

PROPERTY PHILOSOPHY

By Scott Nearing

[Mr. Nearing was, until recently, assistant professor of economics in the Wharton School of the University of Pennsylvania. He was dismissed without reason given, but it is understood that his views were too radical to please the men who financed the Wharton School, and this is supported even by some of the Trustees.]

The economic issue, as it confronts the American people, is a very new one, which could never have arisen had conditions remained as they were a century ago. While a large proportion of the people in a community hold property there can be no conflict over property ownership. So long as men could cross the frontier and, by taking up free land, become property owners at will, it was impossible to stimulate interest in property income as opposed to service income. The open public domain was an effective answer to all of the objections that were directed against property ownership and property income.

The spirit engendered by property ownership exhibits itself dramatically in small, well-to-do towns surrounded by prosperous farms. The entire population of such places looks with unrelieved dread upon every proposition that in any way affects property rights. The people ask only that they be let alone, and removed from any part in the conflict which industrial development has fomented—the same industrial development which has led to the increase in town land values. Such towns, with their spirit of hostility toward every proposition that looks to the disturbance of property rights, typify the conditions in a society where property ownership is the rule, and not the exception. In the same proportion that property ownership is prevalent, the property spirit and the property philosophy permeate the thought of a community.

Property ownership engenders a faith in the property philosophy. An absence of property ownership has the opposite result. A situation has developed in the centres of industry and commerce which is essentially different from that in the well-to-do country town. Here the great mass of people own little or no income-yielding property. It makes no difference at all whether the proportion is one-tenth of the people with nine-tenths of the property, or one-fifth of the people with four-fifths of the property. The fact remains that in modern industrial centres most people are not owners of property, and that, on the other hand, the ownership of the great mass of property, particularly of income-yielding property, is centred in the hands of a comparatively small group of persons.

As a result of the concentration of property ownership, and of the development of property forms which automatically yield an income to the possessor, a situation has been created in which a great part of the community depends solely, or largely, upon the expenditures of effort as a means of securing income, while another part of the community, a smaller group, receives its income chiefly from property ownership.

Perhaps the United States has not yet reached the point where an open breach may be expected between those who receive service income and those who receive property income. Certainly the crisis in the conflict has not yet come. Nevertheless, one who has watched the development of the past few years, who has followed the labour movement in its larger phases, who has given ear to the undercurrents of socialistic thought and syndicalistic agitation, cannot help feeling that the United States is moving toward the crisis at breathless speed.

Nowhere in the world, perhaps, is wealth being produced in vaster amounts than it is in the United States. The country is reported prosperous. Go where one will, he will find that, on the one hand, the producers of wealth are living for the most part in straitened circumstances. They do not starve; to be sure; but they do fight a hard, and

sometimes a losing, fight with those implacable enemies, cold and hunger. On the other hand, the family hotels, luxurious apartment houses, summer resorts, winter resorts, cruises, tours, and pleasure halls harbour a throng, many of whom have never lifted a finger toward the production of wealth, and most of whom are enjoying incomes far and away above the value of their service contributions to society.

The irony of the situation does not lie mainly in the contrast, though it is ironical enough to see the worker skimping and the idler squandering. The irony of the situation lies in the accusation of extravagance, incompetence, wastefulness, inefficiency, idleness, and dissipation brought by the extravagant, incompetent, wasteful, inefficient, idle, dissipated recipients of property income.

Make no mistake—those who receive property income are not necessarily extravagant, idle or dissipated. They are sometimes careful of money, sometimes miserly. Some of them work—some even overwork. Some are abstemious to the point of asceticism. Nevertheless, the tendency of property income, at least in the second generation, is to create a spirit of indigence and luxurious extravagance, if not of dissolute living. Not all of those who live on property income are parasitic, but they tend to become so. An existence at the expense of others has always, throughout history, led to a deterioration among the parasitic group.

It is not enough that some live from the proceeds of the work of others; it is not enough that some luxuriate idly at the expense of others who toil for a bare subsistence. These idle ones, these luxurious ones, must take the final step, and look down upon those from whose labour they live.

