

THE PHILOSOPHY OF THE SINGLE TAX.

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Before proceeding to deal finally with the method of what upholders of the single tax claim to be the solution of the great problem which has so long and deeply engaged the thought of mankind, before explaining how the unravelment of the maze is to be effected, I must glance at certain objections raised by Mr. A. G. Yewen in *The Daily Telegraph* of January 7 against certain of my contentions. These were — that trades-unionism cannot generally avail, under present conditions, to help labor all round to a better share of what it produces; that any gain to organized labor obtained by such means is at the expense of labor not organized; and that socialism, as generally propounded, is apparently both impracticable and unjust.

Touching the first, my ground, clearly set forth in preceding papers, is that land (all the raw material or natural opportunity upon which labor and capital can exert themselves to produce anything) is so monopolized that both labor, the worker and capital, the tool he uses, can only get free access to such avenues of employment as will keep the one alive and reproduce the other. Therefore, any more productive avenues they seek to use take from them such a portion of their product in the shape of rent that they are always practically working at the most unprofitable verge possible. The rate of wages and interest, I have endeavored to show, is determined wholly by the degree of land monopoly reached in any particular country, or, in other words, by the number of laborers or capitalists seeking to use one particular avenue of production. If these are many rent is high and wages and interest low; if few, the exact reverse is the case. The "standard of comfort" is controlled by this measure of accessibility of productive power to raw material. And while monopoly has the power to prevent production in any degree it may choose I fail to see any possibility of trades-unionism having the general beneficial effect Mr. Yewen claims for it. Monopoly need not yield an inch to allow the increased production from which alone the whole field of labor could receive substantial betterment.

Mr. Yewen says in illustrating his position that gain to one class of workers is gain in some degree to all, because "the higher the wages received the greater the purchasing power of the wage earners, and consequently the greater the quantity of wealth necessary to be produced for their consumption, and the fewer the number of hours worked by them, the greater the number of workers employed in manufacturing the commodities." Under natural conditions this would be so; any increase of wages secured by one class would call for increased production from others, and under the present very unnatural conditions it might mean the same thing until rent found out the increase and took it to itself. For any increase in satisfiable demand on the part of one section of the community for certain commodities would increase the demand of the section producing such commodities for access to raw materials, and in doing this would increase the price of that access — rent. If rent could be prevented from rising in exact proportion with any general improvement of conditions, and thus annulling such conditions, trades-unionism might work for

universal good. But trades-unionism can not now do this. There is room in England at the present time for an enormously greater population than is to be found there, to produce an infinitude of commodities to give in exchange for those which they require, and yet there is a great mass of people there living lives of misery and continual want. Why? Is it not because private irresponsible ownership has the legal right to deny them access to the room that exists — to say there is *no* room for them? Has organized labor more power than any other to say to those who monopolize the opportunities of production, "Let us through your gates?" None whatever under present laws. Where then is the general betterment of labor to come from?

To show how land ownership can take from labor any advantage which may be temporarily wrung from capital, this extract from the London *Democrat* of November last ought to suffice:— "The laborers in Woolwich arsenal, who lately received an addition of 1s a week, have received a very practical lesson in elementary political economy. The local landlords are already claiming a half of the extra earnings. One of the sufferers has issued the following handbill:— "Be it known, justly or rightfully and truthfully, that I, Fred Hammill, 25, Coxwell-road, have been ejected from this house. I refused to pay an advanced rent of 6d per week, and although I have not done so the landlord, Mr. D. J. Jarvis, general dealer, 34 Durham-road, Plumstead, has during the space of 17 weeks been entering 9s a week in my rentbook, I continuing to pay 8s 6d a week. He also distrained on my goods for a month's rent and has now summoned me to the Woolwich County Court for rent at 9s a week." Handbills will not meet the case. The owners of the ground floor on which are built the houses in which the workers must live will take for permission to live in them not only half but ultimately all the advantage the workers may reap from any other direction. Does anyone, even knowing nothing of political economy, or the law which Ricardo discerned, doubt that land ownership has strength to take all advantages to itself in the end? Does anyone doubt that with prosperity rent is the first thing to rise, and with depression the last thing to fall? No one who looks around him at what is going on always can do so. Where, then, is the general betterment of labor to come from?

The late dockers strike seems to me to afford an illustration of what I wish to explain here. The men forced to the edge of starvation and rather below the "standard of comfort" of ordinary hogs, united to demand a small advantage which with the assistance of outside aid they succeeded in securing. Thus their share of the result of their labor became somewhat larger and their power to purchase commodities greater. But the return to the capital invested by the dock shareholders, was by this very process decreased — for a decrease in rental or site value only takes place after interest suffers. In an isolated case it might be that capital could do with a trifle less interest but it is true in a general sense that it only gets a sufficient return to insure its employment and reproduction. I have already pointed out that the return capital gets — the interest, pure and simple, which is the reward of that portion of wealth engaged in helping production — is, allowing, for its risks, miserably small, and necessarily in due proportion with the wages of labor, and when any undertaking in which capital is engaged shows a large return, the major portion of such return in some way arises from wealth expended in purchasing a monopoly and not from capital, and is not interest in the true sense, but extortion — fleecings — the price of the prevention instead of the employment of labor and capital. If the example of the dock laborers

were widely followed and successful strikes resulted in generally increasing the payment of labor, a large amount of capital now used as such would be necessarily withdrawn from that use and consumed by the owners, failing any profitable investment for it. As this happened the field of labor would be narrowed, and the power of both capitalists and laborers to purchase diminished. Rent would then become lower, until as a consequence an improvement in the conditions of the two producing partners induced it to rise again. "Fancy higher wages and shorter hours in themselves displacing the employed and increasing the army of the unemployed!" says Mr. Yewen. I think that would be their inevitable result under present conditions.

