

Clue to the Economic Labyrinth

By

Michael Flürsheim

Michael Flürscheim
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Chapter I: Wanted, A new Gospel
Chapter II: The Land
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remaining chapters

Chapter III: Money
Chapter IV: The effect of Scientific Paper Currency
Chapter V: Free Trade or Protection
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may follow.

I DEDICATE THIS BOOK
TO
THE PEOPLE OF NEW ZEALAND
Michael Flürscheim

Progress

The time is ripe, and rotten-ripe, for change;
Then let it come: I have no dread of what
Is called for by the instinct of mankind;
Nor think I that God's world will fall apart
Because we tear a parchment more or less.
Truth is eternal, but her effluence,
With endless change, is fitted to the hour;
Her mirror is turned forward to reflect
The promise of the future, not the past.
He who would win the name of truly great
Must understand his own age and the next,
And make the present ready to fulfil
Its prophecy, and with the future merge
Gently and peacefully, as wave with wave.
The future works out great men's purposes;
The present is enough for common souls.
Who, never looking forward, are indeed
Mere clay, wherein the footprints of their age
Are petrified forever; better those
Who lead the blind old giant by the hand
From out the pathless desert where he gropes,
And set him onward in his darksome way.
I do not fear to follow out the truth.
Albeit along the precipice's edge.
Let us speak plain: there is more force in names
Than most men dream of; and a lie may keep
Its throne a whole age longer, if it skulk
Behind the shield of some fair-seeming name.
Let us call tyrants tyrants, and maintain
That' only freedom comes by grace of God,
And all that comes not by His grace must fall;
For men in earnest have no time to waste
In patching fig-leaves for the naked truth.

—James Russell Lowell,

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CHAPTER I

WANTED: A NEW GOSPEL

The Old Gospel

A CARAVAN trudges wearily through the hot sand of the desert. At last an oasis is reached, and all rush toward the life-giving fluid. But only a meagre quantity is found, hardly sufficient for all, and already the more vigorous travellers are making use of their strength to monopolise this supply. Weak and tired pilgrims whose strength had barely sufficed to permit their reaching the oasis despair of being able to force their way to the spring.

Fortunately the leader approaches, and his exhortations are heard. He asks the strong ones to moderate their greed, and to let their poor brethren obtain some of the water. He shows them how wrong it is for them to store away water for future use before others have as much as quenched their thirst.

Who has not heard this gospel, preached in the holy writings of all peoples, resounding from every pulpit of our churches? They are old, very old, these admonitions—as old as humanity. Our parents have heard them before us, their parents before them, and their echoes come down to us, faintly and more faintly, from the ever-receding generations of the past.

But do not let us, in pondering over these glorious teachings of the brotherhood of man, of unselfish love and devotion, of charity and benevolence, of the division of the last loaf and coat, forget to look after our caravan, which, meanwhile, has continued its march.

The desert now lies behind the pilgrims, and a wonderful valley opens before their astonished eyes. As far as they can see extends quite a forest of fruit trees bending under their precious loads, while blooming meadows crossed by lovely little rivulets invite the wanderer to a delicious rest. Sweet feathered songsters fill the balmy air with their delightful melodies. A real paradise, from which cares and troubles of any kind seem forever banished, opens its inviting arms to our footsore travellers. Nearer and nearer they approach to it; already they see the entrance of the valley, and in a few hours they expect to rest there refreshed and happy.

But, oh, how dreadful! A roaring torrent separates them from the valley; its foaming rapids interpose a seemingly impassable barrier between our poor pilgrims and the lovely paradise.

A few intrepid men throw themselves into the seething waters; but most of them perish before the eyes of their companions, who cannot succour them. Only a few hardy swimmers succeed in

reaching the opposite shore. The majority cannot swim and must remain on the desert side of the stream.

By irrigating the soil they raise scanty crops, and with the help of the fruits thrown over from the other side they manage to eke out a bare living. Unfortunately, most of the fruit thus thrown fails to reach the desert bank of the stream, and that which is successfully aimed is nearly always injured in its fall. The majority of the lucky ones, however, prefer to take their ease in the paradise they have attained to, little heeding the entreating voice of the leader, which is wafted to them over the stream.

Again and again it makes itself heard, that old and well-known command of charity, and more than ever since the world exists it is obeyed. A few of the successful swimmers, a Leo Tolstoy, for instance, seeing how little can, after all, be accomplished by almsgiving, renounce their enjoyments rather than monopolise them; and, at the risk of life, return to their brethren so that they may partake of poverty with them.

Good, well-meaning men they, and those also who without tiring throw fruits over, most of which are spoilt or never arrive, and are carried to the ocean by the waves of the stream, Wiser men, however, those few exceptional thinkers who spend day and night of their lives considering whether it might not be possible to construct a bridge by which the whole caravan could be brought over into the happy valley. They are not in the least deterred by the jibes or threats of the others, even of those whom to help they strain every nerve. "A bridge over such a wide and unfathomable stream! What a Utopia! The fools had better make use of their precious time to throw us some more fruits!" Such are the shouts occasionally coming over to them from the other shore.

Humanity has arrived at the border of the desert through which it has been wandering during so many centuries. A hard and continuous fight against terrible odds has marked the different stages of the struggle so far. Where the stronger managed to secure a larger share the weaker one suffered in consequence, and the exhortations of the moral leaders again and again demanded justice, or at least charity. The religious writings of all nations, their codes of morals, are filled with such demands. Where entreaty proved without effect, threats had to help. The most terrible torments of supposititious hells, cruel inventions of human fanaticism, have been shown in perspective to the hard-hearted rich, whose entrance into heaven has been made to appear more difficult than the passage of a camel through a needle's eye.

Change of the Problem

Meanwhile, gradually, almost imperceptibly, the outlook on the march has changed. Let us listen to some of the observers.

"On the virgin soil of America's prairies 100 men, with the help of powerful machines, produce in a few months the bread required by 10,000 men during a year. The wonders obtained in industry are still more astonishing. With those intelligent beings, the modern machines, the accomplishments of three or four generations of inventors, mostly unknown, 100 men produce the clothing which 10,000 men require during two years. In well-organised coal mines 100 men extract yearly enough fuel to supply warmth for 10,000 families in a rough climate." (Kropotkine, *The Conquest of Bread*.)

*Translated from the French edition.

As man does not only need bread, clothing and fuel, let us double, yea, even treble the number of men required to cater for his wants, and we arrive at the result that less than one-tenth of the population could supply all with the necessities of life. This accords with the calculation of others, Dr. Theodor Hertzka, for instance, the well-known Austrian sociologist, who figures out what labour will be required to produce the common necessities of life for the 22,000,000 inhabitants of Austria; with the result that all industries—agriculture, architecture, building, flour, sugar, coal, iron, machine building, clothing and chemical production—need 615,000 employed 11 hours per day 300 days a year to satisfy every imaginable want. But these 615,000 labourers are 12-3 per cent, of the population able to work, excluding all women and all persons under 16 years or over 50 years of age. Hence, should the 5,000,000 men instead of 615,000 be engaged in work, they would need to work only 36'9 days every year to produce everything needed for the support of the population of Austria. But should the 5,000,000 work all the year—say 300 days—each would need to work only one hour 2½ minutes per day. To produce all the luxuries in addition, these 5,000,000 would need to work only 2 hours and 12 minutes a day for only 2 months in the whole year.

A whole book could be filled with statistics proving our immense progress in the arts of production and communication. I only give at random a few items as I find them among my scraps. From an address delivered by Professor Frank Parsons in Boston: "Steam and electricity, and mechanical contrivances have multiplied the productive power of labour many-fold. A sewing machine will do the work of 12 to 15 women. A M'Kay machine enables one workman to sole 300 to 600 pairs of shoes a day; while he could handle but 5 or 6 pairs a day by former methods. A good locomotive will pull as much as 800 horses or 8,000 men; 4 men with the

aid of machinery can plant, raise, harvest, mill, and carry to market wheat enough to supply with bread 1,000 people for a year. A girl in a cotton mill can turn out calico enough in a year to clothe 12,000 persons, more or less, depending somewhat on the size of the persons, and the number of changes of cotton they have. The total machine power of the country is equivalent to the labour of half a billion willing slaves, or an average of 20 to every human worker. On the basis of human slavery, the Athenians built up a civilisation in which every free man might have ample leisure for culture, and civic and social life. On the grander basis of service by the power of Nature; we are building a civilisation in which all shall be truly free, and shall enjoy ample leisure for development and association with far greater means for both than the Athenians ever possessed. In Athens, in her palmiest days, there were 5 or 6 slaves for every free man; our machinery already equals 20 for every worker, and in another fifty years may equal 40, 50, 60, or more for every man; or 100, perhaps, for every family. And these splendid servitors of steel and brass are exempt from the pangs of hunger and cold, are never oppressed with weariness, lose no liberty in their servitude, and find no misery in subjection."

From Brotherhood of May, 1900: "Mr. Ernest H. Crosby tells of a factory he inspected where the manufacture of cheap socks was carried on. The manager showed him 400 sock-making machines. The machines run 24 hours a day, and only 50 boys are needed for all shifts; 5,000 dozen of socks are made daily. Under the old method, this work would have required about 50,000 men or women."

The thirteenth Annual Report of the National Commissioner of Labour (America), for 1898 takes up the subject of hand and machine labour, and is one of the most exhaustive documents of its kind that has ever been issued.

Herewith are given a few extracts from the Report, as showing the number of men employed, the time consumed in manufacture, and the cost of certain articles:—

Ten ploughs, which cost \$54.46 by hand labour, and on which 2 men were employed a total of 1,108 hours, cost, when made by machinery, \$7.90, and took 52 men a total of 37 hours and 28 minutes to make.

One hundred blank books cost \$219.79 when made by hand, and on them 3 men were employed a total of 1,272 hours. The same number of books, made by machinery cost \$69.97, employing 20 men 245 hours.

Ruling 100 reams of paper by hand took 1 person 4,800 hours and cost \$400, while 2 persons did the work by machine in 2 hours and 45 minutes, costing only 85 cents.

One hundred pairs of men's fine boots, made by i person by hand in 2,225 hours, cost \$556.24, while by machinery it took 296 hours with 140 men employed, and cost \$74.39.

One hundred pairs of women's fine shoes, made by hand by 1 workman in 1,996 hours, cost \$499.16. By machinery it would take 140 workmen a total of 173 hours, and cost \$54.65.

To make 100 dozen of brooms by hand took 9 men a total of 445 hours' time and cost \$73.19. By machinery the same work was done in a total of 295 hours' time, and cost \$47.93, with 105 hands employed.

One gross of wire-drawn brushes cost \$16.75 when made by hand, employing 12 men a total of 300 hours. By machinery the same work was done in a total of 27 hours' time, employing 25 men and costing \$3.70.

Forty gross of vegetable ivory buttons cost \$12.6, employing 6 men a total of 115 hours, while by machinery the same work was done by nine hands in a total of 14 hours, and cost \$1.68.

One thousand yards of Brussels carpet by hand cost \$270 in a total of 4,047 hours, 18 men being employed. By machinery the work was done by 81 men in a total of 509 hours, and cost \$91.25.

One thousand axle clips made by hand took 2 men a total of 666 hours' time, and cost \$233.33. By machinery it took 9 men a total of 23 hours, and cost \$4.28.

A large reduction in cost and hours of labour is exhibited in the manufacture of carriage hardware and equipments. The cost of a buggy made by hand, 6 persons being employed a total of 200 hours, was \$15.66. By machinery one can be made at a cost of \$8.09, employing 116 hands in a total of 39 hours.

One hundred men's fine coats cost by hand \$603.91, while by machinery they can be made for \$201.

Engraving a woodcut 7¾ by 9 inches by hand cost \$47.80. Made by machinery the cost was \$14.40.

Fifty dozen files cost, when made by hand, \$131. Made by machinery, the cost was \$28.

Lithographing 1,000 copies in ten colours, size 10 by 15, cost by hand \$92.87, and by machinery \$52.75.

It has been estimated by M. Chevalier (Hearne's "Plutology," pp. 170, 171) that "the labour of one American in the transport of goods was as effective, in the year 1841, as the combined labour of 6,657 subjects of Montezuma." But in this year 1901 it is probably as 120,000 to one. Sir Frederick Bramwell estimates that the engine of an Atlantic liner does the work of 117,000 rowers.

It is stated that in India a good spinner will not be able to complete a hank in a day, but in Great Britain and America one

man usually attends a mule containing 1,088 spindles. Each of them spins three hanks a day; thus the assisted labour of the Anglo-Saxon is to the unassisted labour of the Indian as 3,264 to 1. Mulhall estimated that the steam power in use in 1899 was equal to the energy of 55,580,000 horses.

In publishing magazines, the time for 10,000 copies has fallen from 170 to 14 hours, and the cost from \$302.50 to \$4.62. The cost of making 1,000 lbs. of bread has been reduced from \$5.59 to \$1.55, and in work-time from 28 to 8 hours. Making 500 lbs. of butter has been cut down from 125 to 12 hours, and the labour cost from \$10.66 to \$1.78. In mining 100 tons of bituminous coal, the work has been reduced from 342 hours to 188 hours within the past decade. Ploughing 1 acre of land has been reduced by machinery from 10 hours to 5 hours; manuring from 25 hours to 1 hour; digging trees takes one-twelfth of the time previously necessary, and the self-binder has reduced harvesting down to one-eighth, while the ratio in threshing is 32 to 1 of the machine. The figures given above as the cost of articles is for labour only.

Mr. Samuel Brown, President of the Industrial Association of New Zealand, stated in his address of September 25, 1899, that the proprietor of Kirkpatrick's Jam Factory, with about four boys and five machines, turns out about 3,000 jam tins in a day. In California they use a single automatic machine, about 100 feet long, which turns out 300,000 tins per day.

Leone Levy has calculated that to make by hand all the yarn spun in England by the use of the self-acting mule would take 100,000,000 men. It is reckoned that 30 men, with modern machinery, could do all the cotton spinning done in Lancashire a century and a half ago.

William Godwin Moody of Brooklyn, author of "Land and Labour in the United States," and "Our Labour Difficulties," sworn and examined before the Senate Committee on Education and Labour, in 1885 says: "Now one girl with her loom will weave as much cloth as could 100 women in my mother's time. One man will go into the field to-day and will do the work that required from 50 to 100 men to do when I was a boy." Question. "Do you mean in agricultural pursuits?" Answer. "Yes. A single man with a reaping machine, one of the smallest capacity, with 6 or 7 feet cutting board, will go into the field and will cut and bind from 15 to 20 acres of grain in a day of ten hours. When my father went into the field with a sickle upon his arm, it took four men a full day to cut and bind a single acre, and the Scotch Agricultural Society reported, in an examination upon that matter, that it required five men for one day to cut and bind one acre of grain; but now one man will cut and bind from 15 to 20 per day; or, going beyond

that, one of the improved machines will cut and thresh and sack the yield of 50 acres in a day."

In November, 1899, I read a report in the papers that the new cigarette-making machine will throw out of work 1,500 girls in Liverpool, and many more in other cities. The machine rolls from 500 to 800 cigarettes in a minute.

It is estimated that 140,000 shoe-makers can now do as much work as 2,500,000 could have done in the same time 100 years

The work required to produce those wonder-working Aladdin lamps, the labour-saving machines, has decreased in the same measure. The number of workers saved by planing, shaping, slotting, and milling machines alone is incalculable, and the most of the work they do could not have been done at all by file and chisel. The improvements in this department follow each other daily. My friend John Richardson, managing director of the engineering works of Robey & Co., Lincoln, showed me a little machine by which conical cog-wheels were cut at a cost of a penny a piece which formerly had cost eight shillings each. And so I might go on and on for hours.

We see, as far as productive power is concerned, that the paradise of our picture has been reached. Where this power has increased more than twenty-fold in the course of centuries there ought to be more than enough for all, and another gospel ought to take the place of that which long ages have so accustomed us to that the following admonition of an American Fabian is quite in its place: "London boasts of her 6,000,000 in missions, etc., besides uncounted sums in private almsgiving, while New York records with pride her £1,000,000 spent in municipal charity, her 1,000,000 in organised charity, her £1,000,000 given by societies, £1,000,000 by churches, and £2,000,000 of private personal giving—£6,000,000 in all.

"Instead of exulting in the fact that she gives £6,00,000 a year 'to the poor,' New York should rather hide her head in shame that she has so many poor to give to. What sort of an economic system is this which works so badly that 6,000,000 a year will scantily serve to patch it up to keep it going? Is this peace or is it war which requires a city to expend 6,000,000 a year in the gathering up and caring for part of the crushed, the diseased, the mangled, and the disabled of its citizens?

"A really intelligent community would as soon think of boasting of its epidemics and diseases as of its expenditure for 'the poor'—would as soon vaunt itself on the length of its death list as upon the magnitude of its charities. Pompous rehearsals of the sums given 'for sweet charity' are to be sighed over rather than rejoiced in."

I add two poems by noble women who have awakened to the truth that something far better is required than mere charity:—

GOD'S WORLD.

"Ye mustn't make this earth too good,"
Says Aunt Maria Jane; "
It gives us Christian work to do
Relievin' of its pain.

"Things always has been bad down here
In this poor vale of tears;
An' what's bin always must jest be
Thro' all our mortal years 1
"I hain't no use for them new ways
You call reform; it's sin
To try to change what's bin ordained—
The Lord to fight agin.
"Fer sorrers that the Lord has sent
To try us here below,
If patient borne, will reap reward
When we to Heaven shall go."
But spite of Aunt Maria Jane,
And good folks such as she,
We're going right ahead to cure
This old world's misery.
I think the Angels must be tired
Of winging it above.
And that they'd like to walk with us
On earth in brother-love.
But first we've got to make it fit
For Angel feet to tread;
So where the devil's brambles grow
Let's plant God's flowers instead.

—Mary P. Irving, in the *Social Gospel*.

WHAT IS TRUE CHARITY?

I GAVE a beggar from my little store
Of well-earned gold.
He spent the shining ore
And came again, and yet again, still cold
And hungry as before.
I gave a thought, and through that thought of mine
He found himself a man, supreme, divine,
Bold, clothed, and crowned with blessings manifold,
And now he begs no more.

—Ella Wheeler Wilcox.

The great problem of the twentieth century is to find out why actual wealth production, instead of keeping pace with productive power, lags more and more behind it; why the chasm between the two becomes deeper from year to year, why it appears more unbridgeable with every new advance in productive facilities. To build a bridge across this chasm is the task before us—the thought, which is to clothe the beggar—the cure of this old world's misery. To implore or threaten the luckier ones, who through greater force or ability, or through more favourable circumstances, have succeeded in entering the desired paradise is an anachronism; for a fraction of the intellect thus wasted would build the bridge that allows the meanest to enter the realm of abundance.