The social snobbery of a parasitic class is inevitable. Its members dare not face their own merits—they would be appalled! They dare not let those upon whose labour they live realise how utterly banal and mediocre are their lives. The workers would then cease to struggle for a position among the propertied class, or else they would set the propertied class to work. Therefore the propertied class, from the elevation of a social position that is built upon the work of those so far below them, look down upon "the masses," "the rabble," "the mob," "the submerged tenth" and they sympathise, they pity, they even give gifts, philanthropically—a mite from out of their superabundance. When questioned regarding this juxtaposition, they answer, "But they get all that they are worth!"

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THE COMMUNAL RIGHT TO LAND VALUES

By John Cameron

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"If the law of gravitation had threatened any vested interest it is doubtful if it would have been accepted yet."—*Macaulay*.

We would be willing to inaugurate our reform by the smallest instalment, say a penny in the pound on the capital value, or 2s. in the pound on the yearly value of all land, so long as our principle of imposing the tax on "held up" land as well as on fully used land is established. But we do not hide the fact that we are land restorationists and would assert the equal rights of the people to the earth by taking all ground rent for the public Treasury and using it for the common good. We would abolish one after the other the many rates and taxes which hamper trade, and fleece the industrious, and would at the same time correspondingly increase the tax on land values until ultimately the whole of our State and local revenues were provided by ground rent. We should then have reached the Henry George men's ideal—the one or single tax on land values. While one penny of land values remains it is morally wrong

to confiscate the working man's hard-won earnings, or rob by taxation the industrious of the fruits of their industry. Our present system is robbery; none the less so although practised by the State. The business man's profits and the labourer's wages are their own legitimate private property and cannot be justly taken from them for the upkeep of Government as long as there is a communal fund to be taxed and rated. That communal fund exists in the shape of ground rent. No one individual produces these inflated land values; they are created by the crowd and maintained by the ratepayers' money; they are the joint-stock property of the whole people and ought to be taken and used by them for public purposes.

COMPENSATION.

When it is proposed to thus practically abolish private property in land there generally arises in the minds of well-meaning but timid reformers the question of compensation to landlords. Let us consider this subject. No one in this enlightened age will deny that there is a common right to the land—a common right which does not attach itself to any form of wealth produced from the land. Our Creator has provided this vast globe of matter and forces for the use of all generations of men. It is our birthright, our heritage, and no human law or custom can rightly deprive us of our Heavenly Father's bounty. Our ancestors may have bartered away their own rights to the soil, but they could not sell *our* rights; the cunning and powerful may have wheedled or taken by force the land from our forefathers—but it is a fresh world to *us*. We, by the very fact of our presence upon it, have natural, inalienable rights to the earth; ours to tread upon its surface, till it, dig in it, make our habitation upon it, and draw upon it for all our needs. The poorest child born in Ireland to-day has the same right to the soil of Ireland as the proudest land-holding Duke.

But, it may be urged, some at least of the present land-holders or their progenitors have paid hard cash for their estates, and it would be wrong for us to destroy property in land without allowing compensation. There is evident confusion of thought in this objection; let us examine it. First of all, it is clear that the landowner, as such, does nothing whatever for the production of wealth. The coal operator invests, and risks his capital in sinking a mine, and the miner provides us with fuel; the quarry company gives us stone and lime and the builder constructs our homes; the farmer supplies food and the merchant stores it for us, to be purchased as we require it; the tailor offers clothes and the cabinet-maker provides us with furniture. Every one in the long line of production and exchange supplies something, or does something useful and necessary—everyone but the owner of land. His immense income arises from graciously giving his permission to use the land—which permission he can withhold when he chooses. He supplies us with nothing but the surface of God's earth—an element which was here before he or we came. He does nothing, risks nothing, towards the production of wealth but only consumes and destroys. He fulfils exactly the same mission as a pirate or highwayman.

A NEVER-ENDING ROBBERY.

What, then, has the owner bought when he purchases land? The privilege of living on other people's earnings—for that is what it amounts to. Bought the right (?) to confiscate other people's property! Can any right-minded reader defend such a monstrous claim? The charge against Irish and all other landlords is not that in the year 1315 their ancestors robbed our ancestors of what we fondly refer to as "our native land." The charge is that here, to-day and to-morrow, in the year 1915 they, by virtue of their ownership of so-called title deeds, rob *us*. Be where we may,

work at what we will, we must all toil for the landowner first. Every stone in the house, the timber, and every nail in it have all paid toll to him. Every atom we eat or drink, every article we wear, consume or use in any way has yielded tribute to these "lords of the soil." If this be robbery, as I think I have shown it to be, shall we still be told that we must pay the thief to stop robbing?

