

VII

Political Interests

EVERY man of wealth who desires to achieve something in the direction of social betterment finds his chief difficulty to be the practical one of making personal adjustments. There is the ever present army of sycophants; there is a multitude with ideas of greater or less value that make their appeal to be supported and set going; and there is the ever present spectacle of human suffering to be alleviated. The path of least resistance is undoubtedly to join the brigade of philanthropists. Charity provides a means of spending unlimited money without responsibility. Its activities are systematized. It is a certain road to respectability and a crown of glory. Some strength of character is needed to resist the personal insistence as well as the inherent temptation to sink one's self in the dissipation of giving. For Mr. Fels, palliation and tink-

ering were not enough. He conceived it to be a fundamentally mistaken policy to use the surplus good of each generation to repair the wastage that it wrought. His ambition was to make unnecessary the activities of charity which in course of time he came to hate. They left, he was accustomed to say, nothing but evil on both sides. "I hate to give," he told an audience once, "and most men are ashamed to receive as long as charity allows them to remain men." Here was a fundamental count in the indictment. Charity cut at the root of that personal initiative and independence which constitute the very essence of manhood.

Motives such as these impelled Mr. Fels to turn away from charity as inadequate, and to keep himself from the personal importunity which engulfs those who resign themselves to the philanthropic life. He soon perceived that it was in the political field and through political agencies that his cause must advance. He determined, therefore, to put his financial resources and his personal services into the effort to place the taxation of land values upon the statute book. He was naturally compelled to

establish relations with his fellow workers, to assist and extend existing agencies, and generally to seek for means of bringing his reform more fully into the field of public discussion and political action. His relation with the United Committee for the Taxation of Land Values was always close, and this group of able and devoted men could always count on his unstinted help. The members of Parliament who were advocates of the reform were his friends. They were affiliated to the Liberal Party and, of course, pledged to the general aims of Liberal policy. The United Committee has always believed that their reform would be brought about only after being integrated to Liberal plans, with the consequence that its advocacy has had to remain secondary to the more general party intentions. That this affiliation has served some useful purpose no one can doubt. But it was hardly consistent with Mr. Fels' character and methods to allow what he conceived to be a matter of prime importance to be kept in abeyance until the scope of Liberal policy might be sufficiently extended to include it at some remote future

date. He did not, therefore, join the Liberal ranks. His discernment had been too well trained in business affairs not to make it clear to him that Liberal policy would give no large place to the taxation of land values. It formed an instrument of tremendous effectiveness in the fight with the Lords, but Liberals were interested in it only as a means of war. If the cause had been put on its own merits, what was at that time only smoldering rebellion would have risen to the point of open repudiation. It was clear to Mr. Fels that by land reform the Liberal politicians did not mean what he meant. It might be very well to fight the Conservatives, pre-eminently the party of landlords, but as soon as the fruits of the new land policy should begin to show themselves in the world of industry, the magnates who constitute the backbone of liberalism would give it their unflinching opposition.

These considerations led Mr. Fels to turn always more hopefully to the cause of labor. Here were the people who held his sympathy and whom he desired chiefly to benefit. Only the workers would find it to their interest to

carry through the reform in its full and effective measure. It might take long for the common people to see the advantage of land reform, but they in the end would find it their most certain means to the attainment of freedom and justice. Mr. Fels, therefore, worked in the interest of the Labor Party, and there were few contests in which the Labor candidate did not have the advantage of his helping hand.

But there were, and are, many difficulties in the way. The working man, however intelligent, who has been bred to town life, who by apprenticeship or otherwise has been trained into exercise of a particular craft, is unable to see at first view how land reform can solve his special problem, that problem being the simple one of securing a due proportion of the earnings of the industry in which he participates.

It seems to him a matter that lies between himself and the capitalist who employs him. About this central question group the minor ones pertaining to the conditions of labor. He joins his fellow-workmen in order to bring united action to bear upon the employer. His

ultimate recourse is the strike which periodically faces the employer with the alternative of advancing wages or seeing his employees leave their work in a body. This seems to be the essential purpose of trade unionism. The practice of Mr. Fels' own firm as large employers of labor, had been to advance wages to as high a point as possible on their own initiative, because they found it to be good business policy. He knew that any struggle over wages was for the workers an unequal and losing one. However much the employer may suffer, he is nearly always in a better position to carry on a protracted conflict than his laborers who, in most cases, have few resources and can only undertake a strike at the risk of the most terrible consequences. Mr. Fels knew also that, union or no union, so long as the labor market carries a large surplus, wages can be held almost at the limit of subsistence. Whatever might or should be, the price of labor is in fact determined, like that of other commodities, by the supply on the market. If the supply can be reduced, the demand and therefore the price, will rise just as with coal, corn or any-