Citizens of a new world, while you slept the new day dawned. Up to your new work! Cease your wailings for charity and your threats against the rich; begin ramming the piles of the bridge that will lead from misery to prosperity!ⁱ

This call is meant not only for the ministers of religion, for the preachers of morals and ethics, who make a speciality of appealing to the fortunate, expecting the millennium from their sacrificing spirit. No, it is also intended for a totally different class: it is addressed to the revolutionary forces, to social democrats and anarchists; it is addressed to all workers for reform. Here they are inciting the people against the employers of labour, or against landlords, or against plutocracy, or against the organisers of trusts, etc. Leave these men alone; let them eat their fill—do not even envy them; but use your whole time and power to reform the conditions which have created this sad spectacle of over-feeding in the midst of want. If you come to look a little closer you will find as noble men in their ranks as amongst yourselves. They will cease to oppose you, they will even fight on your side—many of them do so already—as soon as you prove to them that you are not their antagonists, that your victory will not take a single enjoyment from them, will even add one far beyond any they can now call their own: the feeling of unalloyed happiness, such as they cannot know under present conditions. Who can be happy, surrounded by want and misery?

Make it clear to them that you do not demand even as much spirit of sacrifice as the preachers do, that you want to leave to the rich all they possess of labour's products, the full enjoyment of their savings. They may even add to their hoards by means of their skill and enterprise.

You only ask them to help you in the construction of the bridge so that others, too, may get a chance of gathering their share of the still untouched fruits.ⁱⁱ Or at least, demand of them what Car-

lyle demanded of England's governing class "Anti-Corn Law League asks not, Do something; but, Cease your destructive misdoing, Do ye nothing. ... No; instead of working at the Ark, they say: 'We cannot get our hands rightly warm'; and sit obstinately burning the planks. No madder spectacle at present exhibits itself under this sun. ... We will say mournfully, in the presence of Heaven and Earth, that we stand speechless, stupent, and know not what to say. That a class of men entitled to live sumptuously on the marrow of the earth, permitted simply, nay entreated, and as yet entreated in vain, to do nothing at all in return was never heretofore seen on the face of this planet."

The New Gospel

Let us bear no ill-will toward anybody who makes use of existing conditions to get on; let us try to change the conditions which permit the few to prevent the progress of others. As long as the trees are full of fruit the stores accumulated by some are not in the least in our way, provided the access to the trees remains open. Our sole task must be to open the road and to grant fair play.

This is the new gospel that is wanted. In place of the old one—exhorting, pillorying, and condemning the rich—we must proclaim the new, which attempts to break down the barrier opposing the access of all to wealth. Instead of appealing to justice and charity to obtain alms, we must create reforms that enable us to dispense with alms. But nothing can be done until we have found out the nature of the reforms required. It is useless to call for an assault of Error's battlements as long as the position of the fort is totally unknown. No orders can be issued to the man at the helm unless a correct chart shows us where to find the desired port.

Help given by Religion

But when once the path lies clear before us, the help of the old gospel's preachers will be invaluable—the help of those excellent men and women who know how to approach the hearts of the people, backing their appeals by arguments of a transcendental order. As to the nature of these arguments, I should have much to say if it were not so far apart from the purpose of this work. I can only intimate my belief that the men of the churches leave unused the best weapon offering to their hands in daily increasing efficiency. I speak of Psychic Science or Occultism, not to be confounded with the ordinary Séance spiritism, from which it is as far apart as Astronomy is from Astrology, or Chemistry from Alchemy. As the master-mind of modern Psychic Science, Dr. Karl du Prel, so

well expressed it: "The teachings of ethics are left in mid air when the metaphysical feeding ground is abstracted—the belief in our continued existence after physical death, Rome's history shows how little materialism and morals can co-exist for any extended period. As long as our creeds base themselves on traditions only they cannot save the belief in immortality. Unfortunately, their best ally, Occultism, which offers them the scientific proofs of the great truth, the only kind of proofs accepted by the majority of our educated men, is spurned by them."

A people fallen into materialism is doomed. Mobocracy and Tyranny govern in turn, as the ignorant or the educated gain the mastery for a time. In the end, the latter generally keep on top, without lasting advantage for the community, as long as governors and governed are alike destitute of that higher aim which barren materialism never affords, because it cannot truly penetrate into the phenomena of life. Again, the downfall of a tyrant is no real advantage while Nihilism prevails on the opposing side. Of what benefit can the death of a Julius Caesar be when a Brutus is a common cut-throat, who, as Cicero's letters prove, through his man of straw, Scaptius, extorted 48% interest from the town of Salamis, in Cyprus? The victory of such a man could never have checked Rome's rapid decline. Without morals there cannot be any real revival, and without transcendentalism morals are bound to deteriorate.

CHAPTER II THE LAND

THE EARTH FOR ALL.

Thus saith the Lord: "You weary me
With prayers, and waste your own short years
Eternal Truth you cannot see
Who weep, and shed your sight in tears.
"In vain you wait and watch the skies,
No better fortune thus will fall;
Up from your knees I bid you rise
And claim the Earth for all.
"They eat up Earth, and promise you
The Heaven of an empty shell;
'Tis theirs to say; 'tis yours to do;
On pain of everlasting Hell.
"They rob, and leave you helplessly
For help of Heaven to cry and call,
Heaven did not make your misery,
The Earth was given for all.
"Behold in bonds your Mother-Earth—
The rich man's prostitute and slave;
Your Mother-Earth, that gave you birth—
You only own her for a grave.
"And will you die like slaves, and see
That Mother left a bounden thrall? —
Nay; rise like men, and set her free
A heritage for all."
—Gerald Massey.

Bridge Building

The introductory chapter has opened before our eyes the vista of a paradise—neither far away, in regions accessible only to the fond dreamer's eyes; nor one of those *Fata Morgana*' like Utopias which disappear wherever practical workers try to approach them—but it is very near, and longing humanity will easily attain to it when the required bridge is built across the river which now forbids their entrance.

No greater achievement has ever taxed human ingenuity, and thousands of brave souls are engaged in it from morn till night, following the labours of craftsmen gone before, who gave their lifeblood for the cause.

None nobler than thou, my departed friend, whose mighty voice, first heard from the distant eastern shores of the Pacific, whose western waves now roll here at my feet, called me, like so many others, into the ranks of fighters for the great reform! Little can it matter that thou didst not clearly see the whole of the plan of the bridge's construction, and little didst thou care. It sufficed thee to show the place where the foundation of a main pier has to be laid, and to call together the workers with thy mighty clarion, "Progress and Poverty," like the bugle notes of the dying Roland, ranging over mountains and valleys, over seas and continents, with a wonderful perennial sound not likely to be forgotten as long as true hearts live on this earth of ours. Gladly thou didst welcome all willing to help in this great work of pier-building, even if their bridge plans did not quite coincide with thine own. History shows on hundreds of pages how often the disciple's fanaticism takes the place of the master's modest tolerance. The publican and sinner whom Jesus Christ broke bread with are burned at the stake, in His name, by men professing to be His only true followers. Henry George also found many fanatical disciples, not satisfied with the recognition of the fundamental truth taught by their great master, that the land of this globe belongs to humanity as its inalienable birthright. Not content with the great truth which overthrows the old faulty building of orthodox political economy constructed on the sand foundation of private land ownership, those disciples at once went to work to erect a new orthodoxy, excluding the most earnest co-workers because they differ from the master's teachings in details to which he himself did not by any means attach first-rate importance. I can prove this by the reproduction of a letter I received from Henry George in the earlier period of our intercourse. The letter refers to one of those points in which I always differed from him; his theory of interest. When we compare the modesty of the propounder with the asperity with which some of his followers stand up for this theory—which to them has become a dogma—we come to realise that Henry George's ideas are not always identical with Georgism. The letter is dated from New York, September 21, 1888:

"Dear Mr. Flurscheim,—I learn through our mutual friend, Mr. Prang, that you are irritated at the manner in which I have treated your communication about interestⁱⁱⁱ. I am sorry for this, as I have a very high opinion of you, and a very high appreciation of the work you are doing. But the difference between us in regard to interest, though it may be a matter of great theoretical importance, is a matter, at the present time, at least in the United States, of no practical importance; and I have been so intensely occupied with pressing matters that it has been impossible for me

to give that attention to any theoretical matter that I am sure you would like me to give if I were to make an answer to you. As soon as I get again a little of the leisure I so much long for, and have been for such a time deprived of, I will carefully consider your propositions and make a review; but for the present every nerve is strained in the effort to push forward what is of immediate concern. I have never thought differences between men who hold common views on the most important propositions to be of much account. If we all work in our own way, the truth is certain to come uppermost at last.

"With much esteem and cordial good wishes, I am, yours very truly," HENRY GEORGE,"

Principles of Land Reformers

But whatever difference there may exist between Henry George's views and my own in regard to the question mentioned in this letter: the effect which the restoration of the land to the community would have on interest, and the part played by it in the social problem, or in regard to ether sections of the problem, there never has remained the least doubt in my mind that no programme of social reform can have the least claim to thoroughness, can have the smallest prospect of success unless ' it includes the great truth which will never again be forgotten, the truth for ever associated with my departed friend's name, the truth expressed in the words of the resolution unanimously passed by the International Congress of Land-Reformers (landlaw-reformers would be the correct word, but its length has gradually caused the adoption of the shorter title) at Paris, called by Henry George, William Saunders, and myself, June 10, 1889:—

"L'assemblée considérant que le sol n'est pas le produit du travail, qu'il est la matière première ou la source d'ou celui-ci tire tout ce qui est nécessaire a l'existence; considérant que le travail doit constituer la base rationnelle de la propriété; considérant que l'appropriation individuelle du sol, a pour conséquence le paupérisme, l'esclavage ou l'exploitation du travail; considérant, enfin, que cette situation sociale engendre des dangers qui finiront par rendre tout ordre impossible; déclare que la propriété individuelle du sol doit disparaître et se trouver remplacée par son appropriation au profit de tous."

"Whereas the land is not a product of labour, but the raw material or the source from which labour draws all that is necessary to existence; whereas labour must constitute the legitimate or rational basis of property; whereas the individual appropriation of the soil entails pauperism, the enslaving or exploitation of labour; whereas, finally, this social situation causes dangers which would

end by rendering all order impossible; this meeting declares that individual property in the soil must disappear and become replaced by appropriation for the benefit of all."

It was the compromise finally agreed to by single taxers and land nationalisers, by the disciples of Collin, and the adherents of a surface-tax (*impôt métrique*) as well as by socialists.^{iv}

By land we understand the body of our earth. Without land we cannot live, and the quantity of land is strictly limited; while the products of human labour can practically be increased without any limit, provided man has free access to land, to natural opportunities. The result of this limitation is the possibility of monopolisation. If anyone produces a chair, he cannot thereby prevent anyone else from doing the same thing, and there can be no monopolisation of chairs in the long run, because they can be produced in any quantity, so that the supply soon reaches the demand.

Monopoly Character of Land

The case is entirely different with land. Any withholding of land from the market narrows the market to that extent; and as no human labour can produce land, production cannot restore the old level between supply and demand. The terms, which the land monopolists can obtain from land users depend on the extent of the monopoly. Where no other land is obtainable, these terms may be even harder than those under which the slave works for his master. This is illustrated by the answers given to Mr. Lionel Decle, of the Daily Telegraph Expedition from the Cape to Cairo, by a former slave whom he found in a very miserable condition. Asking the man what had happened to him, "Ah, Master," replied the man, "you see, now I am a man, a free man, and my stomach is empty."

"How is that, and why did you apply for your freedom?"

"Well, Master, the missionaries came to the Shambes gardens and told us, 'Why do you work for another man when you can work for yourself? Now, when you earn a rupee you must take half of it, or even more, to your master, while, if you were free, you would keep the whole of the rupee for yourself.' Well, Master, the missionaries talked so much that a lot of us went and asked for our freedom, and obtained it; but then our master said, 'You are no longer my slave, therefore you go away from my garden.' Our master added that if we cared to pay him ten rupees a month he would allow us to retain our house and garden. When we were slaves we always had some money to buy clothes, meat, or fish, or to get tobacco; but now all we earn hardly enables us to pay our rent, and our stomach is empty. In vain we went to the Government, and said, 'We do not want to be free any longer. Here is

your paper, please write on it that we are slaves again;' but the Government answered that they could make us free, but could not make us slaves. Now, Master, is that right? The missionaries said that when we should be free we would be able to do as we liked. We want to be slaves, and the Government say, 'No.' That is very bad, Master—very bad."

I personally observed similar conditions among the negroes of Virginia a few years after the close of the secession war.

Sometimes no terms at all may be obtainable, and death of the landless man may be the result, as has been the case with several of the victims of clearances.^v In fact, we can just as little live without land as we can live without air, even if the monopolisation of land did not include that of the air over the land.

"I conceive it indisputable that to pass over land in a balloon at whatever height, without the owner's or occupier's license, is technically a trespass." (Sir Frederick Pollock.)

Philip Laidlaw, in an article in the Strand Magazine for January on "Windmills—Old and New," says an old Bohemian chronicler mentions "that before 718 all the mills in Bohemia were windmills." These machines came into general use in Western Europe about the beginning of the twelfth century. The charters granted to convents now began to include permission to erect windmills. Shortly afterwards these structures had become so common that the Pope issued a special edict, compelling them to pay tithes to the church. The question as to the ownership of the wind often raised conflicts between the land-owners and the clergy. An example is related in the annals of an old monk: "Since our monastery," he says, "had no cornmill, they resolved to build one. When the lord of the land heard of it, he did everything in his power to prevent it, saying that the wind in Zealand belonged to him, and that no one might build a mill there without his consent. The matter was therefore referred to the Bishop of Utrecht, who replied in a violent passion that no one has power over the wind in his diocese but himself and the church at Utrecht, and immediately granted full power by letters patent to the convent to build for themselves and their successors a good windmill wherever they might chose."

William A. Phillips, in "Labour, Land, and Law: a Search for the Missing Wealth of the Working Poor," gives an excellent illustration of what we call property, by beginning his book with the following tale:

"It is related that a certain Eastern potentate fell into the impecunious condition common to many of his predecessors, and set his wit to work to devise a remedy. A farmer of imposts who had often aided him, in this dilemma came to his rescue. He offered him sixty thousand tomans for all the winds that should ever blow

over Cashmere. The monarch at first affected to be staggered at the proposition. He was unable to find anything in precedents to warrant it, but although a believer in the doctrine that whatever is right, he was forced to admit that a monarch may introduce useful innovations. Of course, it was assumed that he was the supreme owner and disposer of all things in his dominions, not only for his own brief erratic span of life, but for all time; and so he came to the conclusion that, as everything in the world which could be was sold, there was no good reason why the winds, unstable though they might be, should be exempted, if a purchaser could be found. After a proper amount of preliminary haggling a sale was made, and the transaction legalised by all that signatures, seals, and parchment could do for it.

"Before the public had fairly got over laughing at the absurdity of this novel bargain, the owner of the wind issued a proclamation forbidding all persons in Cashmere from using his wind to turn their windmills, winnow their corn, propel their vessels, or employ it in any other manner, until they had first entered into agreements with him and obtained leases for the various localities, covenanting to pay certain amounts for the privilege. Then the laughing turned to lamentation. The monarch met the torrent of petitions and complaints by 'affecting to deplore the circumstance. He could not foresee, of course, all that had occurred; but his sacred word was involved. Rulers of that type are usually very particular about their sacred word. Driven to desperation, the inhabitants contributed the amount that had been paid for the wind, and tendered it to the sovereign, so that this unheard-of transaction could be cancelled.

"The matter was not to be so easily arranged. The owner of the winds of Cashmere would not think of such a thing. He had acquired a vested right in them. Since it had become purchasable the wind had greatly risen—in price, at least. Wind stocks were on an upward market. The owner insisted that his title was good. He did not claim it merely by his right of discovery of the commercial value of the wind, or that he had been the first to pre-empt this privilege; but he had fairly bought it from the representative of government, and declared that his title was begirt and founded on all that was sacred in law or the theory of eminent domain and supreme authority. It would be altogether unfair to ask him to surrender this valuable privilege for anything less than what it might bring him in case he should be allowed to keep it. The proposition of the people was merely a bald scheme of robbery. It was subversive of all property rights, was socialistic, agrarian, and revolutionary, and to force him to accept of a price so inadequate

would strike a fatal blow at the best interests of society, and undermine the whole fabric on which the rights of property rested.

"This reasoning was, of course, entirely conclusive to the monarch, who was undoubtedly the confederate of the farmer of imposts; but as human endurance can only be stretched to certain limits, it was agreed between them that a fair price for the wind at that date would be ten times what was originally paid for it. This amount was finally raised by a long-suffering people, who merely exacted a promise from the commercial monarch that he would never sell the wind again, but permit it in God's providence to blow over them free and unrestricted as of yore."

How ridiculous this story appears to all of us! And yet there are millions, among them many teachers of political economy, who laugh at us when we oppose ourselves to private ownership of land, as if land were less a part of creation than the wind, and as if men could live better without it. The fact is, we might get along without the wind, but we could never live a second without the land.

The ownership of land does not only include that of the air, but also that of the sun. The Literary Digest says:

"Mr. Riis finds that sunlight is reckoned into the rent almost as if it were gas or electricity; a flat with one ray of sunlight costs sixpence a week more than a flat with none; a front flat where the sun comes right in your face is seventeen shillings a week; a rear flat where it doesn't come in at all eleven shillings a week. In the depths of last winter Mr. Riis found a family of poor Jews paying eight shillings a week for the privilege of living under a flight of stairs in an abandoned piece of hallway, and the youngest first saw tenement daylight there."

Still quoting from Mr. Riis on tenement house life in New York, the Literary Digest continues:

"In one case I found, in mid-winter, tenants living in sheds built of odd boards and roof tin, and paying four shillings a week for herding with the rats."

Also the climate is included in the land title. The London Echo says:

"Everywhere we find the advertisers offering for sale the climate, the natural resources, the municipal advantages, the geographical convenience, the travelling facilities of the neighbourhood; quoting them as reasons why landlords should get high prices or high rents for their sites. The 'simply perfect climate' of Tunbridge Wells and the 'bracing' air of the Essex coast; the 'magnificent views' over sea or land; the 'excellent train service,' nearness to railway station, or to a populous town affording a good market, are quoted, exactly as the Leeds auctioneer cites the

nearness of the State Court Justice and the Municipal School Board Office as reasons why the landlord, like Oliver Twist, 'asks for more.' "

On the other side, a humorous land reformer praised the mosquitos of the New Jersey suburbs of New York, because without them the rent would have been too high for him.

