

von Schwerin while thanking the speaker, added a few instructive remarks on the Physiocrats, Henry George and the Single Tax."

Later Mr. Damaschke furnished a gratifying report of the progress of the League. Receipts and expenditures had risen to 54,000 marks, and the treasury showed a balance of 4,000 marks. Public bodies and professional associations to the number of 583 had joined the League, and these represented a membership of 800,000 persons.

Mr. Damaschke spoke of the future policy of the League. The first step was the valuation of land. The League would endeavor to secure the taxation of the site values of the colonies. It would urge the same policy for the whole empire. He pointed out the anomaly of a poll tax in Germany which countries like China and Turkey had discarded.

Mr. Joseph Fels spoke of the activities being urged in other countries and praised the city of Vancouver as being the first large community on the American continent to adopt the Single Tax. He told the story of his own conversion as are formed monopolist, and aroused much enthusiasm.

Among those present at this conference, whose faces are shown in the frontispiece, were A. Damaschke, Berlin; A. Pohlman, Detmold; W. Topp, Erfurt; Jos. Hirsch, Melbourne; Dr. von Schwerin, Berlin; Dr. Kühner, Eisenach; Dr. Schrameier, Berlin; Dr. Kuhn, Leipzig; Max Romer, Opladen; A. Diener, Gotha; Joseph Fels, London and Philadelphia; R. Berg, Berlin; Dr. Liebetrau, Gotha; Max Knorr, and many others.

SEND a dollar to the Fels Fund Commission (Cincinnati, Ohio) and get 40 copies of Protection or Free Trade. The Commission are aiming at the circulation of a million copies.

Each book can be mailed to any address under the Congressional frank as it is part of the Congressional Record.

In the *Kansas City Times*, of March 14, W. E. White answers the Single Tax queries of R. P. Lukens.

THE LAND REFORM MOVEMENT IN GERMANY.

AT THE PRESENT DAY.

(For the REVIEW)

By GRACE ISABEL COLBRON.

About five and twenty years it is now, since the first timid beginnings of the Land Reform movement in Germany, since a few ardent souls began preaching the doctrines of Henry George, the economic creed that values created by the community belong to the community. The quarter century of earnest labor for the cause has, in some ways, been astonishingly successful. The last twelve-month has crowned it with the official acknowledgment of an Imperial Government Act making it a universal law for the German communities to take their share of the unearned increment.

The test of a great Truth lies therein that it may be taught and practiced in many different ways without sacrificing its fundamental qualities. The surface unessentials may be adapted to suit differing conditions, but the basic principle remains the same always. The Land Reformers, as the German Single Taxers style themselves, have had to make their fight along different lines from the methods used by the followers of Henry George in his own country. They have advocated some measures which to us here seem unnecessary and cumbersome, but the preaching of their acknowledged leaders, as can be seen in some of the articles published in this number, has held fast always to the great basic principle of restoring to the community, for the good of all its members, that part of the wealth which is produced by the community as a whole, and not by the exertions of any one individual.

The fight has been made in Germany largely through organization,—and through an organization, at that, which has kept itself rigorously aloof from all affiliation with party politics. In this country such a policy would mean nothing but a barren campaign of education, valuable enough as part of the work but insufficient to

achieve actual results. In Germany events have proved the wisdom of the course, even if we here cannot always sympathize with its expression.

Two important factors combine to make the policy of a non-partisan organization a wise one for the introducing of a new economic creed in Germany. The first is the fact that Germany is the home-land of organization. The jesting saying: "If two Germans should meet by chance in the Desert of Sahara they would immediately organize a club," rests on a solid foundation of truth. The co-operation of community life, the fellowship of association in an organization, is the way things get done in Germany. The individual feels lost without his organization back of him. Keeping this in mind it is easy then to understand how the entire land reform movement in Germany centres in, and goes out from, the great organization calling itself the Bund Deutscher Bodenreformer. (The League of German Land Reformers).

And the fact that German communities enjoy almost complete Home Rule, that municipal administration has nothing whatever to do with politics, explains why a non-partisan organization can do a tremendous amount of actual work towards attaining new and just methods of taxation. The organization aims to educate the administrative bodies in the communities. And when these administrative bodies have "seen the cat," they can introduce the new methods of taxation as a measure of municipal housekeeping, for in Germany municipal housekeeping stands on its own feet and has nothing whatever to do with that mysterious thing called "politics." Bureaucratic red tape may stand in the way, and frequently does; but legislative lobbying is a negligible quantity.

The radicals among our Single Taxers here (the writer confesses to being one of them) feel surprised if not actually repelled by the official attitude of the Land Reform League towards some important political questions of the day. For *we* are inclined to look upon such questions as more economic than political in the narrower sense. But after all the men at the head of the German League know their own

country best, and the results they have attained would seem to have justified their policy. It would lead too far to attempt here to explain some of the intricacies of German internal politics, and to show just how the League has had to navigate its course that it might make representatives of the Extreme Left and the Extreme Right—and all the grades between—work together in harmony for the Cause. The tale would not be altogether without interest, but our space at this time is to be devoted to a summary of the methods of actual propaganda work in Germany and the results attained thus far.