thing else. It is well known that the suppression of any industry will throw those who practice it into other channels. The suppression of agriculture carried on continuously over nearly a century has moved the country population to the town, and given a steady stream of applicants for industrial occupations. How can the tide be set the other way, and what would be its consequences? Agriculture, in countries where the common people prosper, is not merely one occupation amongst many others, but the great alternative to all industry. Let the conditions for its practice be advantageous as compared with the trades, let the land demand workers and pay them adequately for their work. The consequence would be seen immediately in the withdrawal of the labor surplus in the industrial market, and that desirable state of affairs would be reached in which employers would compete for laborers, instead of laborers competing for the privilege of obtaining a job at rates that barely keep them and their families from the verge of starvation. Moreover, the taxation of land values would relieve the working population of

that unfair incidence of rates and taxes which under the existing system they have to bear.

The way in which adjustment as between agricultural and industrial pursuits would take place is precisely the same as is found in the adjustment of the trades. When a young man is faced with the necessity of choosing a means of livelihood, his choice is determined partly by inclination, partly by opportunity, but in the main by the economic advantage which one trade manifests as compared with the others. There is a perpetual selection going on of men by trades so that the benefits are equalized by reason of numbers entering. Agriculture would, therefore, not only stop the constant migration from country to town to swell the ranks of industry, but if permitted to exercise the advantages and attractions that belong to it, would undoubtedly produce a current in the opposite direction and reduce the supply of labor.

But a more important difficulty that Mr. Fels had to face in endeavoring to secure the assent of the laboring world to his reform, was due to the fact that the laboring world had to

a large extent committed itself to the tenets of socialism. One of the chief of these is the nationalization of land, which naturally presents itself as an alternative reform. It is a curious fact that reformers in so many cases keep their ideas within a closed system of principles, thus preventing co-operation in practical political activity; and it must be said that many socialists would rather sit still contemplating the joys and the advantages of a socialist state that is to spring full-fledged out of a moment's intervening revolution, than set themselves laboriously, little by little, to shape the trend of social evolution. Mr. Fels, always practically bent and basing his program on existing conditions, was unable to give his assent to those proposals which involved state ownership of all industry and the nationalization of land by legislation or purchase. These matters might be supremely desirable of themselves, but appeared to him out of the range of possible achievement in the first case, and altogether undesirable in the case of the land. The socialistic principle as applied to the great public services of distribution and communica-

tion had his complete support. He conceived the object of revenue to be the extension and betterment of such services, and saw also that these services were the instruments that conferred value in a great degree upon the land. It was with reference to the socialization of these land values as the source of revenue for the public services that differences arose. He endeavored to make his socialist friends see that whereas the confiscation of land by legislation was impracticable, and whereas acquisition by purchase would throw an intolerable burden upon the people, the taxation of land values would accomplish what they wanted, and possess the superior advantage of being within the sphere of practical politics. Moreover, it is not clear that nationalized land would provide the remedy for present day evils. There must in the last analysis be individual tenure of some kind, and the state as ultimate landlord may not prevent the existence of a host of sub-landlords who would exploit rental values more or less as at present. It is difficult to understand why socialists have not adopted the taxation of land values as a prac-

tical and certain method of bringing about what they desire. Once the whole of ground rental is secured to the state, it is obvious that ownership is merely a matter of words, while tenure and use must be provided for in any case.

In addition to the foregoing, Mr. Fels could see that full utilization of the land would go far toward the abolition of industry for profit, which lies at the heart of the socialist contention. There is a distinction in the capital employed in industry not sufficiently taken into account. It is a simple distinction between debenture and preferred stock, on the one hand, and common share issues on the other. Everyone knows that the initiatory and working provision for a new industry is supplied as capital bearing a fixed charge and constituting a mortgage on the business. This supply is necessary whoever owns the business, state or individual, and it would have to bear a charge either as interest or sinking fund for redemption. Exploitation for profit comes in connection with that large world of common share issues, the home of promoters and jobbers, in which values are capitalized dividends,

and which is firmly established upon the backs of the toilers. If it is admitted that the proceeds of any industry should go as reward to those who supply the actual and legitimate capital, and to the workers who carry it on, then clearly there is no room for fluctuating share values. The greater part of the City of London would be in search of means of livelihood. The difficulty is that the worker has no way of collecting his proportion. He does not even trouble to understand that while he toils for his sovereign per week, the well dressed individual whom he sees on his way to the city and for whom he feels so much respect, has merely pocketed the other sovereign that he, the worker, has earned. The problem after all is simply how to place the laborer in a position to collect the due return of his labor. Antecedent to the millennium, there appears to be only one way, namely, to make him free to give his services to, or withdraw them from, any employer. When the owners of land clamor for men to help them earn the rent which the state inexorably collects, the workers will have achieved their freedom.