The measure of liberty possessed by any man depends, therefore, in the first place, on his command of access to land; the form of government only comes in the second place. A landowner in despotic Russia is a freer man than a landless journeyman in free England or America. The owner of a Turkish Vakuf (a kind of perpetual lease of government domain or trust land) is more independent than a German peasant with a few acres loaded with mortgages.

Free Trade in Land

The essential distinction between land whose stock is limited and cannot be increased at will, and the products of labour, which can be indefinitely multiplied, has become somewhat obscured in modern habits of thought, so that even many quite clear-sighted men of our time cannot see any reason why a man should not be able to obtain as full a title to a piece of land as to a pair of boots. We can easily account for this. The very fact that land can be bought in the market like boots and shoes hides its monopoly nature, and the essential difference between the two kinds of merchandise. How can we speak of land as having a monopoly character, when, as a rule, we can buy as much of this merchandise as of any other? When the same newspaper in which all kinds of merchandise are offered gives us also long lists of land for sale in all parts of the country? In this sense, it seems, we cannot persistently speak of a monopoly, except in certain cases where entail or other causes keep land out of the market, and yet we shall see farther on that the monopoly character of land is even more felt where it is freely saleable than where it is entailed for the benefit of a limited number of families.

Anyhow, it is quite certain that land reform would be much further advanced if entail were the rule instead of being the exception. The great difficulty under which land reformers have to labour is just that of establishing the dangerous effects of the monopoly where, to all appearance, land is as freely obtainable in the market as chairs and tables or any other product of human labour. They have to show that those would-be reformers who expect to destroy the monopoly nature of land by freeing it from any kind of entail are more dangerous reactionaries than the most violent Tory, the

fundamental tenet of whose conservatism consists in the conservation of the land to its present owners.

Defence of the Freehold

"The desire to own a piece of land is innate in human nature." These are the words with which we can daily hear the freehold defended. "The desire to knock down or to enslave our fellow-man is innate in human nature," was once as thoroughly acknowledged by humanity as the principle just enunciated. Scalping an enemy, eating the vanquished, once formed part of the nature of the North American Indian and the South Sea Islander respectively. We have outlived that time, as far as the reign of civilisation extends. Men have found out that they are happier all round, the strongest included, if they obey laws given by the majority, even where the force is on the side of the minority. We give to a feeble woman the same vote as to a strong man, and still prosper. The time is at hand when we shall recognise even more clearly that the desire to own a piece of land is still more opposed to human happiness than the desire to knock down fellow-men.^{vi} We have already got so far as to recognise that the unconditional freehold is impossible. We have come to see that we cannot allow a few men to hold immense tracts which could form the homes of thousands of their fellow-men if these were allowed to take up land on fair terms.

People, however, are less familiar with the fact that a more extended division of properties—peasant proprietorship—with free-trade in land, is as inevitably leading back to concentration, as brooks and rivulets finally help to form oceans.

The best proof of this fact is supplied by the history of France, since that memorable night of August 4, 1789 overthrew feudalism and introduced a century of free-trade in land.

Peasant Proprietors

A. Toubreau, a French author best known for his advocacy of intensive agriculture in "*La Répartition Métrique des Impôts*" (Paris, Librairie Guillaumin, 1880, 2 vols.), drew attention to some surprising statistical data regarding the division of the French soil, in a paper which first appeared in the *Philosophie Positiviste* of July and August, 1882, and later on as a reprint. Its title is "*Le Prolétariat Agricole en France depuis 1789. 'D'après les Documents Officiels.'*" Who would have believed without these official figures that only one-tenth of the French soil is owned by peasant proprietors, by men who cultivate their land with their own work? No doubt most of the members of the International Congress of Land Reformers—

of which Toubeau was elected secretary—learnt this fact for the first time from his lips.

In round figures, the official "Statistique Internationale de l'Agriculture de 1873"—from which Toubeau took his data—gives 49 million hectares (1 hectare = $2\frac{1}{2}$ English acres) as the surface of France after deducting the area taken up by rivers and lakes. The area covered by forests, heath, swamps, grazing land, etc., amounts to about one-third of the whole = 16 million hectares. Houses and gardens take another million. Another third of 16 million hectares is leasehold property cultivated by tenants. Of the remaining third, 12 million are taken up by large properties. They represent 60,000 farms of 200 hectares on the average. This part of the soil is cultivated by labourers. For the peasant proprietor 4 million hectares are left, to which we may add a certain amount of the grazing land, of the gardens, and the house area, say 1 million hectares. We thus arrive at the stupendous fact that in the paradise of the peasant proprietor only one-tenth of the soil belongs to men who work it with their own hands. The number of these properties is 2 millions, with an average surface of $2\frac{1}{2}$ hectares. The latter figure seems to be in contradiction with the statistical tables, which give us 14 million properties belonging to a million proprietors which, when we add the members of their families, makes the bulk of the nation land-owners. Now, one-half of these 14 million properties pay less than 5 francs land tax, and on 3 or 4 million of these the tax cannot be collected at all, either because the owners are insolvent or because the properties are so small that the expenses of collection would be greater than the amount of the tax. In fact, the Government statistician realises that a great number of these so-called proprietors are such only by name. He says: "Half of the land-owners possess only a small house with a very modest garden, sometimes an insignificant portion of an old common, or an undivided portion of a yard, open space, passage or building lot. In this way, in a great number of cases, in reality they have only the name of proprietors." Four million more pay only a land tax of from 5 to 20 francs, and therefore their holdings are so insignificant that their owners cannot make a living off their land. Toubeau then deducts the larger owners, the townspeople, etc., and thus arrives at his figure of 2 million families who subsist on their own land.

The number of $3\frac{1}{4}$ million holdings given in the official statistics shows that if Toubeau erred he did so on the right side; because, of these $3\frac{1}{4}$ millions, quite a number often belong to one proprietor, and $1\frac{1}{4}$ million of them are worked by tenants, while the balance of 2 million includes the large properties worked by labourers. Anyhow, the number of peasant proprietors does not

affect the quantity of land owned by them, which—as Toubeau shows—is not over one-tenth of the French soil, and here we have to consider that a man cannot be called a proprietor in the full sense of the word if a great part of his property is mortgaged, and thus practically belongs to the mortgagee. Under the French system of an equal division of inheritances the partition of the small properties is continually progressing. If no immediate partition of the land takes place one of the children takes over the land, while the others take the mortgage for their share, which then is sold to outsiders. This only means deferring the partition in many cases where land has finally to be sold to satisfy the mortgagee. If the small properties get thus subdivided through inheritance, the same cause has a tendency toward increasing the large properties. Rich people are in the habit of leaving wills, and for one case where such a will divides a large real estate, because there are not enough other assets to satisfy the other heirs, there may be ten where small properties which come into the market are bought by some rich man to enlarge his neighbouring domain.

Concentration of Properties

The formation of large estates is the inevitable result of free trade in land, experienced everywhere since the times of old Rome, when Plinius found in large landed properties the cause of Italy's ruin.

Thus in France, in the reputed paradise of the peasant proprietor, the number of holdings worked by paid hands or by tenants almost equals those of the peasant proprietors. And the proportion is likely to become more unfavourable from year to year, through division by inheritance and increase of mortgages.

The following verses from *Land and Labour*, the excellent organ of the English Land Nationalisation Society, illustrate in a happy vein the chances the average peasant has, under the present free trade in land system, of securing enough land to make a bare living on:—

THREE ACRES AND A COW.

"I hear thee speak of a bit o' land.
And a cow for every labouring hand;
Tell me, dear mother, where is that shore,
Where I shall find it and work no more?
Is it at home this promised ground.
Where the acres three and a cow are found?
Is it where pheasants and partridges breed?
Or in fields where the farmer is sowing his seed?

Is it on the moors so wild and grand
 I shall find this bit of arable land?"
 "Not there! not there, my Giles!"
 "Eye hath not seen that fair land, my child.
 Ear hath but heard an echo wild—
 The nightmare of an excited brain,
 That dreamers have like Chamberlain.

Toubeau's opinion that actually the peasants owned more land before the French Revolution than they do in our time is justified by a passage I find in H. Taine's "Les Origines de la France Contemporaine. L'ancien Regime," p. 453: "Vers 1760 un quart du sol, dit-on, avait déjà passé aux mains des travailleurs agricoles." ("Towards 1760, it is said that one quarter of the soil had already passed into the hands of the agricultural workers.")

On the preceding page Taine describes how many domains pass into the hands of merchants, lawyers, rich townspeople; a process also going on in our time wherever land can be freely bought in the market. The reason is obvious. Land is indestructible, whereas the products of labour are more or less shortlived. Land cannot be carried away by thieves like most of the things produced by man; while almost all products of human labour decrease in value through the lapse of time, unless new labour is added, the value of land, as a rule, increases. Fallow land becomes richer in chemical components, or trees yielding fuel and timber grow spontaneously. Anyhow, its price rises under normal conditions through the greater demand that follows the growth of population and wealth.^{vii}

Far away, beyond the ken
 of sober, practical business men;
 Far away beyond the sight
 Of men whose heads are screwed on right;
 Where castles in the air do stand,
 Behold the cow and the bit o' land!
 'Tis there! 'tis there, my Giles! "

The very reverse takes place with most products of human labour. Independent of the destructive effects of time on them, the price at which their equivalent can be produced falls continually owing to our progress in the arts. It is to be expected that under such conditions the rich and knowing investors give the preference to land, and this raises still more its selling price. In this way the rate of interest at which rent is capitalised into the selling price of land falls so low, the selling price becomes so high that the worker who needs land prefers to rent it, or is forced to do so, as he has

not got the means to buy. The little capital he possesses is wanted in his business, and anyhow, cannot be invested at the low rate of interest with which the rich landowner is contented. Or, if he buys, and borrows part of the purchase money on a mortgage, usually the rate of interest of this mortgage is so much higher than the rate yielded by the land that a two-third mortgage generally swallows the whole of the rental value. This explains how, even in countries like France, where only a hundred years ago the Revolution threw a great part of the feudal property into the market, the number of tenants and labourers who work on other people's land by far exceeds that of the men who work their own freeholds. It is even more astonishing that the same fact obtains in the United States, a country most of whose land—within the memory of the living generation—was thrown open practically free of cost to the hardy pioneers.

According to the census of 1880, 26% of the farmers were tenants. In 1890 the percentage rose to 34%. The census of 1900 is not accessible yet, while I am writing this, but will undoubtedly show a further increase. Of the families occupying their own farms, as many as 43% lived on encumbered farms in 1890. The average percentage of encumbrance was 35,55%. Of families occupying homes in towns and cities, only 38,9% owned their homes, and of these 75% were encumbered.

The average rate of interest of farm mortgages was 7,07%, on homes 6,23%.

These figures prove that the same process goes on in the Transatlantic Republic, as in every part of the world. Everywhere the land is alienated more and more from the men who work it; everywhere the process of concentration in the possession of the minority goes on rapidly, whether it be in the form of direct ownership or mortgage. According to Alfred Russel Wallace, Mr. Arthur Arnold has ascertained that the 525 members of the peerage own 1,593 separate estates, comprising an area of more than 15,000,000 acres; or, allowing for roads, rivers, towns, and public property, about one-third of the whole land of the United Kingdom. Fourteen landlords in Scotland possess over 100,000 acres each, and one of them, the Duke of Sutherland, owns 1,176,454 acres, almost the entire county, whose area is only 1,197,846 acres.

Macaulay, in Chapter III., of his "History of England," where he treats of the yeomanry, says: "If we may trust the best statistical writers of that age (1685), not less than a hundred and sixty thousand proprietors, who, with their families, must have made up more than a seventh of the whole population, derived their subsistence from little freehold estates. The average income of these small land-holders—an income made up of rent, profits, and

wages—was estimated at between 60 and 70 pounds a-year. It was computed that the number of persons who tilled their own land was greater than the number of those who farmed the land of others. I have taken Davenant's statement, which is a little lower than King's."

What a change for the worse these figures present! Considering the difference in the value of money, we must take at least £100 a-year as the equivalent of the £60 to £70 of 200 years ago. Now, we certainly cannot go below holdings of 5 acres when we want to find men who can make an income of £100 from the land, and the total number of holdings above 5 acres, and not exceeding 50 acres, in 1889, was for all England and Wales 203,861. The Financial Reform Almanac, from which I take these figures, does not give the number of these holdings, which are freeholds; but to anyone knowing England, it is evident that only a very small proportion of this land is owned by the parties who cultivate it. On the other hand Macaulay may have included holdings above 50 acres. Erring largely on the right side by equalising the two figures, and compensating the two causes of error, we arrive at the conclusion that, in spite of an eight-fold increase of population, the number of people who make a living on their own land has not increased, while it ought to be eight times greater. Where, 200 years ago, "the number of persons who tilled their own land was greater than the number of those who farmed the land of others," it is notorious that tenant farming is the rule in the England of 1900, and a man's tilling his own land has become such a rare thing that it plays a very insignificant part in the English corn supply.

Coming to one of the newest countries, to New Zealand, we find that the Year Book of 1900 gives the number of occupied acres for 1899-1900 at 34,422,653, of which 26,161,068 were in 3,521 holdings above 1,000 acres.

As in many cases one man owns several holdings, the number of owners evidently is even smaller. We may safely say that one-seventieth of the people own three-quarters of the land, or about 800 men own 60%. But even this does not give the full extent of the lugubrious picture. The total of mortgages registered in the whole country, March 31, 1899, was £33,000,000, which is about 40% of the unimproved value of the land. The average interest rate was 5.3%. Proportionately, more of this debt has evidently been incurred by the smaller farmers, and so we may say that certainly not over one-third of their 30%, i.e., only 10% of the land remains unencumbered in the hands of the working masses. No further comment is needed.

In those countries where the remnants of feudalism are still in existence, the plutocrat gradually takes the place of the noble, and

is usually a harsher master. He has not been connected by a family tradition of centuries with the land and its occupiers; to him his land is nothing but the equivalent of other investments, which he gave up for it. Its rent replaces the interest which these investments yielded, and he expects this rent to fall in somewhat after the quasi-automatic process in which his coupons were cut and cashed before he exchanged the bonds to which they were attached for the land he bought with their proceed. As he never cared who had finally to pay the interest represented by these coupons, so the tenant of his land to him is merely a rent-paying machine, to be exchanged for another as soon as it does not regularly perform its functions.

Power the Basis of Land Titles

Intentionally, I have not brought forward the stock argument of land reformers against private property in land, based on its not being a product of human labour, but the creation of God, who destined it for all, and not for some human beings. In my mind, the argument has some flaws, and—what is more important—it is not needed. Iron, coal, building stone—in fact, all primeval matter—is created by God for all men, and yet not even the most radical land reformer objects to their appropriation by individuals under certain conditions.

It has also been said that if God has given the land to humanity as a whole, a nation has just as little right to appropriate it as an individual. Fortunately, there is not the least need for this line of argumentation. Expediency, armed with the necessary power, has always been the only determining factor in man's relations to land, and probably always will be. Bodies of men powerful enough to defend the land they occupy against outsiders, be they called tribes, states, or nations, always have claimed, and always will claim, the right of control over the land they have possessed themselves of, and have made light of the rights which the rest of humanity might claim. As power, exercised towards outsiders, was the foundation of the nation's property rights over the land it occupied, so power exercised towards individuals inside the community's bounds proved the basis of the tenure under which the community's land was, and is, held by the individuals of whom it is composed.

This power may be wielded by different parties; it may be exercised by a despot, or an oligarchy or a democracy; its effect is to coerce a certain number of individuals. A majority in a republic is more despotic than the Czar of Russia or the Sultan of Turkey, because the autocrat may find himself effectually opposed by the masses of the nation; while the very fact of majority rule presup-

poses an insufficient power of resistance on the part of the minority.

Despotism better than Anarchy

Nor is this undesirable, for the worst government is better than no government, than anarchy, which practically, instead of doing away with the reign of power, only substitutes a number of power centres detrimentally opposing each other. However reactionaries and liberals may differ in regard to their preferences for the British constitution or the systems of government obtaining in Russia or India, they will cordially agree that the centralisation of power in either of these countries has been an immense progress over the anarchy of the past. Nobody in the British Isles will look back with longing regret to the times when Mercia fought with Wessex or Northumbria; or when the Macdonalds, Camerons, Campbells, Macintoshes, Macleans were waging wars of extermination against each other, or when the feuds of the Pentarchy were rending Ireland. Whatever accusations may be brought against the despotism of the Russian autocrat, nobody in his vast empire will wish a return of that terrible time when the innumerable little despots, scattered over the area now occupied by the Russian Empire, invaded each other's territory, burnt the crops, and drove away the cattle of the subject, if they did not kill him or carry him off as a slave. The Czar may be a hard despot, but one despot is better than a hundred who war with each other, and life and property certainly enjoy a security in the present Russian Empire such as this section of God's earth never dreamed of in olden times. The British yoke in India may weigh heavily on the poor Ryot, but at least he can cultivate his field in security, free from the continuous inroads of neighbouring chieftains.

But wherever the anarchist's strange theories may find application, in no direction are they so impossible as where the division of the land comes into play. It may be inconvenient to find a hundred different weights and measures or systems of currency in the same country, because no central authority can procure general acceptance for one special system. It may prove disastrous to have club law take the place of a legally instituted police; but it is absolutely unthinkable to leave land occupation to the accident of anarchism, to declare the land of the nation free to anybody who wants to occupy it, subject to the equal freedom of everybody else. The peasant who grows a crop will do so only where he can hope to gather the harvest. Where anyone who pleases can come and occupy land between sowing and harvest time, all will starve because nobody will work where there is no surety of reaping. Improvements will not be made where their enjoyment is not guaranteed

to the improver. Roads are only possible where agreements are made and kept which prevent the encroachment of the plough, and where those who want the road will come to some terms as to its location. But such agreements are impossible where a single landholder can hold out and refuse his sanction, relying on the absence of any law coercing him into submission. Some kind of legal tenure of the land will be found indispensable, and under any condition will be preferable to no tenure.

Equal Division impossible

Legal tenure may, however, be unjust and inequitable tenure, and certainly cannot exclude demands for justice and equity. In regard to land ownership, the idea we must strive for is the attainment of the greatest good for the greatest number. That tenure of land, which accomplishes this end must be the best, and ought to be striven for. The supreme question, therefore, will be which system of land tenure is most likely to result in the greatest good for the greatest number. From the facts produced, we have already learned that an equal division of land among the people, with the full right for each to do with his share what he pleases, has proved a failure; for though free trade in land has nowhere in the world departed from equal possession, the result would not have materially differed if there had been such a departure. The same causes would still have produced the same effects; and though the ultimate result, the concentration of ownership in the hands of a minority, might have been put off a little farther, there could be no final escape from it. The difference in the size of families, in the ability and disposition of landowners, would have worked in the same direction in which they are working wherever land can be freely sold and bought. I leave out of sight the difficulties inherent in the different value of the land, because these might perhaps be got over by an adjustment of quantity according to quality. Anyhow, such an adjustment could only be made at the outset, and would not prevent new differences of value from arising through causes independent of the owners' personal exertions, such as the massing of population at given points, the discovery of valuable deposits, the construction of public highways, political causes, etc.