The average return to capital is now so small that an average increase of the wages of laborers would cause a diminution in the amount invested and a consequent decrease in the number of laborers employed. Labor cannot take from capital without injuring itself in the end, and nothing but confusion as to the true meaning of terms could induce the belief that it can. An as able writer has said: "In fighting capital labor is only slowly but effectually cutting its own throat. It is analogous to the case of the farmer who because of a bad season smashes his implements, or the carpenter who in a moment of pique ruins half his tools."

Wherever trades unionism has striven to better the conditions of those within its circle it has had to fight labor without, which, more needy still, would eagerly accept the wage it refused. Therefore is the war between labor and labor (in fact, not in intention) as well as between labor and capital. Anyone who rightly apprehends the matter and realizes that labor and capital are the co-operative factors of production must also realize this, and discern that both labor and capital are at the mercy of monopoly, and instead of blindly fighting between themselves should join forces and overthrow it. By taxing away the advantages enjoyed by monopolists of raw material over the rest of the community and dividing the result among the whole people all men would be placed on an absolute equality of access to raw material, and the increased production from which a larger apportionment of general commodities to all workers could be made would begin. And I rejoice to see that the Knights of Labor, after considerable trial of all the expedients of trades unionism are coming to this conclusion. Just as the Financial Reform Association of England, chiefly representing capital, have begun to see what they suffer through monopoly, the great labor body of America is awakening. This is the beginning of the end.

Mr. Yewen asks if I "have yet to learn that the competition between the ironmasters (whom I instanced as typical of all employers) for the production of cheap wares and their greed for profit, is the cause of the beating down of wages, and that labor-saving machinery is the factor that displaces labor and throws the laborers on the market, and so manufactures an army of unemployed workers, side by side with the capitalist's unsaleable goods?" If he had read and taken note of what I have already written on that point he would not have yet to learn that I have yet to learn this. I have explicitly stated that I believe land monopoly to be the power behind the throne. As thus: Anyone desirous, as a capitalist, of embarking in production has to pay such a sum as rent for the site (or as purchase money, which is merely rent capitalized) that in order to get any return upon the investment he must economize at every point. Competition among

capitalists for desirable sites settles that, a competition becoming keener as more rent is demanded. If such a capitalist pays annual rental at current rates, for his site, and for all sites from which the raw material he uses are drawn, he will have to pay the lowest possible wages, and use the utmost possible concentration of force to get a pitifully small return. If, on the contrary, he has contrived to secure a monopoly of site or source of material by purchase, which from any reason, such as a setting in of satisfiable demand in some given direction, becomes of great value, he may get a very large return — but the return will not be interest but the result of the monopolization of natural advantage without any payment of compensation to those deprived of it. It is not the displacement of labor by machinery that lowers wages, but the inability of the displaced laborers to get access to new sources of employment. Say that at the present time a machine is invented which enables an employing ironmaster to produce with the aid of 50 men the same quantity of finished product as before its invention resulted from the labor of 80. Thirty men are dismissed, and as they cannot procure admission to any of the millions of avenues of production all around them without paying a price for such admission that is far beyond their power to pay they must perforce go into competition with other laborers, and the wage rate is lowered a fraction. Thus the power of the wage-earners to purchase the product of the machine is decreased and the output of the machine lessened, thus compelling the owner of it to keep the price of his goods at the highest possible point in order to get a return. This machinery is made to appear a curse instead of the blessing it would be under just laws. With this process in operation, not in one or two branches of production but practically in all, how could we have any thing but what we see, everybody with wants unsatisfied, labor that could produce that which would satisfy them idle or unproductively employed, capital which could help labor forced to rush into all sorts of risky and unprofitable undertakings, and land, from which these two could jointly produce all things, lying everywhere unused but tabooed by rent.