The Bund deutscher Bodenreformer is an immense and rapidly growing organization. With a list of individual members running up to many thousands it includes in its ranks as well, under the designation "corporate members," numerous other associations, clubs and trade unions. Also this is an interesting and specially German phase of the movement—a large number of communities, from towns of considerable size down to rural villages, have joined the League in a body, represented by their administrative Council.

The central administration of the League is situated in Berlin, in its own house, No. 11 Lessing Street. The president—practically permanently—is Adolf Damaschke, who for more than twenty years has been devoting his time and his eminent ability to preaching the doctrines of Henry George, by the spoken and written word. Local Leagues scattered throughout the country are banded together in a central body in their own sovereign State, by means of which each little local league keeps in touch with headquarters, in Berlin.

The superficial methods of propaganda work are very much the same as elsewhere. Meetings, sending out of speakers, distribution of literature, letters to the press, all such work is carried on eagerly from the Berlin house as well as by the local leagues. The League has its own organ, the bi-monthly *Bodenreform*. This magazine can look back on twenty years of existence, during which time it has borne several names. It appeared first as a monthly under the title *Frei Land*; then it was

called *Die Deutscher Volkstimme*; now it comes out openly as *Bodenreform*. Mr. Damaschke, who called it into existence, has been its editor all this time. He is also the editor of the "Year Book of Land Reform" which appears quarterly, gathering into more permanent shape the important news of the movement. Under the general title "Social Questions" a series of pamphlets appears at intervals, each treating some important question of the day in its connection with the doctrine of land value taxation.

The headquarters in Berlin maintains what is termed a "Free Economic Seminary." This consists of lectures and study courses given by men of prominence in the field of education, or in government positions. For this part of its work the League has enlisted the co-operation of the city sufficiently to be allowed the use of the lecture halls of public schools for the Seminary, as well as for the series of "vacation courses" of similar nature, which take place during the summer.

A Bureau of Information for all questions concerning existing mortgage laws and the new unearned increment taxes has just been opened at the League house in Berlin. One day a week, expert lawyers are there to give their advice free to all who call to have these complicated matters explained to them. It is a new and interesting "wrinkle" in propaganda work and should do much in enlightening the public mind.

So much for the Campaign of Education. Where they go out for immediate actual results, the Land Reformers work toward the influencing of the municipal house-keeping of individual communities. All real law-making in Germany, as far as local taxation is concerned, begins in the community. With their great measure of Home Rule, the German communities have the chance and the freedom to experiment in new methods of self-government. The State legislative bodies look on and then take up as a federal measure whatever has proved fairly successful. Of course there are details which modify the workings of this rule—but, on broad lines, it is the internal legislative method of Germany.

So the Bodenreformers look to the community as their chief field of work. In written and spoken word they pound away at the municipal officials, singly and in council; through the local leagues they take up local propaganda on every question of community housekeeping that happens to come up for discussion.

The concrete results of this policy of Land Reform thus far are:—Almost every Prussian community now taxes the land within its bounds at its selling value, and the practice is rapidly spreading through the other German States. The communities were empowered to make this change by the Prussian Communal Tax Law of 1893, fathered by Johann von Miquel, Prussia's ablest Minister of Finance and a firm believer in land value taxation. Since 1904 a number of German communities have been levying a tax on the increase of value at sale of land. Frankfort-on-Main led off with this new measure and during the eight years since its pioneer experiment, five hundred other communities have followed suit, many large cities among them.

The success of this new method of taxation as a revenue-raiser which did not bear heavily on any member of the community—except the land speculator who is trying to get something for nothing—bore further fruits in an Imperial unearned increment tax. This measure, which became a law on April 1st, 1911, makes the taxing of the increase in value of land obligatory for every German community. Of the revenue raised in this way the Imperial government takes 50%. The community retains 40% and the remaining 10% goes to the sovereign State in which the community is situated.

The educational value of the three years campaign by which this law was introduced was tremendous. Of itself the measure is very faulty. It has various provisions concerning interest on the original investment, and exemptions for a dozen different causes which encumber it with a mass of unnecessary detail and render it often ineffectual. There was considerable opposition to the Imperial Law on the part of the communities that had been enjoying the success of their own local taxation.

They naturally disliked to give up such a large portion of what they had found to be a good income. But the arguments used in favor of the Imperial Tax were to the effect that much of the prosperity of the individual community was due to the government, in the laying of highroads, the building of railroads, the telegraph and telephone facilities, garrisons, and the prestige in foreign countries won by the Empire and reacting favorably on the individual community. "We, the Imperial government, helped you earn this increase of value, therefore part of it should come to us." It is a sound enough economic doctrine, but the communities are not altogether satisfied with its workings, as they say that in many cases they have had a loss through the inadequacy of the Imperial measure as against their own local taxation of the increase of land value.

As to the value and the justice of this method of taxation in itself there has been no dissenting voice in any community which has tried it. In spite of the persistent opposition of the great financial group, of the land mortgage banks and land speculative interests, who are naturally against it, this taxation has not been repealed in a single community where it has been in force, although in many of these communities it has been voted on by referendum of all the people at least once a year.