The objection might be made that an equal division of land need not include the right of selling this land or even mortgaging its proceeds, its rental income, and that the inequality resulting from the different size of families or differences in value due to the causes just mentioned might be got over by periodical re-divisions. We can, however, see at the first glance that such an expedient, though it might be applicable in a state of barbarism, would not be

practicable in a highly civilised community. A nomadic people could easily change the grazing area allotted to each family without thereby committing an injustice, for in case of a re-division, their only improvement, the tent or hut, would be removable to the new allotment. In a higher state of culture, however, such a re-division generally involves spoliation of improvements due to the work of the occupier, which grows more serious with every progress in the arts of production and distribution.

What destroyed the Mark

This fact was mostly responsible for the gradual disappearance of the Mark, more so even than the violence and ruse of the powerful squatters, as in colonial language we should call the chiefs who—with the slaves they had made in war—had gradually occupied waste land within or in the neighbourhood of the Mark, and thus had grown in wealth and power. The same agency will also dig the grave of the Russian Mir, unless a reform in the direction indicated farther on can be secured.

Separating from a farmer's estate a field which his assiduous labour has changed from a desert into a garden—through irrigation, drainage, manuring, crushing and removal of stones, and planting of fruit-trees—might perhaps be rendered more tolerable by forcing the new possessor benefiting by such improvements to compensate the former owner; but what could be done where a large factory has been erected on the land?

Cutting off a piece of this factory might not only destroy the value of the remainder, but the possession of this piece would probably be absolutely useless to the new owner.

The land requirements of the different trades vary. The artist may prefer a crag on the sea-shore—where his muse obtains its inspiration from the roar of the mighty waves—to the broad acres he inherited, and which he cannot sell to others who would be happy with the fertile land. It is true we may give him the right of letting his land and no doubt, in this way the most perfect adjustment of land occupation might be arrived at, as every man would easily find just the quantity and quality of land best adapted to his wants. Nothing would be in the way of our artist's spending the rental income derived from his land on his favourite cliff; or would prevent the manufacturer from extending his buildings on leased ground. This ground might be obtained by him at the outskirts of a populous city, where he can find plenty of skilled hands and a convenient market for his products; while his own patrimonial acres—which chance located far away from the hives of industry are let to a farmer. Indubitably, all this could be done by setting to work a most cumbersome apparatus. The mere labour involved in the

periodical re-divisions would be so immense and complicated that no practical statesman would for one single moment entertain the plan. But even if this difficulty could be got over, what a waste of power would be required by the work of leasing and renting! What a rare field of exploitation the system would offer to unscrupulous middlemen! Our innocent and inexperienced artist would be bamboozled into accepting a mere pittance for his valuable land; while the owner of the cliff, knowing the other's predilection for the place, might extort a rack rent from him. We should finally be forced to have the letting of the land attended to by the public authorities, who also would adjust rents according to their market value, so that the ignorant could not be despoiled by the cunning.

Why not make the Community the Owner?

But why not, in this case, also do away with the difficulty or even impossibility of adjusting the division of freeholds? Why not make the community the only freeholder, the trustee of the citizens as a whole, that lets the land for the trusters, and then divides the rental income amongst them? When a number of brothers inherit a piece of land, they do not first divide the land and then proceed to a general higgling amongst each other, where those who do not want to use the land try to get the best rental they can for their special piece from those who want to occupy the land. Those who do not want the land might be in as bad a fix as those who do. A combine among the latter might despoil the others; or some sly owners might draw out the negotiations for their special pieces, until some of the brothers who want to farm the land, after having taken the surrounding plots, could not get along without these special areas, and would be forced to pay a rack rent for them. No, the only correct policy of the brothers would be to put the land into the hands of trustees, who, as it cannot be sold, let it to the best advantage, and then divide the rent equally among the owners of the land. If any of them want to use the land they will put in their bid, and will rent it if the amount of the rent leaves them a sufficient margin. If it does not, if an outsider pays more rent, even this will result to their benefit, because their share in the rental increases correspondingly. In fact, they only allowed the land to come into other hands because they found that their share in the rent could get them other land to better advantage.

In the same way, a large section of land reformers have come to the conclusion that the only feasible way of giving to all citizens an equal right in the nation's land is to have its title vested in the community; and to demand from each land user a contribution to the common fund proportioned to the advantage realised by him out of the common inheritance.

Difference between the Lease System and that of Mark or Mir

We see at once how different such a system is from those of the Mark and Mir with their periodical re-divisions. The latter systems halt on the road from entire communism to individualism, but still retain the great vice inherent in communism, as well as in its opposite pole, extreme individualism: the confiscation of the worker's product for the benefit of the drone. The system of common ownership with individual occupation and production on land rented from the community, with full security for the improvements made by the occupier, eliminates the objectionable feature of the historic institution without incurring the danger inherent in the extension of individualism to the ownership of the land itself.

Distribute the National Rental for Pensions or for the Relief of Taxation

The use made by the community of the rent has nothing to do with the principle. We know that almost all land-reformers do not purpose a division of the fund thus collected among the citizens, but prefer to use the fund for public necessities, instead of—according to the present methods—raising the means for these by taxation, which, however, in no way invalidates the principle. For reasons I shall at once proceed to give, I propose to distribute the income obtained from the land—after the land has once been acquired and paid for—among the people, in the shape of ample old age and invalidism pensions for all citizens without any exception; and to raise the cost of all other public expenditure on the old system, anyhow until the rental income has grown large enough to provide for both purposes. I agree that there can be no more just system of taxation than that which raises the revenue from the public domain, and yet expediency may recommend my proposal.

The power of vested interests is so strong that land restoration will never be carried unless we succeed in kindling the enthusiasm of a considerable section of the people, and I maintain that the mere prospect of a relief from taxation will never accomplish this end.

Let us take as an example the two countries where, from entirely different causes, the prospects of land restoration seem brightest: Great Britain and one of her youngest children, New Zealand. Great Britain, because it is the one country in the world where the heaviest load is found resting on the weakest support, where the most iniquitous division of the land is as yet tolerated by one of the most democratic peoples of the world. It can only be a

question of time, and not a long time at that, when this democracy will be sufficiently enlightened as to its rights and powers to put an end for ever to the abuses of many centuries.

New Zealand, on the other hand, may fairly be regarded, socially, as the most advanced colony of the British or any other empire; and already its land laws have progressed within the very confines of land restoration. The Land for Settlements Act of 1892 authorises the purchase of private lands by the Government, and the Act of 1894 even gives the power of compulsory purchase where the Government cannot agree with the owner as to price. The extension of this law so as to include town property would practically supply the full powers the State requires for the gradual introduction of land nationalisation. The systems of tenure of crown land at present in existence would equally necessitate only a few slight changes to make them almost perfect. The perpetual lease system could be maintained, but the rent would have to undergo periodical revaluations. Such revaluations are practically in force under another system of tenure allowed by the Act, which would only have to be divested of the clause that entitles the tenant to acquire the fee simple of the land. I shall yet have to say a few words on this subject farther on.

In Great Britain, the majority of the people are practically exempt from taxation, with the exception of rates; and these, as I shall show when the question of ground rent is discussed, are in effect already borne by the land. The income tax, as in New Zealand, only falls on a small minority of the nation, and a minority also pays the bulk of stamp taxation. Leaving aside the taxes and duties on alcoholic drinks and tobacco—voluntary taxes which nobody need pay unless he puts himself under the government of King Alcohol and Prince Nicotine—the majority of the English people do not pay over a shilling a head per year. I need not point out how small the seduction offered by the prospect of shifting the shilling on to the land must be for the average proletarian.

Making the same exception in regard to drink and tobacco, as well as rates for New Zealand, the load is not heavier; for all other customs and taxes paid here by the majority of the people hardly exceed a penny a day per head, and this daily penny has no more significance for the New Zealand proletarian than the yearly shilling has for his English colleague. The hope of saving a penny a day will certainly not make him a Single-Taxer; especially when he considers that part of this penny is sacrificed for the protection of local industries, and may be more than brought back by the chance of employment thus secured.^{viii}

Now let us see what we could do in the way of old age and invalidism pensions if the rent of the land were spent for this pur-

pose. The New Zealand statistics of 1896 of the number of people over 60 years living at one and the same time give us the figure 53,4 in 1,000. As we have to add the cases of invalidism before the age of 60, we may increase the ratio to 60. But, of course, New Zealand could not wish to become the refuge of all the old people in the world. The pensions could only be the equivalent of work done and money spent in the colony by citizens during a certain number of years, say thirty. This would considerably reduce the number of pensioners; let us say to 40, to remain on the right side.

The rental income of the State at the present valuation would not be less than £4,000,000 a year, while 40 pensioners per 1,000 inhabitants would create a pension demand for 30,000 people, excluding Maoris, as long as their land is not included in the assets of the State. £1 a week would demand a little over a million and a half of the 4 million income, and this would leave enough for the interest service of the bonds issued in payment of the land, of which more farther on, where we shall also see how the increase of the rental income through growth in wealth and population can in a very short period redeem the debt incurred. By the time when this growth of population through births and immigration will have increased the outlay for pensions, the debt will be paid back, and the full amount of the rental income will be available for pensions. Taking into account the correspondingly great increase of rent due to the effects of reform, a gradual rise of the pensions to £2 a week, or £4 for a married couple at the pension age, would be possible, unless part of the income were ear-marked for other public purposes.

I cannot find the age figures of Great Britain, and substitute those of a country with about the same rates of increase and emigration—of Germany in 1880, which are 78 people of 60 years per 1,000 of population. This would give about 3,000,000 pensioners, dividing a rental income of £150,000,000. Though only £50 a head are thus obtained, or £100 for a married couple above the pension age—the saving in poor rates and the exclusion of certain immigrants balancing previous invalidism—we must consider that the relatively lower wages and standard of comfort tend to equalise the effect, and would thus give the same incitement to fight for the reform as the higher amount of the Pacific colony.

The effect this reform would have on the spirit of the community can only be guessed at. Once the spectre of want and old age is banished from the hearth, the present hard struggle for life will lose most of its virulence. Men will be less grasping and will retire earlier from money earning, and will thus give a chance to other

men who take their places. The whole moral constitution of the people would gradually undergo a radical change.

The mere prospect of such a reform through land restoration would kindle the popular enthusiasm to an extent, which any possible economy in taxation could never produce. There can be no doubt as to the greater attractiveness of such a proposal, and the different effect it would have regarding the average voter, to whom the Single Taxer offers the immense sum of a penny a-day per individual in one country, and a shilling a year in the other.

And let us not forget that the very first point to be gained must be the conversion of the man of the people to the principle of land restoration. The ways and means of obtaining the land for the people—which I shall now proceed to discuss—are only a secondary consideration.

How to limit Land Accumulations

To satisfy those who, in spite of the facts and arguments against private land ownership, insist on maintaining it, I shall include proposals towards a limitation of land accumulations in single hands. The dangers to the commonwealth which accrue from the increase of direct or indirect (mortgages) land possession in the hands of the few can be met in the following ways:—

1. By means of limitation of the right of inheritance.
2. By limitations of the amount of land which one family may own.
3. By a taxation of land values.
4. By an abrogation of private land ownership.

1. Limitation of the Right of Inheritance

The right of bequeathing property is, next to that of owning it, a great inducement to produce and save wealth. As such, it has been recognised by every civilised community, and a limitation can only be desirable where not only the end in view is not attained, but where the opposite effect is produced. As we progress in our work we shall see that private property in land is principally responsible for the restriction of the production and saving of wealth, and that this effect increases with the size of the properties. Under such conditions an unlimited right of bequest for such properties, which would result in their further extension, would counteract the very purpose for which the right of bequest is granted. The State, therefore, has not only the right—the limits of its rights are only those of its power—but the duty of limiting bequests.

The Colins School of land reformers (Agathon de Potter, in Brussels, Colins' best known disciple, still keeps up his master's standard) proposes an inheritance tax of 25% wherever there are

no direct heirs, and complete confiscation where the defunct leaves neither direct heirs nor a will. Colins does not want to tax direct heirs, as he considers parents and children common owners of the family property.

I do not think the proposal an extravagant one, though it includes all classes of property, and not only land. We often have cases where rich men die intestate, without children, wife, parents, or brothers and sisters, and where greedy lawyers try to find distant relatives for whom to claim the property, relatives who never saw the deceased, perhaps never even heard of him, and who certainly did not do as much for him, nor give him so much help in accumulating his fortune, as the community in which he lived. No public interest can be served by securing the inheritance to such people, and even where a testament is found there can be no injustice in allowing the community to come in as another indirect heir to the amount of one quarter of the property. The State might use this income for the purchase of land, even if other methods of land restoration should be carried concurrently. However, many who judge this proposal too radical cannot object to an inheritance tax on real estate, or even a heavy tax whenever land changes hands, such as exists in France and its former provinces, Alsace and Lorraine. By confiscating any excess of land possessions left by the defunct beyond a certain value, we might obtain:

2. A Limitation of the Amount of Land, which one Family may own

This limitation could not very well be one of area, for one square foot of city land is often more valuable than a whole acre of farming land. But even if we take value as a basis, another difficulty, that of indirect forms of ownership, presents itself. The mortgagee who collects the rent under the name of interest is practically the rent-owner, and as such the real landlord; the nominal owner serves only as the cat's-paw which takes the chestnuts out of the fire.

If we try to include mortgages in the amount of land values permitted to one family, we arrive at another difficulty: the indirect ownership of mortgages. Anyone who invests money in a bank, savings bank, or insurance company, is an indirect mortgage-owner, for the money these institutions invest for him is usually put out on mortgages. Thus this method of avoiding too much inequality in land possessions would meet with the greatest difficulties.

3. A Taxation of Land Values

Henry George, though not the originator, is the most successful and the best-known champion of this system of land restora-

tion. The proposal bases itself on the right of the community to levy taxes for the defraying of public expenses, and the assumption that there cannot be found a more appropriate object of taxation than land. There is no doubt that much can be advanced in favour of a land-value tax. Before I criticise the theory I shall produce three very strong arguments in its favour,

(a) Land values are created by the community; consequently the community has a certain claim to the revenue yielded by these values. As those who never looked very closely into the subject may dispute the premise of this syllogism, it will have first to be proved. To begin with, we must settle once for all the definition of

Value

Value fills such a considerable portion of economic literature that the reader may feel uneasy at this juncture. His fears are groundless; my definition will not fill as many lines as there are chapters—nay, tomes—of other writers on this topic; for it is my firm belief that the world has not been advanced one step by these tedious elaborations, to which we may well apply Macaulay's estimation of ante-Baconian philosophy: "Words, and more words, and nothing but words, had been all the fruit of all the toil of all the most renowned sages of sixty generations. ... The taint of barrenness had spread from ethical to physical speculations." (Essay on Lord Bacon.) We may add, and not only to physical speculations but to speculations of a still more practical nature—to those of political economy. If anything were necessary to prove how thoroughly infected all domains of human thought have been through scholasticism, it may be found in the fact that two and a half centuries after the *Novum Organum*, the science which has the task assigned to it of teaching humanity a fairer and more just system of production and distribution prefers to waste its precious opportunities in barren speculations about the nature of "Value." I shall make short work of the monster.

I shall at once simplify my task by leaving "Value in use" entirely aside, for it is self-evident that an object must have value in use before it can have a market value or value in exchange, the only kind of value economic science ought to concern itself about. For this reason, we need not trouble about certain values in use, which have no market value because of their abundance, such as water and air under normal conditions. Anything has a market value for which something else is currently offered in exchange. We can call this other thing its price. Only what has a price has value; and price alone determines value in an economic sense, the only kind of value we are concerned with in this treatise. We can safely resign the balance of the whole value-field to those parties

who are fond of scholastic playthings; and therewith I have done with that bugbear of students in the field of economics, with *Value*.

Nor can the definition of Land values offer us any difficulties after this. Land can only have value if someone is ready to give something for it. For persons living outside of human intercourse, land has no value in an economic sense. That it has value and use like air and water does not concern us, as our business is only with market value, with price. Land may be without value even in the presence of a certain amount of population: if there is more of it available than is wanted, and if nobody makes any improvements which give a special value to certain sections. The virgin land of certain parts of the Amazon basin has no value, though it is perhaps the most fertile land on earth; because it is only used in its primitive state as a hunting ground by Indians who virtually own far more of it than they want, and who, therefore, would not pay anything for any part of it. In Great Britain, where 40,000,000 people live on 122,000 square miles, land would have a value even if it had never been improved, if it were an immense primeval forest to which the 40,000,000 people come from neighbouring wealthy countries to camp out and hold picnics, to fish and to shoot. The desire of monopolising certain areas of the grounds would bring bids from the pleasure-seekers. The simple presence of people who want to occupy more land than can be had for the mere taking gives value to land, and ought to teach defenders of private property in land that claims to possession—based on improvements made by the owner on his land—cannot be recognised.