MODERN DICK TURPINS.

My argument will appear clearer if we take an obviously exaggerated illustration. Suppose that, many years ago, a Dick Turpin and Claude Duval of the period, backed by force of arms, had been daring and powerful enough to take possession of O'Connell Street, Limerick. They erected a gate across it and charged all pedestrians and vehicles 1s. per head for passing through *their* street and gate. The people of Limerick, in the pursuit of their business, have in the course of generations paid large sums in tolls, and Messrs. Turpin and Duval and their descendants have grown rich. Suppose that to-day a Limerick citizen goes to a court of law and says:—"Messrs. Turpin and Duval, and latterly their assignees, have at various times extorted in tolls (a thing they had no right to do) certain sums of money from my father, grandfather and great-grandfather—money which in all probability would have descended to me. I estimate the amount at £100, and ask that this court shall order the present representatives of Turpin and Duval to refund me the same." The Judge would probably say—"It may be true that these toll-keepers robbed your forefathers of monies which would likely have been bequeathed to you, but the law cannot interfere in such remote transactions. The present toll-gatherers are in possession of the money, and the presumption is that it is their own. The Statute of Limitations prohibits us from going so far back; the application is refused." And the decision would be practically right. In trying to restore property stolen a century ago the law might easily blunder and commit further injustice.

To see how different is our claim for equal rights to land let us look at the illustration in another way. Suppose the original Turpin and Duval, having established a lucrative business (?), die and leave it to their sons. These sons wax wealthy and retire, leaving *their* sons in possession, and so on, so that at the present day the toll-gathering industry is in the same line of descent. Suppose that to-day the long-slumbering wrath of the Limerick people against these unjust exactions breaks forth into action and they demand that the law shall put an end to the plunder. What ought the law to say? Mark you, I don't ask what the law *would* say, for, preposterous as it may appear, the proprietors of Turpin and Duval's nefarious business, supported by the attitude of an illogical, timorous and tender-hearted public, would raise such a howl of "Spoliation!" and "Robbery!" that I am certain their absurd claims would only be settled by compensation!

What the law *ought* to say to the firm is this—"Your business has no standing in the moral law; you have no right to demand these people's shillings from them, and shall do so no longer. Pull down your gate, and in a hurry, too." I ask the candid reader how it should make any difference in our treatment of the matter if, one year ago, the toll collectors, seeing popular indignation rising against them and fearing a violent change, had disposed of their business to Messrs. Smith, Jones, and Robinson for £10,000? The people's shillings are still being filched from them, and they have a perfect right at any time to stop the robbery. If the new firm want compensation let them hunt up those they bought the business from.

This imaginary case bears a perfect resemblance to the exactions of landlordism, with this difference—that whereas the people of Limerick could avoid the toll by going round another way, there is no substitute for land.

I have gone over the question of compensation to landlords because it is so persistently raised, not because it arises out of anything we, single taxers, propose. We who advocate the resumption of equal rights to the earth by the gradual concentration of taxation on land values never encounter it. Compensation to the ultimate payers of a tax is something unheard of and absurd. And that before the State shall resume possession of its just revenue, viz., the rent of land, it must compensate those who for centuries have benefitted, or thought they have benefitted by intercepting that revenue is a proposition too preposterous for serious statement.

SOCIALISTS ENDORSE THE SINGLE TAX

[The following article, abridged from the *REBEL*, Hallettsville, Texas, U.S.A., will be interesting from the fact of its appearing in a Socialist weekly, said to have a circulation of 100,000. The Socialist candidate for Governor of Texas has endorsed the attitude of the editor of the *REBEL*, and the adoption of the taxation of land values as a plank in the party platform is to come up for discussion at a State convention to be held this month.]

The *REBEL* believes that the time has come when the Socialists of the South in general, and of Texas and Oklahoma in particular, should take the most radical, definite position upon the land question, a position that will only be bounded by the lines of science.

To be perfectly frank with our readers, we believe that the present land plank in the Socialist state platform, while far ahead of any land plank presented by any political party in the South, is subjected to the criticism of being, if not unscientific, at least not as wide sweeping and far-reaching as it should be.