Through the fact that there is comparatively little actual speculation in *land* in Germany, and the related fact that the speculation is carried on through land mortgages—almost all the land in Germany being mortgaged—there are complications with regard to a land value taxation in Germany which are unknown here. Some of these matters are treated in the articles appearing in this number. For this reason the German Land Reformers advocate a large measure of nationalization, or communalization of land, which seems to us an unnecessarily awkward and cumbersome proceeding. But the great mass of the people are in sympathy with it, as it harks back to the old Teutonic land laws. And through such measures the Land Reformers believe it possible to save any loss to a number of innocent small share-

holders in land mortgages. They are working also, however, towards improving the conditions of mortgaging land. This can only be done through Federal legislation and will naturally take some time to arrange, as any too sudden readjustment would cause a serious disturbance to the credit system and the money market.

The Land Reformers have always taken a firm stand in the matter of Colonial politics. They have not concerned themselves as to the right or wrong of colonies in the wider sense, but they have made a persistent protest against giving concessions in colonies to exploiting and land speculative companies. The governmental policy in the Chinese colony of Kiautschau, which is Single Tax pure and simple, all revenue being raised by land rental and 33 1-3% of increase of value being taken at every sale of land, was a measure instituted by the colonial administration of its own initiative. It is claimed that this measure was not in any way influenced by the activities of Land Reformers, but was adopted as a measure of common sense policy in colonial housekeeping. If this is so it is all the more proof, as Dr. Schrameier points out, of the absolute common sense and justice of the economic creed preached by the Land Reformers.

The leaders of the Bund are now vigorously protesting against recent action by the Prussian Government, in which this government has become a member of the Coal Trust. The Coal Syndicate has raised prices considerably since it first came into power. And the Land Reformers claim that for a sovereign State to go into business with the avowed intention of levying tribute upon a necessity of life from its own subjects, is nothing less than a crime. In this connection it is rather interesting to note that in Germany as elsewhere, the boast of these great corporations that business combination will tend to make wages higher and prices lower, has been verified as little as it has anywhere else. The price of coal has gone up in Germany, and the German miners in the important coal districts are out on strike as a protest against the wages paid them.

The German land reform movement has many interesting features which we can

only mention here. It is rapidly becoming more and more a factor in the municipal housekeeping of the nation.

THE LAND POLICY OF KIAUTSCHAU.

By DR. SCHRAMBEIER.

It must be clearly understood that the activities of a young colony like Kiautschau, where life is simple and the governmental machinery small, cannot in any way offer an example for totally different conditions at home, conditions where any change of the complicated organism would bring unending disturbance. Still it must be acknowledged that our government in its land policy in Kiautschau has fulfilled excellently well one of the most important tasks that any State or municipal body finds set for it. What is it then, that has been done in Kiautschau?

The agricultural native population was compelled to give up a small portion of its land for the building of a harbor, a factory, a new city,—for the beginning of trade and industry. All this happens constantly in any colony, in any newly won place of industry at home, in every city which feels the pulse of modern life. In an epoch like ours, moving onward so restlessly, there are constant new developments which force a break with traditional resistance, which throw off the fetters of centuries of habit and neglect. It can easily be seen that to attract commerce and industry to the inhospitable coast of Schang-tung some effort must be made, and the introduction of our customary system of taxation would hardly be favorable because it lays a heavy burden on all development of labor, industry and commerce. The natural alternative to burdening labor and industry, which should instead be assisted in every way, is to impose taxation on land value, on the income represented by growing land value which comes to the individual through no work of his own, but from the growth of the community. It seems reasonable to take this income for the use of the community and to secure it to the community for all future.

The land policy of Kiautschau is all the more important an asset for the work of the Land Reformers in that it was instituted without any help on their part. Because this policy was established uninfluenced by any pressure from without, because it was established in the avowed desire to meet the industrial needs of our Chinese colony, and was founded on experience gathered in other colonies—and because of all these reasons the policy is an important proof of the correctness, as well as the practicability of the doctrines of the Land Reformers. These doctrines are that the land should not be an object of speculation for the individual, and that the community has a right to participate directly in the increase of value in the land which is produced by the growth of the community.—Extract from an article by Dr. Schrameier in the Year Book of Land Reform, 1911.

PROVISIONS OF THE IMPERIAL LAND VALUE TAX SET FORTH IN DETAIL.

"After Mill came Henry George, who in his principal work, 'Progress and Poverty,' proclaimed the ownership of land a monopoly and expected to find a remedy for the unsatisfactory returns to labor in the taxation of ground rent."—Increment Tax Law of Germany, Elucidated by Hans Simon.

This work is a legal commentary of 175 pages in German on the national land value tax which went into effect April 1, 1911. To its readers of the REVIEW familiar with German are referred who would more fully inform themselves. Dr. Simon recognizes the far reaching economic bearing of the principle involved.

THE lords owning the coal of England collect a toll of about equal to 1 in 13 for getting out of the way of labor and capital. They never see nor touch the coal. What have they ever done for it? Some of their titles come from grants of kings centuries ago to their illegitimate sons.