Improvements a Title to Ownership

Our tourists would certainly not grant the title to a hundred acres of splendid deer forest, for which many of them would willingly pay large sums, for the mere erection of a hut worth a few pounds. Nor would the case be altered if magnificent palaces took the place of the hut, as long as they, the common proprietors of the land, are just as much excluded from the palaces as from the hut. It will be easy to show, however, what an insignificant part the improvements made by the owner of any single piece of English land play in the sum total of value which this land possesses. In the midst of a wilderness inaccessible to human beings, what would his palace, his orchard, his park, his fields be worth? Would their value begin to approach that which this same land, left in its pristine state, would possess if it alone had been left untouched, while all around it arose that England of the twentieth century we all are familiar with; that beautiful country, partly a hive of industry, partly a garden; intersected by excellent roads and railways, telegraphs connecting its thriving cities and its charming country

houses; filled with the wealth of all nations of the earth? The timber of the virgin forest alone on that land might be worth more than the average improvements found on such an area. And our landlord certainly cannot contend that all these improvements around him, which produce the value of this wilderness, are due to his work. The value of this piece of forest land was almost nil a couple of thousand years ago, and what raises this value so high in our time is the mere presence of human beings, as well as their present and past labour, but not their labour on this special piece of land. It is the labour spent all around it, the labour of ages, the labour of Humanity. A Stephenson broods over the problem of transportation by steam-driven wagons on iron-shod roads; others invent new ploughs, sowing, and reaping, and threshing machinery—and land far off in Dacota's prairies, as worthless before as the water of the ocean, acquires an immense value. Not through the work of the cultivator, which covers it with the waving corn; for he is getting his dues from the proceeds of this corn after the rent of the land has been paid. This rent is due, not to the corn which can be grown on the land, for that could have been done since immemorial times, but to the railway which permits the sale of this corn in the London market, cheaper than the Essex farmer can supply it, which puts the farmer into communication with the rest of the world, from whence all he needs is brought to his door at reasonable rates. It is further due to the inventors of that machinery which enables one man to do the work of ten. An inventor finds a system of freezing establishments and cool storage ships, through which carcases of sheep and cattle can be cut up by the Smithfield butcher and served to the Londoner as fresh as the meat of animals slaughtered yesterday within the confines of the metropolis—and millions of Australasian acres double and treble their value in consequence. Talk of this value being due to the improvements of the landlords! Why should they be entitled to land values produced by this and similar work done all over the world, including the work of the meanest hand in an English factory, which enables him to buy this Australasian meat, and thus pay some of the rent of the distant land? Therefore only Humanity, or its delegate, the nation, can be the rightful heir of the fruits of this work of present and past generations, which also made the England of to-day. The nation alone can rightfully claim the additional value, which the labour and the mere presence of the people gave to each separate piece of land beyond the market value of its improvements. We are in the habit of calling this additional value the unearned increment—a misnomer, according to Miss Helen Taylor, "because those who earn it don't get it, and those who get it don't earn it."

Interest on Improvements

The advocates of private land ownership, in their attempt to justify their monopoly, have tried to justify their title to the improvements made by them or their predecessors on their land. In the writings of one of their most zealous defenders, the French economist, Pierre Paul Leroy Beaulieu, I have met with even the claim of interest on the improvements of the past; by which process he easily succeeds in proving that the capital invested in improvements actually exceeds the selling value of the land, including the improvements. It has often been shown that a penny invested in the time of Christ at 5% compound interest reaches a sum exceeding the value of a globe, as large as our earth, made of solid gold. The French writer seems to look at interest as the natural automatic increase of capital, instead of considering it a tribute which one man can extort from another under certain circumstances, and he leaves out of sight altogether the income realised from the land and its improvements. If this income did not come up to that which the capital in question would have realised in other departments of investment, it is the fault of the investor, not of the land on which the money was invested. The land might rightly claim that if the man had never come near it, it would have yielded a certain rent in timber growth, and if he had let it to farmers on a long lease, he would have realised some rent besides gaining all the improvements, which the farmers made on it. If, instead, he chose to put up palaces in which he spends only a few months of the year, or fenced the land as a deer park to afford him amusement for a few weeks, this was his business, and he could just as little expect a return from such outlay as from money lavished in costly banquets. But to make such waste of capital and the income which it might have brought, when invested in French Rentes, serve as an equivalent for the monopoly of this land which he enjoys is even worse than the mere ignoring of the value which the virgin forest would possess—which his ancestors found on the land. He calculates like the customer mentioned in a story I gave in "Rent, Interest and Wages."

A man asks for a herring in a grocery store. He obtains it, but changes his mind, and demands a piece of cheese instead. As he is going out with his cheese, the shopkeeper reminds him that he did not pay for the cheese. "Why, I gave you the herring in exchange." "But you did not pay for the herring." "Certainly not. Didn't I give it back to you?" The shopkeeper could not deny the fact; but still felt puzzled how it was that—though everything seemed all right—he had sold a piece of cheese without getting any money in return.

The same conversation takes place between the people and the landlords. "You did not pay for your land," say the people to the landlords who make off with their booty. "No; but you know, I gave the improvements, which are worth as much as the original soil and the virginal forest would be to-day." "Yes, but you did not pay for the original soil." "Certainly not, as I did not keep it, you know."

The Single-Tax

But Henry George—though he maintains that even the improvements are not made by the land-owners, but by those whose labour they commanded in part payment of rent—wants to let bygones be bygones; and he is fully prepared to leave the improvements to their owners, to tax only the unimproved value, as it is generally expressed, meaning the value of the land after deduction of the improvements. In other words, he wants to tax away the economic rent of the land by gradually raising the tax until it reaches this height.

The advocates of this system are called Single-Taxers, because they justly assert that this tax, after it once confiscated the full economic rent, would supply the Government with an income ample enough to permit the cessation of any other kind of taxation, and still would yield a considerable fund for public improvements. These, again, have the effect of increasing rental values, and, consequently, the income of the community, and this increase gradually pays for the improvements. The more public improvements, the more rent can be paid; the greater, consequently, the income from the Single-Tax which is to pay for the improvement. This elasticity of the land-value tax, which makes it grow with the disbursements of the public treasury for public improvements, is its best feature. When the State builds a railroad through a section of country hitherto excluded from such a convenience, the principal benefit of it is reaped by the people whose land it passes, while the community which builds the road has to pay the expenses of it, and for a long time may not even recoup the interest on the disbursed capital. Under the Single-Tax, the increased rental income from the land through which the new road passes will—in most cases—not only pay the interest of the capital, but will also yield a sinking fund which soon pays back the capital. Roads, harbours, canals, tramways, telegraph lines, school buildings, public parks, museums, reading rooms, gas and electric lighting, canalisation, etc., thus make land values rise in their neighbourhood, and they are gradually paid for by the increased rental, if it is taxed away by the community. To a certain extent, even military expenses, by

ensuring the protection of the citizen, increase rents, and thus could be reimbursed.

Principles of Taxation

A land-value tax is the only tax on the principle of justice capable of yielding a sufficient income to the community.

To enable this to be understood, I must point out that there are two principles of taxation: 1. Taxation according to paying capacity. 2. Taxation according to benefit received. Though System 2 is the only just one, System 1 prevails, because the only tax of the second category which could be made to yield a sufficient income—the land-value tax—meets the opposition of the most powerful class: the land-owners, who until recently have controlled the legislative power in most countries. The income from State railroads belongs to the same category; but I think Germany is the only country where they pay enough profit to bear a considerable part of public expenses. Most of our taxes do not allow quite so exact a classification as the two kinds just mentioned, for generally both principles are represented to a certain degree.

Income, Mortgage, and Bond Taxes

are characteristic taxes on the first principle, the ability to pay, though even here the benefit-received principle is not quite excluded. After all, the income from such sources could not be obtained without the protection of the State, which, to a certain extent, furnishes the equivalent of the tax. The great defect of the income tax, as at present collected, is that, instead of taxing the income at its source, it taxes it at its mouth. Instead of taking hold of it where made, it attacks it where it is spent. For instance, a German lives in England, and spends there an income received from German mortgages. What does England—which takes, say, ten pence or a shilling in the pound from his income—do more for him than it does for the butcher who supplies his meat, and why should he pay a hundred-fold tax? His life is as well protected as that of his butcher, but not better, and his property is mostly protected by Germany, for in England he owns nothing but some furniture of no considerable value. The unjust tax may drive him away, and this will be a dead loss to all those who made money as his purveyors, and to the community which profited by the man's increased consumption of dutiable merchandise, as well as by the taxes and duties paid by the purveyors in consequence of the income derived from his orders. Zurich's high income tax has thus driven or kept away many rich people.

The trouble is, however, that when we come to the source of incomes there is much that we cannot attack. We might thus reach incomes—a tax on profits, but a tax on an important source of incomes—a tax on mortgages and bonds—is simply shifted on the borrower as soon as the running contract is terminated. He has to pay it in the shape of an increased interest rate; for, as a rule, capital can demand and obtain as much interest from one kind of secure investments, and in one country, as it gets from other investments and countries offering the same security.

Incomes derived from rent of land and houses are discussed farther on, in connection with land-value taxation. The fact that all radicals and democrats are agreed that the income tax, as commonly levied—the main tax on the ability-to-pay principle—is the justest, and that the indirect imposition is the worst kind of taxation, affords striking proof of the confusion that generally prevails regarding justice and injustice. In ordinary life, it is considered that a man who has rendered a service to another for a consideration can justly demand this consideration; and that, on the other side, a man who claims from a fellow-man a certain sum, on no other ground than that the other man can afford to pay it, is called—according to the way in which he enforces his claim—a robber, extortioner, or a beggar.

Indirect Taxes

Yet when the State claims its money on no better grounds, our democrats call it a just principle of taxation; and the indirect taxes levied by our custom-houses are looked at as most detestable because they exact proportionately more from the poor than from the rich. However, when we look at the question merely from the vantage ground of a correct taxing principle, we find that raising revenue by income tax is often more unjust than levying custom duties for the needs of the State. The man who pays custom duties receives a greater benefit in return than the payer of an income tax. The absence of the service rendered by the State in the field of transportation, communication, and protection against robbers, would raise the prices of all classes of goods much more than the highest tariff. In fact, custom tariffs are the successors of those well-known tolls levied by robber knights and princes upon the merchant who passed along the roads thus controlled, as the cost for exemption from robbery and murder. This black-mail is still levied by the Bedouins of Arabia. In all civilised countries, the insecurity and inferiority of the roads and means of transportation have been such that they were absolutely prohibitory to trade, in most classes of goods, beyond the nearest neighbourhood; and that no tariff known in our times ever exercised such an effect on

prices. Whereas, therefore, the State might claim to render some kind of service for the custom duties levied by it, we have seen that it certainly does not always render such service in the case of the income tax.

I can give no better example—in proof of the absolute injustice of prevalent ideas—than to judge by this criterion the taxes levied by the State for the use of our railways, post offices, and telegraphs. Would it be just to make a rich man pay a much higher fare than a poor man, or to treble the postage on his letters or telegrams, merely because he can better afford it than the poor? We do not charge Rothschild £100 for a ticket which a poorer man would get for a shilling because his income exceeds two thousand-fold that of the other, but demand the same fare from any passenger who uses the same class for the same distance.

Whoever finds this just cannot uphold the income tax, as now levied, and can certainly not raise it to the sky while running down indirect taxation. The only tax, which is absolutely just, from both points of view, from that of the benefit-received principle as well as from that of paying capacity, and which, at the same time, could be made to yield sufficient revenue to permit the repeal of all other taxes, is a land-value tax. Nobody pays more for his piece of land than others would be willing to pay in his place; the man who uses more, or better land, pays proportionately more than the one who uses less and inferior land; and he can afford to do so, because if he puts the land to the best use, it is bound to yield him a proportionately higher income.

(b) A Land-value tax cannot be shifted. Most of the other taxes can be shifted, and the person who pays a tax to the State often makes a profit on it. The importer who pays the custom duty adds his profit to the outlay, and so does each further middle-man between him and the consumer. The lawyer, who pays the stamp duty on a contract, or for the registration of a company, charges for this work and outlay over and above the tax. The producer and middle-man adds his taxes, including his income tax, to the cost price of his wares, to recoup the tax. Can there be any doubt that if the State should impose a tax amounting to one-half of the income made by our physicians, these practitioners would simply double their fees to preserve their former income required for the support of their families?

Rent not included in Price

The case is entirely different with a land-value tax. Such a tax takes part or the whole of the rental income, and though there are exceptions, we may consider it a general rule (except for storage rent, the rent paid by wage workers, which influences wages,

etc.), that rent is not added to the price of goods.^{ix} This is a self-evident conclusion from the law of rent usually attributed to Ricardo^x according to which rent is the additional yield to better (better in the sense of quality as well as location) land over the yield of the most inferior land yet in use, for this latter land would not be used if it did not yield enough to pay the usual wages and the minimum income of capital elsewhere attainable. The price obtained for produce from such land on the margin of cultivation must constitute the market price for two very simple reasons:

1. The produce from better land cannot be sold higher, as the produce from the land on the margin of cultivation would undersell it. If it did not do so, still inferior land would come into use, which, under the higher price obtained, would form the new margin of cultivation, while land on the former margin would now yield rent. If this would cause an over-supply prices would go down, the margin of cultivation would be narrowed again—because the last land added to the area under cultivation would have to be abandoned, as the lower price does not pay cost.

2. Prices on the better land could not be reduced lower either; for in this case the narrowing of the margin of cultivation would result. As soon as this would cause an undersupply prices would rise, and the margin of cultivation would be forced out again until the price of produce from the land on the margin would just pay wages and interest, but no rent; or in other words, this cost price would be the market price.^{xi} It is clear that under such conditions it matters not who gets the surplus made on the better land, as prices are not influenced by the rent-yielding land, but by the land on the margin which pays no rent at all. Let us even suppose that some of this better land were in the hands of a philanthropist, who refuses to reap any profit out of his land, but sells his produce at cost price. As his lower price would not reduce prices all round because his crop does not satisfy the demand, and as those on the margin cannot sell cheaper, the only result would be that those lucky parties who have the chance of buying the cheaper produce, pocket the rent which the land-owner declined to appropriate; the general market price would not be affected, as it is dictated by the cultivators on the margin. We must once for all make up our mind that economic rent is not an exaction of the land-owner, but the result of inevitable conditions. To understand what a land-value tax really means, we must thoroughly imbue ourselves with this fact, and therefore it may not be amiss to prove it by another example.

Shop Rents and Prices

No idea is more prevalent than that prices in shops situated in expensive locations are necessarily higher than those in cheaper quarters, because the rent of the first-class shops has to be added to the prices. Though the fact that prices in fashionable quarters are often higher cannot be denied, it is merely because a richer class of customers is reached, which readily pays higher prices, in the more or less justified expectation of a better quality; but these prices are not the result of the higher rent—the reverse is true. Rents are higher in central quarters principally because larger sales can be made through the central location, which causes more people—and a class able to pay good prices—to pass the shop. Leaving the rich customers out of the case, and only looking at the effect of the greater concourse of customers, goods can be and are—as in the case of the large department stores—sold cheaper in a central street than in the cheap shop of the suburb or in out-of-the-way streets, because the larger sales permit buying in larger quantities, at cheaper prices and with less freight. The higher rent is not obtained from higher prices, but from increased sales, just as the rent of the superior land is not the outcome of higher prices, but of a more abundant crop, or reduced cost of production and transportation, or both causes combined. As rent does not form part of the price in either case, it cannot be shifted on the customer. Whether the shopkeeper is his own landlord, or whether, in consequence of an old unexpired lease or the liberality of his landlord, he pays less rent than his competitors, does not influence his prices, which will follow the fluctuations of the market and prices of competitors. If the shop were given to him rent free by a philanthropist, the public would not buy there a penny cheaper; the shopkeeper would merely add the economised rent to his profits. Consequently, taxing away the whole or part of rent does not in the least influence prices, and thus a shifting of the tax on the customer is impossible.

The only man who will pay the tax in the end, and who cannot shift, is the landlord. He exacts the highest rent he can get, and, never mind what taxes he has to pay, he will, as a rule, squeeze just as much out of the tenant as he can, no more, nor less.

Objection

One objection has been made to this. It has been said that, through the shifting of a tax from his shoulders to those of the landlord, the tenant is relieved, and consequently his rent-paying capacity increases, so that the landlord can to that extent recoup his tax outlay from a raised rent, and then shift it upon the tenant.

One of Scotland's greatest landlords, the Duke of Argyll, acknowledges that even compensation for improvements will not benefit the tenant so much as is generally supposed, because the privilege itself will have a pecuniary value; that is to say, a landlord will demand, and the tenant can afford to give, a higher rent in proportion.

A number of facts from everyday life uphold the objection. When the toll of a halfpenny on Waterloo Bridge was taken off, the owners of the houses on the right shore of the Thames near the bridge raised their rents sixpence a week—the amount saved by their tenants through the reform; and no doubt when the house-owners' leases ran out they had themselves to pay a corresponding increase to the ground-owner. If the toll had been charged to the ground-owners, they would have recouped it as soon as the current leases were terminated. Until then they would have made a loss to the benefit of the house-owners, not of the workers who lived in the houses. The cheap fares on the new Central Underground Railway in London had a similar effect on the rents at Shepherd's Bush and other sections. If a public benefactor in a certain town made a will in which he left a yearly income of £50 to every family living in the town, and only during residence there, the tenants of the town would profit by the gift merely while their leases were running. After that date they would pay the £50 in increased rent; and it would not help them the least to build houses of their own, for, if they leased land for the purpose, the land-owner would at once charge an additional rent of £50 over and above the rent paid before the bequest. If they bought the land they would have to pay the capitalised value of the additional rent. The landlords would be the only beneficiaries of the rich man's will. This is proved by historical precedents. The free or cheap bread, and the free public games of old Rome, did not benefit the people, but the landlords, who obtained a higher rental through the influx of population due to the advantages reaped by an inhabitant of the city. Goschen, Secretary of the Navy, was therefore quite correct when he refused to raise the wages of the Woolwich arsenal workers on the ground that this would only benefit the land-owners, that wages had risen 20% within the last ten years, with the result of a rise of 50% for the rents of working-men's dwellings. The objection would even hold good in case the proceeds of the tax were used for old age pensions, as these would relieve tenants from the necessity of saving for old age, and thus increase the fund they could spare for the rent.

Rating: of Ground Rents

On these grounds an attack has been made against the agitation for the rating of ground rents in England. It has been said that such a change would benefit the tenant only as long as his lease runs; after that he would have to fully repay the rates of the landlord in an increased rental. That if a tenant can now afford to pay £100 rent, and £30 rates, he will be able to pay £130 rent the moment the £30 rates are paid by the landlord; and that he will be made to pay the higher rent as soon as the old lease has run out. That the public at large would not be benefited in the least, but only those fortunate tenants who hold a long lease; while those who have to make a new one would at once have to pay the new rate under the name of rent. That wherever, as is mostly the case in England, a third person comes in between the ground-owner and the occupant of the house—the tenant of the ground, the house-owner—the new system of rating would only result in an extra profit for the latter, who usually takes a lease for the ground on long terms, while the occupant of the house who only makes a short lease would at once, or as soon as his short lease has run out, pay in additional rent what he saves in rates. What holds good in regard to rates is valid also as to taxes. Any relief in taxation increases, while new taxes diminish the rent-paying capacity of the tenants.

Cheapening of unimproved Land changes the Case

Little could be answered to this objection if it were not for another element left out of account. The new system of rating falls also on those landlords who have not made improvements on their land. Though they may recoup future rates or taxes on their ground rents when they once have leased their land to builders and thus obtain a ground rent, while they hold the land out of use the new rates or taxes are a dead loss to them. This will make them more inclined to sell or lease even at reduced rates, which will cause increased building, and thus by increasing the supply of houses will have a tendency to bring down rents.

Rating on unimproved Values

This effect will be further strengthened if the taxes are no more levied indiscriminately on land and improvements, but, as in New Zealand, on the land alone.