Our present land plank in Texas calls for a tax equal to the full rental value to be levied on all land held for speculation or exploitation and not actually used and occupied by the owner. Homesteads are exempted from the rental tax.

The trouble with the foregoing plank is that it makes it possible for confusion to ensue in the minds of the average man or woman who will ask all kinds of questions that may suggest themselves as to what "exploitation" is, and how much land is subject to use and occupancy, and whether the exempted homesteads should be larger or smaller than other homesteads where the land is richer or poorer.

Another objection is that the large land owners will seek to secure all sorts of legal subterfuges, such as acquiring a large number of different homesteads which they would give to each of the different members of their families and retainers. Lengthy court proceedings would undoubtedly ensue with the result that the cases would be taken to the courts and, if the courts are true to their traditions, would inevitably result in decisions in favour of the landlords. The result would be that landlordism would not be killed, although scotched.

In seeking a way away out of this dilemma we have gone, we believe, to the root of the trouble and have reached the conclusion that what is necessary to save ourselves from all entanglements, to go to the heart of the question and permanently destroy landlordism in city and in country, is to adopt the principle of the single tax in all its phases without equivocation or reservation.

What is the single tax?

The single tax proposes not to tax land but to tax the value of land.

The single tax proposes that all buildings and improvements, whether it be a sky-scraper in the city or a dug-out in the country, and all work of man of any character whatsoever, shall not be taxed one red cent, but that all the taxation shall be upon land values exclusively, and that by the term, "Land," is understood everything on this mundane sphere of ours from the centre of the earth to its surface.

Let us look how this would work out in practice:

John Smith, Tom Brown, Dick Jones and Jack Davis, each go into the country and secure title to 160 acres of land. Mr. Silas Landgrabber, president of the City National Bank, secures a thousand acres of land alongside them. The four farmers and their families fence in their land, erect homes thereon, dig wells, plough the ground, raise crops and cattle and the harder they work and the more they improve their places, the more the State steps in and taxes them for their industry. Mr. Landgrabber remains in the city, never visits his lands or improves it in any way, good, bad or indifferent. He holds it out of cultivation for speculative purposes, and when the tax assessor comes around he turns it in as "raw land," or as desert land, or as grazing land, and pays but a few cents on the hundred valuation, while the men who have toiled in the sweat of their faces in the heat and cold and sun and rain to produce wealth and improve their places, are placed under a grinding tax that ever increases in proportion as they labour.

The result of this situation is that a premium is placed upon the holding of land out of use for speculative purposes, because precisely at the moment that human labour is applied to the soil, at that instant the State steps in to sandbag, by ever-increasing taxation, the energetic worker.

But this is not all:

Just because Mr. Landgrabber, and his landlord associates, can escape practically all taxation, by refusing to improve the land or cultivate it, tenantry automatically appears and with the growth of population continuously develops in numbers.

Then it is also seen that every improvement the renter makes is taxed even down to his tools and team and the Ingersoll watch and the soup kettles in his kitchen.

The result of such a situation can be well imagined. We see them all around us in the State of Texas. Let us look at the principal results of this iniquitous system of taxation in this, the greatest State in area in the Union:

Item 1.—Out of an area of 170,000,000 acres, 117,000,000 acres of tillable land are held out of cultivation now.

Item 2.—Out of an area of 170,000,000 acres only 27,000,000 acres is cultivated.

Item 3.—On this 27,000,000 acres there are 250,000 tenants and thousands of mortgaged farmers.

Item 4.—Land tenantry is increasing at the rate of 4,500 families per annum and the number of mortgaged farmers is also on the increase.

Item 5.—So congested has become the market for agricultural labour, that \$1 a day is considered high wages and 75 cents a day and board yourself is the rule, while even in the harvest fields this year the pick of the labourer, who works fifteen hours a day, did not receive more than \$1.50. This in spite of the fact that the cost of clothes, food, and other necessities of life, is at its highest point. In fact, the condition of the agricultural labourer in Texas is comparatively as low as that of the peon on a Mexican hacienda.

Item 6.—The landlords have met in convention in several portions of the State this year and have decided to abolish share cropping under which system it was possible for a man with a good crop to get a little ahead, and instead of share cropping to introduce a system of field hands who will be employed only at certain seasons in the year and then on tractors, gang ploughs and the most modern farm machinery.