But with the single tax in operation things would be very different. It is rather a singular confession, coming from one who, like Mr. Yowen, has studied social question to say that to him the single tax is the same as any other tax — that "it means taxation, no more." It does not mean taxation in the sense of any other tax that ever has been or ever could be imposed, and it means much more. It means justice, which seems to me to be the most marked distinction between it and any of the methods of socialism which I have yet met with. Any form of taxation now or hitherto obtaining takes or did take from the individual a portion of the wealth produced by himself and devoted it to the use of the community. The single tax would secure to the community only the value produced by itself, and leave individual earnings untouched. Other taxes hamper and diminish production; a tax taking to the State the full value of land exclusive of improvements, would pull down all the barriers of monopoly, and leave the powers of production absolute freedom to go to work. Take the hypothetical case I have instanced and suppose the whole value of the difference between natural opportunities were paid into the coffers of the people, thus providing an ample fund for Governmental expenditure and exemption from all other taxation, how would the condition of mankind be affected by invention and that "capitalism" which socialists want to exterminate? An acre of the richest agricultural or pastoral land, or the richest coal or gold bearing land, or an acre of the very heart of a city, would then offer no more advantage to the user as nominal owner than an acre of the poorest land in use,

because the difference in desirability between them would be divided equally among the members of the whole community. No one could hold land idle to the prevention of others who wanted to use it, unless by paying just the same annual rental as though he put it to its best possible use. Thus practically exact equality of opportunity for all would be secured, and no one could attain great wealth save by great production. Any man's wealth would be the exact measure of public appraisal of the wealth contributed by him to the general store — his wages for service rendered. The door to the storehouse of raw material would stand wide open to all comers, and whoever could convert most of such raw material into usable commodities would receive the largest reward. The machine which then displaced 30 ironworkers would be hailed with delight, because the men so displaced, having ample choice of new occupations awaiting them everywhere, would really be partners in the gain conferred by the machine in reducing the sum of human labor.

It will be said that, even under such circumstances, having been trained to one special branch of handicraft, they could not produce as much in another branch. But there is a compensating principle at work. Competition with free opportunities becomes co-operation. The machine producing iron work with less labor, less labor need be given in return for its product. The displaced laborers would thus be sharers in the gain derived from the machine. Wages being truly commodities, not money, would increase with every stride of mechanical invention, because a given amount of human labor, exercised in adding to the store of wealth would produce greater and greater results. The capitalist who brought to his aid such a machine as I have alluded to would have the competition of other capitalists to deal with and could only hold his place by reducing the price of his wares proportionately with any reduction in the cost of their production, and this the increased output consequent upon such cheapening and the fact that all displaced laborers would still be as good consumers would enable him to do. They would be better consumers. The advance of invention brings with it another gain to labor which seems to me to have escaped many writers on the subject. As new processes come into use the vocation of the worker becomes more universal. Time was when the best years of a man's life were given up to learning a trade, but the term of apprenticeship grows less and less with the perfection of machinery. There are men or boys to be seen now, who, after a few days or weeks' tuition, control engines and mills and contrivances which each do, and do better, the work of hundreds of operatives whose training a few years ago would have taken 10 years out of their lives. Would not this enormously increased applicability of labor to all kinds of production more than compensate for the apparent loss of displacement from accustomed grooves?

Mr. Yewen assumes that I "do not mean that capitalist monopoly of factories, mines, means of transit, exchange, etc., are to cease upon the taxation of land values." I thought I had made it pretty clear that I did mean this. If the full annual rental value of a mine, for instance, is taken by the State, where would monopoly begin? If the price of the raw material of production is the same to all, the capitalist who uses up a million pounds worth in a year has no advantage over the laborer who uses only fifty pounds worth. For he must pay in proportion to his using. And having no monopoly he must also give full value in the shape of goods to consumers in return for any worth conferred upon him by them. The only advantage the greatest producing capitalist

would have over the smallest would be derived from economy of production due to machinery and concentration of effort, and this advantage would tend, under the regulation of the natural and beneficent law of competition which is now made to look like a curse, to assure to consumers the largest return for their own labor, measured in exchangeable things. Wealth could no longer be engaged by anyone with profit to himself in preventing the production of wealth by others; the only source of gain would be found in adding to the world's stock. And the laborer, the producer of all, being free to employ himself where he would, need endure no appropriation of his earnings by any employer. All that an employer could then receive would be the gain in production arising from a superior arrangement and combination of workers and superior intelligence in directing their labor, and as the public would benefit by this he would surely be worthy of his hire. Labor, always at liberty to go to work, and always secure of its full earnings, would be, as it should, master of the situation.

I have written at greater length than I intended and have necessarily gone over some ground already covered. Trades unionism, cooperation, federation of labor, people's banks and all other such means signify nothing in the large and general sense. Monopoly has circumscribed the bounds in which labor and capital can work and forced both of them into the same dire straits. Nothing will avail unless it can open the way to the larger production necessary for general betterment. If all the laborers of England were banded together they could not under present laws compel the owners of England to open the closed gates or take less rent. Strikes and industrial cataclysms waste capital and reduce wages, but do not turn deer parks into cornfields. Any gain labor gets through combination and strikes is eaten up beforehand in the cost of getting, while capitalists are reduced to the ranks of labor and set in competition with it. Capitalists, unaided by any monopoly, are continually failing and swelling the dark army as it is. Of the thousands of small tradesmen who are capitalists without monopoly advantage, how many fail for those who succeed? Of the "blacklegs" who fight organized labor, how many have been, in some degree, capitalists once? Any gain to labor from capital can only mean more blacklegs, while rent picks labor's pocket of the gain. "A striving and a striving, and an ending in nothing."