Rating on unimproved values, as they call it in Australasia, becomes more and more popular in the colonies, and proves very beneficial. The man who improves land, which has lain out of use

receives encouragement at the same rate at which the speculator is discouraged. The former will no more be fined for giving employment to labour, and for increasing the wealth of the country; and the higher the tax, or rate, the greater the benefit realised by the community as a whole, and by all workers in particular.

(c) The ease of control and collection forms another advantage offered by a land tax. Land cannot be hidden; it is always openly exposed to the tax-gatherer's eyes. Its value can easily be found, as it depends on the rents whose rise and fall can be controlled.

Confiscatory Nature of Land Tax

I have now shown the decided advantages which a land-value tax has over all other taxes; but one of its very virtues supplies a point of vantage from which this tax has been most seriously attacked. The fact, which so strongly distinguishes it from other taxes, that it cannot be shifted, imparts to it the character of a confiscation. The value of land resembles that of a slave in so far as both are the market price of a tribute claim. A slave is worth £100 when, after deducting all expenses, £10 or £15 can be cleared through his labour; because this tribute claim of £10 or £15 can be sold in the market for £100. A piece of land is worth £100 if a rental of £5 can be realised from it, provided 20 years' purchase, or a capitalisation of £5, is the price paid by the market for this class of tribute claims. If the State taxes away this rental value of £5 without any compensation, it confiscates the £100 capital value. If it only taxes away £2 10s., it confiscates £50 of property, and even a mere shilling in the pound of rental value takes away 5s. of the £5 tribute bought for the £100, and consequently confiscates £5 of the £100.^{xii}

I shall have more to say about this question of confiscation and compensation during the discussion of the fourth method of fighting the danger of land monopoly.

4. The Abrogation of Private Land Ownership

Of all which has ever been written about this subject, nothing can approach the wonderful work of Henry George, the pioneer of the modern land reform movement.

Progress and Poverty

has opened a new world to untold thousands of men who had previously refrained from social reform work, because socialism did not seem attainable or even desirable, and other solutions appeared hopeless. The mere looking out for such meant a dive into the dismal abyss which the science of economics presented to the

ordinary mortal, until Henry George's poetic prose, his wonderful imagery, a limpid style such as had not been known since Macaulay fascinated his hosts of readers, rendered economic subjects more attractive than the ordinary novel. Here lies the imperishable merit of the book, not in its scientific theories, which unfortunately contain many sad errors. The book is too well known to require any recapitulation. To those of my readers who have not read the work, I merely give the advice to study it before they go on with the present book. They may not agree with everything in it; in fact, if they have any notion of economic realities they will shake their heads over several strange theories, such as the relations George finds between wages and interest, his absolute negation of the wage-fund theory, his ideas as to the cause underlying commercial depressions. But they will acquire the absolute conviction that justice and expediency demand that the ownership of the soil must belong to the people as a whole, and that no thorough-going reform in the social domain is at all possible without the restoration of the land to the people. With unmitigated delight we follow the author's sledge-hammer strokes against the greatest crime man ever committed on this planet—the crime of selling and pawning God's own, this earth, the great heritage of humanity. One after another of those sophistic defences with which the usurpers and their gang of venal or ignorant lackeys have tried to prop up the foul thing crumbles before those mighty strokes. Nothing will hold together; not *the right of discovery or first occupation*, claimed by the human mite left stranded for a few seconds by the ocean of time on some little nook of this globe, which, according to his mitish knowledge, was never before alighted upon by any fellow-mite of his. Whereupon the little mite prefers a title to that nook for all times to come, including the right of use and abuse, of letting to fellow-mites against heavy tribute, or withholding the use, though fellow-mites should die miserably in consequence. Not the right of conquest based on superior power, driving other mites from the locations previously occupied by them: a dangerous title anyway, for it legitimises Democracy's claim to the right of expropriation without compensation, whenever it has the power to enforce the claim. Not the right of purchase from other mites, whose title, after we have proceeded backward through the centuries, finally finds itself based upon some such pretence of first occupation or conquest. Not any right whatever given by king or parliament; by His Majesty, the chief mite, or the mite-hive's representatives. Not even the assent of all the mite-hives which ever passed over this little globular speck in the universe during a few pulse-beats of eternity, on their journey from the unknown to the unknowable, even if this assent be engrossed ever so visibly on

the hides of defunct sheep, goats, or asses. Can a thief give a valid title to his booty?

Land Taxation is not Land Restoration

With kindling eyes you read on and on, more and more eager to follow the great leader to the ramparts where the advocates of wrong vainly try to defend their parchment fortresses. Alert you listen for that word of command by which the glorious captain will direct to the first point of attack.

At last you come to the study of Chapter II., of Book VIII. Can you believe your eyes? Are you reading aright? Is it possible that the very man who has just proved with a logic as transparent as crystal that private property in land is doomed and must be exterminated if humanity is to live, that this very man now advises you to leave this property in the possession of its present owners, on the grounds of expediency, and to content yourself with taxing it? Again and again you read the page; but there it is, it cannot be wiped out. The prophet was a poor, erring human being after all.

Not that I object to the taxation of land values. I have already shown that I entirely agree with Henry George when he places this system of taxation over any other. If *Progress and Poverty* had intended to be a book on the principles of taxation, I should say, without any qualification, that its author made out a good case for the tax he proposes, I should only make some reservation as to the right of present land-owners to compensation, which he denies. Before entering into this question the first point to be decided is whether even a tax of twenty shillings in the pound is equivalent to land restoration? Does it mean that the community can dispose of the land as it wants to? We are forced to deny this at the outset. The tax does not even touch the power of the land-owner to use and abuse his land as he sees fit. Provided he pays his tax, nobody will prevent another Duke of Sutherland from clearing thousands of hard-working people from his land, from their Fatherland, from making another of those bloody entries in Clío's book by which his family scutcheon has for ever been tarnished. All that will be asked of him is to pay the highest rent which the poor, despairing crofters—driven unmercifully from the homes and the soil which they and their forefathers had tilled in the sweat of their brows—would have been willing to pay. What of that? His income from other sources, from bonds and stock of all kinds, from houses and factories, allows him this sport. He wants a deer park, and he can afford to pay for it as well as the American Winans who bought Scotch land from sea to sea for this purpose.

Nor would it prevent facts like those reported in the following newspaper extracts:

A Millionaires Freak.—Mull, an island on the coast of Scotland, is the property of Earl Beauchamp. It has an area of 237,000 acres, and a population of 4,691 living in 1,030 houses. Among its products are oats, barley, flour and potatoes, and the inhabitants have also had a fair export trade in sheep and cattle. A millionaire has recently secured the sole ownership of the island, and wishes to turn it into a deer park for the amusement of himself and friends. He has, therefore, given the whole population notice to quit, and has decreed the pulling down of all the houses.—*Barrier Truth.*

Deer Forests in the Highlands.—The acreage of deer forests in Scotland is increasing. Fifteen years ago they extended in the Highland counties to 1,711,892 acres; last year they were 2,287,297 acres. These figures are exclusive of certain forests, such as Glencannich and North Affaric, with regard to which no return has been obtained. I observe, says a London correspondent, from the Parliamentary Report issued on Wednesday last, that in several cases the sheep farms of 1883 have become the deer forests of 1898.—*The Highlander.*

Land Taxation would not prevent Land Monopolisation

Suppose that Rothschild and a few hundred other millionaires in England and America should share this whim to turn Great Britain into a deer park, and British landlords should sell at reasonable figures because of the new tax, which destroys the selling value of their land. Under existing laws, what could prevent these men from having their will? Certainly not the land-value tax, even if it were as high as it would be were the present values taken as a basis of calculation, i.e., 150 million pounds a-year. The income of Rockefeller and Carnegie alone is at present valued at 12 to 15 million pounds each; that of the Rothschild families is about as high; and without going any farther, we have already obtained one quarter of the yearly tax required. But how long would it be required? How long would there be a rental value of 150 million pounds in a depopulated England, in that magnificent new deer park? That value would follow British enterprise wherever the evicted people went. Australia, New Zealand, Canada, South Africa, would see their land values rise as the British land values fell; and finally, the 150 million might be reduced to something like 5 shillings an acre, to 20 million pounds, or less even, a mere trifle for such magnates.^{xiii}

But I need not demand such a stretch of the reader's imagination to make him perceive that land taxation and land restoration are totally different affairs.

Land Taxation would not put an End to the Abuses of Landlordism

In fact, I can see no reason why the proposed system should at all do away with some of the worst abuses of landlordism, abuses of daily occurrence. Even in Germany, where property is much more equally divided than in England, there are instances of large land-owners who buy up all the surrounding land until whole villages disappear, sometimes to let the land become overgrown with forest. The same takes place in Austria. Henry George's plan would not in the least increase the financial sacrifice of such purchasers. They would have to buy only the improvements, as the unimproved value of the land disappears in consequence of the tax, and this tax would not be higher than the present interest on their purchase money.

Nor could a mere land-value tax do away with cases like the following, which are quite of common occurrence in England and Scotland. Here are a thousand acres, used as grazing land for sheep, and yielding the landlord a net rental of £1,000 in sheep and wool; after labour to the amount of, say, as much as £200 has been paid for. If the land were let out in allotments, it would yield a rental of £2 an acre; and it would keep at least 100 families against 2 in the other case. The gross product would be about four times as large, or even more; but the landlord prefers the lesser income, because the division into small holdings would interfere with his sport. In the Paris Congress of land-reformers, my departed friend, William Saunders, in narrating his Wiltshire experiences, told of a landlord who preferred to accept 15 shillings an acre from a farmer rather than £3 paid for allotments—a rent at which the labourers, his tenants, yet made a living, while the farmer failed.^{xiv}

What difference would a tax make in such cases? The landlord would simply pay the tax, even though it should reach the height of the rent offered by the crofters, and would still retain the farmer (and his sheep) who takes part in the hunt, instead of interfering. The State could not prevent this comparatively unproductive use of the land—unproductive in a double sense: in wealth and in men. Under the single tax all it has a right to claim is its tax.^{xv}

Nor would a mere land tax prevent those abuses of the landlord's power so often experienced In England, attacks on the liberty of conscience, the prohibition of Dissenter's places of worship, or attempts against their political independence, coercion of voters through the Damocles sword of notice to quit always gleaming over their heads.^{xvi}

Nor would it render possible the construction or reconstruction of towns on improved systems, which might be adopted by a land-owning community, for under the single tax the community's power does not extend farther than its taxing privilege. Once the tax is paid it has nothing farther to say beyond the issue of comparatively trivial building regulations.

Self-interest does not insure best Use

Henry George was principally misled by his assumption that the self-interest of the individual must bring about the best use of the land, because the tax will be at a level with the highest rent which the average land user would be ready to bid for the land, and no man can pay this rent without putting the land to the best use possible under the prevailing conditions. No doubt this is true, but what may appear the best use to him may not be the best use in the interest of the community.

We have already seen that the interest of the community is very often absolutely opposed to that of the individual, real or supposed. The individual has the passion of hunting and shooting, and his interest, as he understands it, drives him to deplete a large area of land of its inhabitants so that his game may not be disturbed. Or he may destroy thousands of homes because he thinks sheep runs more productive—not of human happiness—but of rent. On the other side, the community prefer sheep to deer, and citizens to sheep. The State, if it realises its own welfare, cannot allow a condition wherein—as was said in England centuries ago—sheep will swallow men, and it certainly cannot allow deer to develop a still greater appetite for human flesh than that possessed by sheep. The State's principal object must be to see the greatest number of happy persons grow up under its protection; thus only will she protect herself against outside attack. Neither sheep nor deer will take up arms in her defence in the hour of need.^{xvii}

Therefore she cannot afford to allow the letting of the national land become a mere financial manipulation, a question of the largest rental income in each special case. But even from this most one-sided point of view she would find that higher special rents may result in lower general rents. Going back to our example, where the land yielded a lower rent to the owner when used as a sheep farm than when let to 100 small farmers, and where still the landlord preferred the sheep to the men. As the land-value tax would demand of him the rent which the 100 farmers would be willing to pay—£2,000—whereas the sheep yield him only £800, he would have to pay the additional £200 out of his pocket, if he gets no compensation, or out of the income he obtains in case of compensation. In either case, we have the same sacrifice he makes

now when he relinquishes a rental income of £2,000 for one of £800 in the interest of his sport. The State would have to be content. Provided her taxes are paid, she has nothing farther to say.

The Case changes under Land Nationalisation

Under land nationalisation the case would be different. The land might be refused to the former landlord, though he were willing to pay even the double of the £2,000 offered by the crofters, and it might be found a profitable business, from the mere financial point of view. The farmers would not only pay other taxes, besides their rent, but their wants would provide with employment a number of industrial workers, who, in their turn, pay rent and taxes; these, again, want goods from others, and taking all into account, the increase of public income may be much greater than the excess of rent which the sportsman would be willing to pay.

Under the single-tax system, as I have just shown, a combination of rich men could buy the whole land of Great Britain, and could keep it as long as they paid the same land-value taxes which the British people would be willing or able to pay, with the certainty that this tax would be very much reduced after the population had once been forced to emigrate. Would this be possible under land nationalisation? Can it even be imagined that the State would let Great Britain to a syndicate, if the syndicate offered a higher rent than the English nation? That this nation would decide to give up its national existence, and to leave the country of its birth because a higher rent could be obtained from this land, a rent, which, after the people left, would belong to the syndicate which paid it? It requires a pretty strong imagination merely to think out such an absurdity, and yet—as I indicated before—we have only to multiply the Sutherland, Winans, Carnegie, & Co. with a certain figure, and we have a syndicate strong enough to buy the land of Great Britain. The fear of too high a taxation need not frighten them very long, for they would at once give notice to their 40,000,000 tenants, and after their emigration the syndicate would reduce the tax to suit its own convenience. That such an event is practically impossible is not counter-argument, because it is only saying in other words that the single-tax is impossible.

"Cash Payment is not the sole Nexus of Man with Man,

how far from it!" says Carlyle. Though the single-tax state could not, the land-owning state would soon find that out, and would lease the land on principles not quite following the mere "supply and demand" theory. Cases would arise where a highborn or low-born capitalist offered a million pounds a-year for a certain county

of Scotland, whereas fifty thousand poor crofters could afford only £10 each, and yet the crofters would be allowed to continue raising oats and hearty men and women on the land, whereas the capitalist would have to look elsewhere for partridge coverts. For, fortunately, no agent of Lord Gobbleland or of John Brown—retired partner of Smith, Brown, & Baker—would have the letting, as they would even under the single-tax; but poor Hodge, who wants a little croft on which to grow potatoes for his children, and Jones, the artisan, and Mill, the factory hand, who want a home market for their goods, not barred off by protective Chinese walls, and who know that fifty thousand crofters use more shirts, coats, boots, and hats, and other manufactures or produce, than a dozen Gobblelands: these are the men whose agents will have the letting of that land. Even if their agents will collect £500,000 less a-year, and even if the tax-paying power of the 50,000 tenants and their purveyors should not make up the deficit in the common purse, they will not mind so very much, as long as their—the people's—eating, their shirt and coat-wearing power continues to grow, which, strange to say, has more weight with these deluded beings than all the calculations of learned professors, who want to convince them that they are acting against all the tenets of a sound economic doctrine, according to which the land ought to go to the highest bidder. That it is not the State's business to procure employment to such men as they. That such unscientific proceedings would merely result in a further over-population. That if there is no demand in the market for their work or produce, they must get out of the country as fast as they can, or put on khaki to shoot Chinese and other people who presume that they can do as they like in their own country, instead of recognising that their paramount God-taught duty is to buy the over-produced goods of Old England. The idea of wasting £500,000 rental income of the State to provide a market for 5 million pounds' worth of home manufactures, and thus sustaining not only the 50,000 crofters and their families, but also many thousands more, who exchange manufactures for their food and raw materials! To provide, instead of this, only a living for Gobbleland's 50 gamekeepers may be a poor policy, but by letting the nation's land according to the gospel of Supply and Demand we have at least the consolation of working within the lines of orthodox political economy. It is true. Supply and Demand will not defend England should the foreigner succeed in invading the country. Nor would it feed the nation if some day foreign fleets cut off the corn fleets of distant regions; or when those corn-growing regions have joined the ranks of England's enemies. Lord Gobbleland's partridges certainly would not go very far towards supplying the necessary food; the oats grown by the 50,000

crofters might do us more good. Their arms, and those of the artisans and mill-hands they provide with a living, will form a better army than the fifty gamekeepers—officered by Gobbleland, if he is not in India tiger-shooting or taking his ease in Paris. But what does all that signify when Gobbleland' £500,000 additional land tax is taken into consideration?

Henry George's Motives

It is almost unbelievable that a man like Henry George should have thus left the straight plain road he had opened, and should instead have chosen a crooked by-path full of thorny weeds, and ending in a quagmire. For such a course, he must have had most powerful motives, certainly worth examination.

When we investigate his reasons our astonishment increases, for all he has to say in explanation of such a sudden departure from the principle which the whole book has been advocating is contained in the following few lines:—

"To do that (formally confiscating all the land and formally letting it out to the highest bidders) would involve a needless shock to present customs and habits of thought—which is to be avoided. To do that would involve a needless extension of Government machinery—which is to be avoided. It is an axiom of statesmanship, which the successful founders of tyranny have always understood and acted upon—that great changes can best be brought about under old forms. We, who would free men, should heed the same truth. It is the natural method. When Nature would make a higher type, she takes a lower one and develops it. This is also the law of social growth. Let us work by it. With the current we may glide fast and far. Against it, it is hard pulling and slow progress."

That is all.

Confiscation or Compensation

George, as we see, sets out from the axiom that land nationalisers want to confiscate the land, though most land nationalisers, like myself, will fail to remember ever having met one single partisan of our special method of land restoration who even dreamt of proposing such a measure. It is, however, quite consistent with George's convictions to leave out of consideration any other method of accomplishing land restoration of any kind.

The idea of compensation is so absolutely antagonistic to his thoughts and principles that he cannot even conceive how land nationalisers who propose compensation—and as I have just said, they all do—can be honest. In his opinion, we do not really want to obtain the land for the people at all; we only want "to draw a red

herring across the track" of land restorers, as a single taxpayer once stigmatised my work for land nationalisation in New Zealand. George's words are: "For to say that men must be compensated if they are prevented from doing a thing is to say that they have a right to do that thing. And this those who intelligently advocate compensation know. Their purpose in advocating compensation is to prevent abolition" (*A Perplexed Philosopher*, p. 276). Now, it is certainly not a feeling of unkindness towards co-workers on another plan which begot such thoughts, for he was the kindest of men and the most loyal of friends. No, it was his firm and unshakable conviction of the absolute injustice of compensating anybody for ceasing to perpetrate a wrong. Private land ownership, in his eyes, is a theft, and if anybody were to be compensated, let it be not the robbers, but their victims, the landless people whose heirloom has been taken away from them since times immemorial. "Let bygones be bygones," I have heard him say repeatedly in public, "only don't sin any more!" "Let the people forgive the past, the immense amounts wrested from them by the landlords, and only demand to be at last reinstated in their rights."

