fruits of his labor. In addition, the community would see that in old age he was not given over to want and poverty.

It is short-sighted and thoughtless to hold that a land value tax must ruin the small peasant. To tax land values is, in fact, the only way in which the community can help the small peasant. The palliatives recommended by the wise men of our State, in order to help the small peasant, "Wash the fur for me, but do not wet it." They want to help the small peasant, but they want to leave untouched the privilege of the mortgage holder. These antagonistic interests will no more assimilate than fire and water. The vital question for the small Swiss peasant is whether he or the mortgage holder shall go under? An institution arising out of justice must not only bear good fruit, but must withdraw the rank weeds of bad conditions from the fostering soil.

The tax on land values would not only immensely improve the condition

of the small peasant, but would also dry up the source of nearly all the evils from which he suffers. Land jobbery, that growing evil of the peasantry, would be immediately ended, because land jobbery is only possible where the prices for land can be arbitrarily driven up. The cutting up of farms in little pieces as well as the stubborn holding up of sites which cannot be of any use to the owner, would also cease. The rage for lawsuits, which involve strips of land a few feet wide would be put an end to. The division of inheritances would not be the cause of disputes and injustice in peasant families as now, for under the taxation of land values it would not be possible to over-estimate the value of land. The business of the country would be enormously augmented. The peasant who desired to obtain a piece of land would not need to advance a large sum of money, but could use his saved capital for the cultivation of the soil and for the purchase of machines and implements. Under the taxation of land values it would be easy for the landless to work their way up by diligence and economy. Poverty and debt, slavery, avarice, and selfishness which to-day press like a deadweight on the peasant's life, would vanish like mist before the sun.

Last century millions of Swiss and German peasants emigrated to America, and still they go, because in America land is cheap, while in the home country it is dear. Where land is open to all, every man willing to work is welcome, and everybody who can earn his bread is his own master.

But most of the free land in America, so long the refuge of the down-trodden masses of Europe, has in the meantime been stolen and appropriated. The wide gate through which the European mortgage slaves could escape their serfdom is becoming narrower every day. The position of the masses in America is sinking more and more to the level of those in Europe. In that country you must now go several days journey by train, through untilled land, before you can reach a place where land can yet be had on reasonable terms (at the price that will yield a fair return).

A second America does not exist. Therefore if we desire to escape from our social misery there is no other remedy than the recognition of the equal right of all to the earth. This reform will help the small peasant at least as much as it will all others who live by toil.

THE fact is, that the great bulk of the personal property tax is paid by the wage-earners and the men of small means, practically all of whose possessions fall immediately under the assessor's eye. The abolition of the personal property tax would benefit them above all others and correct a gross injustice. It ought to be abolished.

Seattle proposes to abolish that tax and all others but one, and raise its revenues on the value of the land within its limits. It proposes to apply the Single Tax. It has seen Vancouver try the policy with signal success. Should the amendment carry, it will be interesting and profitable to watch results in Seattle.—Los Angeles (Cal.) *Herald*.