According to him, it makes no difference how the land-owners got into possession, whether they inherited, stole, or bought their land in good faith. The law demands restitution without compensation from anybody who bought stolen property; why should there be any difference whether the stolen object is a watch or a piece of God's earth?^{xviii}

He usually compared private land ownership with slave property. Both confer the right of claiming the work of fellowmen without any compensation. In fact, we might say that the slave-owner gives at least some kind of compensation to the slave whose services he makes use of, for he feeds and clothes him, provides him with shelter, medical advice and assistance; whereas the landlord demands his rent, little caring how the tenant makes a living. The tenant often has to work harder than a slave to pay his landlord, and has to find himself.

"Compensation for the selling value of a slave, which disappears on the refusal of the community longer to force him to work for the master, means the giving to the master of what the power to take the property of the slave may be worth. What slave-owners lose is the power of taking the property of the slaves and their descendants; and what they get is an agreement that the Government will take for their benefit and turn over to them an equivalent part of the property of all. The robbery is continued under another form. What it loses in intension it gains in extension. If some before enslaved are partially freed, others before free are partially enslaved." (*A Perplexed Philosopher*, p. 263.)

Other arguments are given, and more might be added.

Force against Force

A strong one has already been alluded to on a previous page. The original title—in Europe, anyhow—is based on conquest in the last resort, on the right of the strongest. Since the people as a whole are stronger than the land-owners, the latter could have no valid objection to confiscation were the people sufficiently united for land restoration to overcome by force any possible resistance, for the new title would have the same foundation as the one it superseded. History has seen such cases. On that memorable night of August 4, 1789, of which Carlyle says: "Dignitaries, temporal and spiritual; Peers, Archbishops, Parliament-Presidents, each outdoing the other in patriotic devotedness, come successively to throw their own untenable possessions on the altar of the Fatherland. With louder and louder vivats—for indeed it is after dinner, too—they abolish Tithes, Seignoral, Dues, Gabelle, excessive Preservation of Game; nay. Privilege, Immunity, Feudalism root and branch."

It was a voluntary surrender only in appearance; in reality, the old spent force, which had conquered the privileges yielded to the new force which did not content itself with what was surrendered, but confiscated a good part of the remaining monopoly, the property of the land itself.

When a people emerges from despotic Government, and takes its destinies into its own hands, assuredly it may also overthrow the institutions of the old regime; revolution has its own laws, those of the stronger.^{xix}

The Seller calling his Customer a Thief

But what shall we say of some aged New Zealand single-taxers who for the last thirty or forty years have helped to make the laws of this country, recognising private land ownership as a matter of course, selling the land of the nation and taking hard cash for it, by which to reduce their own taxation, when now, after having become converts of Henry George, they declaim against the wrong of compensating the very men or their successors whose money they took? George denied the right to compensation to a man who had bought a watch from a thief, even though he did not know it was a stolen watch; but he certainly did not think the thief justified in reclaiming the watch without payment from his customer, and to call him a robber who bought stolen goods.

A bad Precedent

A State, which could proceed on these lines would furnish a very bad precedent. To day she confiscates the land, which she sold for hard cash, because private land ownership is robbery; to-morrow she declares that the public debt has long since been more than repaid by the interest the creditors have received in the course of years, and interest is robbery. Consequently, the debt is repudiated, without any other compensation to bondholders than to call them robbers, never mind whether they are the original lenders or those who bought their papers only yesterday, trusting in the State's good faith. The day after, anarchists obtain the majority, and declaring every employer a robber, they confiscate the factories built by the workers, and, of course, as they make out, belonging to them by right.^{xx}

Honesty the best Policy

We can leave the question aside whether the confiscation of the land is a crime or a justified action, for Talleyrand's famous words applies here: "C'est plus qu'un crime, c'est une faute." (It is more than a crime, it is a blunder.) Even the proverbial Yankee who sent his son into the world with the advice, "Make money, honestly if you can, but make money anyhow!" preferred the honest way if it was as practicable. If I shall therefore succeed in proving that compensation is the only practicable plan, and further, that it is the cheapest, I should think that we may as well take that way which most people in our generation believe to be the only honest way, never mind what George and his disciples may consider about it.

Attack against Herbert Spencer

It is not with books like *A Perplexed Philosopher* that such men as Herbert Spencer are gained over to our side. The great sociologist certainly acted wrongly when he gave up the idea of land restoration because he could see no practical way of accomplishing it without wronging the present owners. Such a withdrawal was not moral in a man who had recognised that "with this perplexity and our extrication from it abstract morality has no concern. Men having got themselves into the dilemma by disobedience to the law must get out of it as well as they can, and with as little injury to the landed class as they may."

Henry George would have been better entitled to cast stones at Herbert Spencer if *Progress and Poverty* had proposed a practical

reconciliation of the interests of the people with those of the land-owners.

Compensation for a Tax

On p. 282 he reproaches Herbert Spencer for not even so much as alluding to his proposal of taking land values, not land; for ignoring it "because there is on that line no place for proposing or even suggesting compensation. Compensation to the ultimate payers of a tax is something unheard of and absurd."

Even here George is wrong, as I had pointed out to him long before he wrote this passage. When in 1865, in Prussia, the land tax was imposed on the properties of certain nobles, who, as former independent sovereigns, i.e., direct dependents of the German Empire, had been exempt from this tax, they were compensated to the full capitalised amount of the tax (at 4%, 22 years' purchase), because a tax on land confiscates a proportionate part of the land's value, as the land is nothing but the capitalised rent, and any deduction from this rent correspondingly reduces value or selling price. Whether we take away a man's land, or the rights, which this land gives him, and which alone constitute its value, amounts to the same thing. If we give him no compensation we are guilty of confiscation.

A Grievance against Spencer

I should have a better right to accuse the illustrious Spencer that he maintains errors long after he had a chance of correcting them. After his letter in the *Times* (November, 1889), giving as his principal reason against carrying through land nationalisation that the interest which would have to be paid to raise the funds required to compensate land-owners would exceed the rent obtained by the State, I showed him in a letter how, through the rise of rent on the one side and the falling of the interest rate on the other, there would be a growing surplus sufficient to pay off the whole debt within a measurable time. Granting, as implied in the answer I received, that pressure of work and the state of his health prevented the philosopher from giving a complete reply, still he cannot be excused for failing to investigate the facts placed before him. If found true, as they were bound to be, they withdrew the foundation on which his opposition to land nationalisation had been based, a reform without which—according to him—the law of equal freedom is infringed.

Land Nationalisation a Shock to present Customs and Habits of Thought

As confiscation is not on our programme, let us see what else George has to oppose to land nationalisation. "It would involve a needless shock to present customs and habits of thought."

Certainly not in England, where by far the greatest part of the land does not belong to the people who use it, and is not used by those who own it; where it does not change to any great extent existing habits and customs, whether the tenants have to pay their rents to the agent of the Duke of Westminster, Buccleuch, etc., or to the agent of the Government. Even in the United States, as we have seen, about three-eighths of the land is worked by tenants, and most of the rest is mortgaged heavily, so that the nominal owner is practically the tenant of the mortgagee. Similar conditions exist in Germany, France, Italy, etc. If we take all this into consideration, we come to the conclusion that, after all, the substitution of the State for the private landlord would not involve so great a shock to existing customs and habits.

But to impose a tax that shall gradually grow until it swallows the whole rental value of the land, thus gradually to confiscate the basis of property guaranteed by the State like any other property, to put on the shoulders of one class of citizens the whole of the State's charges, this, according to Henry George, could be done without any needless shock to present customs and habits.

Land Nationalisation involves Extension of Government Machinery

He goes on: "To do that (nationalise the land) would involve a needless extension of Government machinery, which is to be avoided."

When George wrote this he was almost totally unacquainted with the political condition of European countries; he reasoned from the impressions received in his native country, the United States. Even thus he left out of consideration the working of cause and effect. Instead of arguing: The powerful monopolies which have arisen out of private land ownership have corrupted our Government machinery to such an extent that we cannot possibly entrust it with the administration of the land of the nation; he ought to have reasoned: The destruction of those influences which have made the administration of the United States the most corrupt on earth can alone restore purity of administration to such a degree that we may safely confide the land of the people to their Government; and the restoration of the land to the people is the best way

to attain such a reform. If he had gone to Germany he would have found the Prussian State domains the best-administered farmland in the country. The States' forests are models of a perfect management. The effects of land nationalisation on employment would render Government employees more independent and less liable to obey unjust dictates from above, so that even the political dangers which he might fear from a further extension of Government influence would be less than under the present administration. A land-owning democracy where every citizen has a stake in the country is certainly less corruptible than a landless rabble.

No fear of Corruption in Tax Collection

And, must we ask, has corruption no influence on tax collection? When we behold American officials, charged with the assessment of personal property, so blind that they cannot see the contents of large palaces full of the most valuable furniture and objects of art, but value them as if they were not in existence, and as if the millionaire who exhibits them daily to his guests possessed bare walls and the simplest pine furniture; when we see the Mayor of Cleveland, Tom L. Johnston, prove to the railway pass-owning tax assessors that their assessments of railway property are made at only one-tenth of the actual value, can we expect such officials to obtain much better eyesight when once they have to tax the State's land values? It is true these are more visible still than the contents of the palace or the property of a railroad, but a much thicker gold varnish is at hand to render opaque the taxing official's spectacles.

Single-Tax the easiest Method of carrying the Reform

"It is an axiom of statesmanship, which the successful founders of dynasties have understood and acted upon—that great changes can best be brought about under old forms. We, who would free men, should heed the same truth."

Certainly the most Dangerous

Perhaps, but not when the old form threatens to bring back the old contents some day. Who guarantees us against a repetition of historical facts, such as those connected with the English land tax? Every land reformer is familiar with the manner in which the land-lords used their legislative power to reduce this tax, a remnant of their military duties in times of feudalism, to about one twenty-fifth of its original signification, by leaving the valuation on which it was imposed unchanged since the time of William III., whereas the value of the land increased twenty-five-fold since.^{xxi}

Or take German experience, showing how even those nobles who were compensated for subjecting themselves to the land tax helped in the agitation to have this tax practically repealed by demanding that its proceeds should be used to relieve the rates, which were mostly on the shoulders of the big land-owners. The German "Lex Huene" and the so-called "Landlord relief bill" of the present English Tory Government are twins, but the German case is even more iniquitous. Only a generation had passed since the equivalent of the tax had been handed over to these Prussian landlords in interest-paying State bonds; who could have anticipated that so soon a time would arrive when these very men, while complacently continuing to cash the interest coupons of these bonds, would try to get rid of the tax they had undertaken to pay with the proceeds of these same coupons?

And a time would come also when a new king knows not Joseph, when Henry George's work is forgotten, and when the landholders unite in the fight against this victorious single-tax with the success which united and strong minorities often have gained against divided and indifferent majorities. Shall we, with open eyes, expose our children to this danger? No; the hydra, Land Monopoly, can never be effectually destroyed until we cut off and burn out all its heads, the land titles as well as the rental income. Otherwise we shall see the experience of old Hercules repeated: while one head is being destroyed, others are speedily regrowing.

Rebate of Rent Bill

The burning out has to be done by provisions against such outrages as the "Rebate of Rent Bill" brought in at the end of the 1900 session of the New Zealand legislature. Here we had a Government deliberately attempting to make a present to State tenants of 10% of their rents, which means courting the favour of these tenants by giving to them the land values of the people. Such attempts are doubly reprehensible where, by a 999 years' lease, the unearned increment of ten centuries is gratuitously thrown away, and though the danger is not so great as in the case of a land tax, it cannot be over-estimated. Where the whole of the land belongs to the nation there will be naturally more State tenants than at present, and consequently the number of electors to be influenced by such gifts must be proportionally much greater. Who guarantees us that the Seddon of another generation might not offer to relieve the tenants of half the rent they agreed to pay, or even the whole?

Referendum as a Protection

The case proves the old truism that economic and political reform must go together. The most advanced political freedom has no guarantee of permanence where the economic and social position of the people is of a low level, of which Rome's history supplies the best illustration. On the other side, it is equally true that not only are political arms required to fight the battle of economic reform, but that political reform affords the sole means of preserving the results of victory. The land and its fruits can only be secured to the nation by preventing the servants of the nation from becoming its masters by giving the citizen the power of effectually carrying out his will through the referendum. Where the constitution cannot be changed without a referendum of two-thirds or three-quarters of the people, and where the new land laws are made a part of the constitution attempts of the nature just described are effectually barred: (See also Chapter XI.) Anyhow, the possibility of future wrong supplies no ground for continuing the present injury. Efforts for the recovery of stolen goods ought not to be stopped by the possibility of losing them through future theft.

Occupation, not Freehold the old Form

If Henry George wanted to conserve old forms he certainly ought to have fought the freehold, which is a comparatively modern form. In past time very few people in Europe worked their land under any other title but that of tenancy, and even now it is the prevailing system in many countries, in Great Britain especially, but even in peasant proprietor France. In the United States it is not the rule yet, but soon will be if things progress as in the past. But even supposing the freehold to be the old form would it be real statesmanship to bring about the great change by this method, as George proposes? The very reverse is true; in fact, his system is the only one which has absolutely not the least chance of ever being carried through. If confiscation should ever solve the land problem, if the people should ever reach the state of mind without which such a measure cannot possibly be carried—looking at might as right---they will not stop at mere taxation; they will take the land and all there is on it. Not single-taxism but communism would be the result of such a mental state, and a much more logical result, too.

Opposition of Land-owners to Single-Tax

For of all the vain delusions under which single-taxers suffer, the worst is the professed belief that landowners will voluntarily consent to the imposition of the single tax. They would not dream of such a thing even if the impossible could be proved to them, i.e. that they would gain more through the relief from all other taxes than they would have to pay, even if taxed 20 shillings in the pound on unimproved land values. One of my best friends, a New Zealand farmer owning about 500 acres, which is by no means a large farm in this country, a convinced socialist, would not listen to single-taxism because he could not see why landowners alone should have to bear all taxes, while the majority of the people were relieved altogether. That is human nature, and we have to reckon with it. Besides, no juggling with figures could make him see how this relief from taxation of all non-land-owners would not increase his own charges. Leaving out of consideration the fact that all our small landholders in town and country entertain the hope of some day extending their holdings, and thus entering that class, which according to the single taxers, will have to bear the brunt of the battle, it is rather disgusting thus to play the "beggar your neighbour" game.

Appeal to the lower Motives

"Vote for this law! It will not hurt you; it will only weigh upon the richer men!" is certainly not a battle-cry apt to inspire a nation. This appeal to the lower instincts invariably and justly proves to be a bad policy. If, in this instance, it were effective, the single-tax would give no final satisfaction: far beyond the intention of its apostles, the ultimate goal would be sought.

Danger of mixing Land and Tariff Problem

Another serious objection to the single-tax campaign is that, by substituting a tax and practically a tariff problem for the great land reform, it shifts the entire battle-ground, to the great disadvantage of the reform. Many people who are enthusiastic for land restoration do not believe in free trade: the aim and outcome of single-taxism, which preaches the substitution of the land tax for all other taxes and duties, it has been the cause of creating antagonism to land reform from motives absolutely strange to the same. A man may honestly believe that protective duties benefit his country, and still he may be an ardent land reformer. The intermixture of tariff legislation and land reform has thus done a great deal of harm, especially in the United States and the British Colonies. In

these countries many enlightened men are thorough protectionists who, in that respect, have to stand up against men with whom they are united in the fight for a much more important issue.

The Mortgage the most serious Obstacle

But all this is nothing compared with the most serious obstacle in the path of a single-taxer, the mortgage. To tax away the rental value of the land destroys the best part of the mortgagee's security, and mortgagees are smart enough to be perfectly conscious of this fact. They would be absolutely unmindful of their interests if they did not carefully watch the chances of success which single-taxism might have. Long before its principles could ever be embodied in a law, mortgages would be called in all over the country. It can easily be imagined that in these circumstances new mortgages could not be contracted, and nothing would remain to the unfortunate land-owners but to submit to a public sale. The prices which the land would fetch in such a market would not pay off the mortgage, and the mortgagee would not only enter into possession of the land with all its improvements, but probably also of his debtor's other property as well, while the poor mortgagor would be completely ruined. Do single-taxers really believe that our farmers will join their ranks with such prospects before them, never mind what the future effect of the measure may be? I, for my part, have never yet met with such self-sacrificing farmers in my life, and I have known a good many. Individualists as they are, you could much sooner obtain their adhesion to communism pure and simple, which, at least, would give them an equal share in the total wealth.

Cutting the Dog's Tail piece-meal gives more Compensation than immediate Land Purchase

Difficulties like these are too glaring to quite escape the notice of George and his followers. As is usually the case, where the straight path has been left concession has had to follow concession, each step taking them farther away from the original goal: Land restoration. They came to the conclusion that it would not do to cut the dog's tail all at once, but that a gradual increase of the tax until the twenty shilling in the rental pound or one shilling of the capital value pound have been reached, would be the only method likely to be carried. They—the radical anti-compensationists—do not see that this system would leave much more of the unearned increment in the hands of the present land-owners than a rational system of land nationalisation. It is easy to prove this.

The most optimistic single-taxer will agree with me that, even in as progressive a country as our New Zealand, it would under no conditions be possible to increase the present penny tax---from which, moreover, most land-owners are exempt, or the law could not have been carried---as much as half a penny in the pound for every legislative term of three years, especially if exemptions are done away with. However, even at this extraordinary rate of progression, which could never be carried through, it would take 66 years to obtain the full rental income for the State. During these 66 years the land-owners would continue to draw the unearned increment, though in a continually decreasing ratio. So the very party who are in deadly opposition to any kind of compensation, whose founder even charged those who want to give compensation with a desire to prevent abolition altogether, this very party proposes a programme which, as I shall now show, takes the odium of confiscation on its shoulders and yet gives actually much more compensation than land nationalists, who want to purchase the land at its full market value. As Joseph Hyder, the able general secretary of the English Land Nationalisation Society, said in a paper of February 8, 1899: "The real controversy is not between compromise and no compromise, but between two or more different compromises; not between compensation and no compensation, but between two or more different methods of compensation. For to say that landlords shall keep all the rent, less whatever tax can be levied upon it, is in reality to offer compensation to the hope that it may afterwards be cut down by taxation."

The most Practical and Honest Method

Now let us find out what could be done by honest compensation. The State would purchase the land at its present price and would issue debentures for the amount. The question whether these debentures are to be given to the landowners as Mr. Edward Withy proposes in his excellent pamphlet, *How to nationalise Ground-rent*, or whether the land-owners are indemnified from the proceeds of the debentures sold in the money market, is a mere question of expediency. In either case the State can realise a benefit from the very beginning, through the difference to the rate of interest paid by the debentures and the land values respectively. We may not find everywhere such a difference in favour of the State as was found in Ireland where the Ashbourne Acts used it for the purpose of buying the land for the tenants. When we shall have occasion to revert to this operation we shall see that, in spite of a rent reduction of 25%, the State was enabled to pay for the land within 46 years, by the mere profit made between the rental income of the land received and the interest paid out on the

consols issued for the purpose. The difference between the $3\frac{1}{4}\%$ at which New Zealand could at present obtain the money through bonds secured by the rental income of the country, and the 5% (20 years purchase) at which the rent of our land values is calculated, permits us to redeem the bonds within the same period, as we save the Irish rent reduction of 25%.

Another element, however, which was left out of sight in Ireland, to the great injury of the State, must be taken into consideration. It is the rise of land values in a progressive country. Charles Wicksteed, in the *Land for the People*, calculates this increase by itself, in England, will repay the bonds within 40 years. The increase is however much more rapid in New Zealand, where, within the memory of living man, the present value of the unimproved land of over 84 millions has been created. It is true that between 1891 and 1899 the Government valuation shows only an increase on unimproved land values of about $\frac{12}{3}$ a year; but after land nationalisation the percentage would be much greater through the influence of the new state of affairs. When in later chapters I present a fuller conception of the deleterious effect of our existing land laws upon our economic development, it will be possible better to appreciate the great influence on this development expected as a result of land nationalisation and the inevitable outcome of progress. A rise of rent is bound to follow, a rise which will exceed all our present anticipations, without our having to dread rack-rents in a country that has millions of acres still in the bush state, and millions more that are not utilised to anything like the productive use they are capable of. On the other side, the rate of interest may rise for short periods, but it has a tendency to fall; and when we shall enter into the reasons of this phenomenon, we shall also see the accelerating effect which land nationalisation is bound to have on the process. It is impossible to estimate the exact collective effect of all these causes; but I have come to the conclusion that the difference between the income of the State from the nationalised land and its payments for the interest of the bonds by means of which the land was purchased will permit the redemption of the bonds within 20 years, possibly within 15 years. Ten years more might be required if part of the income is used for old age pensions from the beginning. The land will thus be honestly paid for and yet the people will have given less unearned increment to the landowners than the confiscation system, which leaves them the full rental for 33 years, would have done. If my calculation is thought an optimistic one, it is certainly not so optimistic as the hypothesis on which I assumed the 66 years required by the single-tax for the complete nationalisation of the rent.

Instead of purchasing the whole land at once, the State might do so by instalments, as she is doing today. However, this would entail two great inconveniences. In the first place, too much room would be left to personal influences exercised either in getting the State to hasten or to postpone the purchase of specific properties, according to the advantage anticipated by the sellers. In fact, accusations of this nature have already been preferred regarding certain purchases made by the New Zealand Government.

In the second place, deferred purchasing might considerably raise the price the State would have to pay through accruing unearned increment: the rise in value.

The State's Right of Pre-emption at present Prices

The only way to prevent this latter inconvenience might be to fix once and for ever the price at which the State shall have the right of pre-emption; but the reproach would not be unjustified that this right would entail a certain amount of confiscation, though by no means so palpable as that of the single-tax scheme.

Parties who paid more for land than its present rental warranted because they counted on the future increase, willing, meanwhile, to lose a certain amount in interest and taxes, would find this hope cut off; because, at the period when the higher rental would under existing conditions ensure them the higher selling price, the State would step in with its right of pre-emption at the old price, and thus deprive them of the expected compensation for their outlay. If the State took their land at the present market price, they would have no right to complain, because this market price includes the present valuation of future expectations. The moment however, that a law cuts off these expectations, the market price would at once fall considerably; and this difference between the two market prices gives the exact measure of the amount confiscated by the new law.

Something might be said on the other side, though. The law-giving power of the community is continually exercised to the detriment of one class or to the profit of another, without any compensation on either side. When a duty is abolished, we do not dream of compensating merchants who hold a certain stock of the article for which they paid the duty; though they may have to lose the amounts thus disbursed because their competitors who now import duty free can undersell them. Nor does Government, when it imposes a new duty, make a claim against those who imported goods before the new law took effect, and thus make a profit. Nor did I ever hear of compensation to manufacturers for new labour laws: limiting working hours, allowing claims to the workers for accidents, or entailing a compulsory raising of wages through arbi-

tration, never mind how much these laws may affect the business prospects.

Building Regulations do not affect House Rents, but Land Values

New building regulations are bound to exercise a certain influence on building land, and yet I do not think it is usual to compensate landowners in such a case. In no country, except England, perhaps, do we find greater veneration for vested interests than in Germany; and yet when—several years ago—new building regulations were adopted for certain suburbs of Berlin, which restricted the height of houses below the limit permitted in the interior of the city, and which made compulsory a larger area of open space to each house, though there was a great outcry I never heard of any demand for compensation. Still, it was inevitable that these regulations should, for a time, influence land values injuriously, as observers of the laws followed by landed property had maintained against superficial reasoners who pretended that the law would raise the price of houses and rents. Rents do not fall where, as in America, buildings over twenty stories high—the so-called skyscrapers—are permitted; nor do they rise where only one-storied cottages are allowed; but where twenty stories can be built on a given area, the price of the land will necessarily be higher than where only one story is permitted. In the one case, the land-owner alone is benefited; in the other, he alone loses. Rent determines land values not land values rent. The height of rent corresponds to the squeezability of tenants; the value of the land to the price obtainable for the squeezing privilege, a price entirely dependent on the extent of the squeezing power.

Taxing vacant Building Lots

Conservative Germany does not stop at this inroad upon the vested rights of speculators without any compensation. The privilege has lately been given to Prussian towns to introduce a new system of taxing vacant building lots; and in one town after another, the municipalities make use of the privilege, to the great advantage of the tax-ridden citizens. The old system was to rate according to actual revenue, which left these lots practically tax free; the new plan is to rate them according to potential revenue, i.e., the revenue which could be obtained by building houses on the vacant land instead of waiting for a future rise. Of course, the speculator who bought in the hope of an eternal continuance of the former injustice loses through the reform; and yet nobody dreams of compensating the poor fellow.

It is strange that progressive New Zealand has not as yet introduced this simple reform, which ought to be acceptable even to those who are opposed to leaving improvements untaxed.

There is no necessity to shift the basis of rating from rental to land values for this purpose. All that is required is to tax the rental which the vacant land would fetch if leased for building purposes, instead of rating on agricultural rents in the midst of a growing city.

Defence of Non-Compensation

A strong point in defence of non-compensation was made by Mr. Geo. Fowlds (M.H.R. and President of the New Zealand Single-Tax League) in the New Zealand Herald of June 3, 1900, replying to a correspondent of that paper:

"Mr. Upton asks: Most of the land in New Zealand having been bought from the Government, would it be right on the part of the Government to deprive the buyers of the whole monetary value of the land so bought?

"Without compensation? Certainly not. I never made such a proposal, and I don't know of any single-taxer who ever did. What I have said is that, taking the land-owners as a class, they have been compensated by the Government in the form of services to the extent of three or four times the amount they have paid to the Government. Even then I don't propose that the Government should suddenly stop the process of compensation, but that they should gradually stop it by charging the landowners an increasing proportion of the cost of the services rendered them every year. In addition to this, we propose compensating them further by abolishing all the taxes at present paid by them. Surely Mr. Upton should understand that all taxes are only a payment for services rendered, and any rational discussion of taxation must consider the question as to who receives the value of Government services.

"The contention of single-taxers is that the value of all public services is expressed in land values, and that the landowner possesses the power, which he never fails to exercise, of collecting the value of those services in the shape of rent. That the landless, having paid their share of the cost of public services to the landowner in rent, are robbed when the Government calls on them to pay a second time in the form of customs and other taxation."

It gives me pleasure also to quote some of my friend's closing words in this discussion, which allow the hope that he and his fellow single-taxers, with the exception, perhaps, of a few incorrigible

fanatics, will yet join hands with land nationalisers to win the great battle with united forces:

"The British generally solve their difficulties by compromise, and it is possible that Mr. Upton's suggestion of buying out the present owners may be adopted before a final settlement is reached, but I could not admit that such a course would be a fairer way than a gradual change in the incidence of taxation, which I advocate."

I do not wish my friend to surpass me in generosity, and I make concession for concession. I may, therefore, freely tell him that, if through the opposition of landlords land nationalisation on the basis of compensation had no chance of passing, I should be quite ready to serve them as Abraham Lincoln served the confederates when he confiscated their slave property. We poor human beings sometimes have to decide between two evils, and in this case confiscation once for all directed against a comparatively insignificant minority is certainly a lesser evil than confiscation of the majority's earnings carried on forever.

The Freehold doomed

Fortunately, in New Zealand, at least, there is little fear that we shall ever have to use revolutionary means. Our islands are inhabited by a law-abiding people, who prefer evolution to revolution. Extreme parties have comparatively few followers. I may be mistaken, but I believe that single-taxers have frightened as many liberal thinkers away from land reform as they have converted to its just principles. Their non-compensation fanaticism has been the best ally of their conservative opponents, just as these have given them the strongest support by their uncompromising championship of the freehold. The freehold has played its part in human history. As a reaction against wasteful land communism, it has done good for a time; but since it has become less a safeguard of the honest worker than the most formidable weapon of oppression in the hands of the drone, its days of usefulness are over. Lord Gobbleland and his partners in the city, with safes full of land-mortgage deeds, find less and less following among the hard-working men behind the plough and work-bench who own some encumbered freehold. The hard facts of everyday life begin to teach these small freeholders the important lesson that land reform will benefit them far more as workers than it will make them lose as land-owners. Once these men have found the camp they really belong to, the power of old-time conservatives will be gone forever. If the latter are as prudent and far-sighted in their political capacity as they have been in money-making they will understand the signs of the

times, and will not be fools enough to throw themselves into the way of the wheel of progress, when there is absolute certainty that, though they may slightly impede its advance, their crushed and mangled bodies will mark the track of its final course.

Unearned Increment made by Public Improvements

It is curious that the same speculator who demands compensation when any new law cuts off some future increment he counted on will not dream of offering a part of the profit he makes through the construction of a new road or railway to the State which made the improvements. In fact, it is notorious that in the past millions upon millions have thus been thrown into private pockets through the work done by other men or by the community, while the owners of these pockets have taken no share in this work.

The Manawatu railroad, completed in 1886, has cost £767,666; seventeen years later, in June, 1900, the increase of land values along the road was estimated by the New Zealand Times at £4,000,000. Part of the increase has benefited the Company, to whom a certain amount of Government land had been given as a subsidy; but the bulk probably went into the pockets of men who never took a single share. When Sir Julius Vogel carried his great improvement scheme—to which a great part of the public debt of New Zealand is due—he proposed that the community should reserve alternate sections along the planned roads. Private speculators were too powerful to allow such a scheme to pass, and private speculators have pocketed the millions of increment created through the new roads. It is not too much to say that if the community had kept the land alongside the roads, only leasing it at periodical revaluations, instead of selling the fee simple, by this time the entire debt contracted for the roads would be paid off. Will the Government be any wiser, or rather will it be better able to withstand the onslaught of private speculation in the case of the new roads under construction? Will the community benefit by the work it pays for, or will the main profit go to speculators fortunate enough to monopolise the land along the road mostly to be benefited by the new means of communication? We shall see.

Limitation of Right of Pre-emption

Anyhow, the right of pre-emption to be given to the community might be subject to certain limitations to prevent it from hitting not only the speculator, but also the *bonâ-fide* settler. The latter might be exempted from the operations of the law for land not exceeding a certain value; and this exemption might even be extended to his direct heirs whilst they continue to occupy the land personally. It is

demanding by equity, at least, so far as our colonies are concerned. The pioneer who settles in a wilderness has to encounter many troubles which later comers are exempt from, troubles, which he would not undergo if the unearned increment did not supply an inducement. We might, however, secure him that unearned increment which he obtains by his personal use of the land, without leaving him that which he wrings out of others using the land after him. As long as he cultivates the land, let him enjoy the low rent, which he pays on his perpetual leasehold, or in the form of the interest of his lower purchasing price, in case he has a freehold. We may even leave this advantage to his direct heirs as long as they, too, are *bona-fide* settlers; and it will be an inducement for them to remain on the land, instead of selling out, for, in case of selling, they would only obtain the price which their land had when valued at the time the law was passed. This would mean a decided loss to them, and few would give up their heirloom, which, as long as they work on it, yields them an income far in excess of what is due to their labour at market value. The community gives them this reward for the pioneering work they or their fathers have done, but this reward lasts only whilst they are *bona-fide* settlers. The very moment they want to sell, they become speculators in land values, and any profit made in this way is confiscated by the community, which thus obtains the increment due to increase of population or national wealth, and not to the personal work of the settler; the settler being fully compensated for this work by retaining a claim for his improvements, and by the low price at which he had the use of the land as long as he did use it. The State's right of pre-emption holds also good in case the settler lets his land.

This does not apply to farmers only. The man who bought a piece of ground in a Wellington suburb at a time when it was only sparsely settled helped to attract other settlers, and thus created—to a certain extent—the increased value of his land. As long as he and his direct descendants live on the land without selling or letting any part of the grounds, and under the supposition that the value of the lot does not at any time exceed a certain limit, let the exemption operate. There is no need, however, to give him the increase of its value when he sells or lets the land or leaves it to an indirect heir. In this case the community takes the unearned increment by purchasing at the original valuation.

Effects of the Law

A law of this nature would have the advantage of effecting at once an immense deal of good by doing away with the dog-in-the-manger policy of land speculators, who now hold land for a rise. Such a rise would no more benefit them. As soon as the rental

income increased sufficiently to pay the interest on the bonds for its purchase, the State would step in, and would make use of its right of pre-emption at the old valuation. With such knowledge, nobody would be inclined to pay more than that valuation, the land would be lost at purchase price just at the time when the increase of rent began to yield a profit. Nor could the speculator forego present interest on his investment in expectation of compensation in the future through a profit on his purchase price. The new law disappoints this expectation, and forces him either to put his land to the best use or to sell. Building land in our towns will come into the market in large quantities, and prices will go down until they become accessible to purses, which at present cannot afford to buy.

In agricultural land, the speculator will equally yield the place to the farmer, and where the two are found in one and the same person, farming will gain where speculation loses. Here we have a farmer who holds 10,000 acres, which he uses as grazing land. As such, it does not pay more than a very moderate rate of interest; in fact, not more than he has to pay to the mortgagee; but he knows that in a few years the increase of population will so raise the price of this land that the profit he can make in selling it will amply repay for the meagre income of the past years. Therefore he keeps the land in a semi-barren state, while men inured to hard work would willingly give it high cultivation if they could but obtain it at a reasonable figure. The new law, by cutting off all expectation of a rise in price, would at once induce the farmer to offer his land, or most of it, to the highest bidder, retaining only a small section for his own intensive cultivation. Thus, under the new law, the worst curse of landlordism will all at once begin to disappear even before the State has taken up a single section.

Tax and Take

If Henry George had advocated some plan of this sort, land reform would have progressed much faster, instead of being hardly further advanced, perhaps less hopeful in his own country at the present date than it was fifteen years ago. Confiscation has no chance to succeed unless it be through a bloody revolution—which may come there sooner or later—and then much more than the land would be taken. Great Britain is differently circumstanced. The imposition of a higher land tax may have a better chance there for the present than land nationalisation, through the fact that the Upper House can prevent the latter, but cannot reject tax bills. There may be hope of success for the principle of British land nationaliser's "Tax and Take"; which means, tax to reduce land values and purchase at the reduced value after the House of land-

lords has been frightened through the tax into conceding land nationalisation. The valuation for the tax collector might be left to the land-owners, with the privilege for the State to purchase at such valuation. The colonies, however, are likely to adopt land purchase as their most practical method of land restoration. New Zealand especially has already made a good move in this direction, not only by valuing land separately from the improvements, and taxing only the value of the land, but by making a practical beginning with land purchase.

Lease in Perpetuity

The time cannot be far off when her statesmen will recognise that such a valuable instrument ought to be applied to a far better purpose than the mere breaking up of large estates; strengthening the tree Landlordism by increasing the number of its roots. The land so obtained, as well as that yet in possession of the Crown, ought not to be sold, under any condition, or in any form. Certainly not in that hypocritical form called "Lease in Perpetuity." As such leases are free from any future revaluation, the present rent running for 999 years without any increase, the system is practically a sale in fee simple, with the advantage for the buyer of not having to pay up a single penny, while obtaining the loan of an eternal mortgage. It is a blot on New Zealand's statute-book. Nor can the Premier under whose administration the law was passed plead ignorance, for he wrote the following passage in an article contributed to the *Dunedin Echo* of April 15, 1882, signed with his full name —*J. Ballance*:

"Mr. George would not pay from the public exchequer for the economic errors of society in the past, but would make the individual who accepted the guarantee of the State the victim of national wrong-doing. To state this doctrine is to condemn it; and it is the blot on a work which, so far as it refers to the economic advantages of State ownership, has comprehensively and conclusively dealt with the subject."

The same man who wrote these lines, which show how fully he recognised the duty of the State to stop the "national wrong-doing" of parting with the nation's property, signed an Act which deliberately parted with the unearned increment of the next ten centuries to short-lived individuals lucky enough to apply for such leases in perpetuity. I am told he yielded to strong pressure brought upon him, and that it was the only way of carrying through the Land Settlements Act; that it was a question of freehold or 999 years; that only thus could a wedge be driven into the freehold superstition; that the Act prevents anybody from leasing more than one section, and demands occupation. His resignation

might have brought in the landlord party, who would have perpetuated the stealing of the birthright of unborn generations as in the past. Let us hope that a man with as much good intention, but with more backbone, will soon arise to right this foul wrong, and thus gain an everlasting claim upon the gratitude of posterity.

The worst of this gift of a thousand years' increment is that it was an entirely gratuitous one, for not an acre of land less would be improved if, instead of this outrage of an unchanging rental for all eternity—I beg pardon, for only 999 years—periodical revaluations had been instituted; the more so as this system already exists in our statute book. It is true it exists only with the right of purchase given to the tenant, which ought certainly to be abolished in any case. With these changes in the present system, and the extension of the law's applicability to the whole land of the country, urban land included, a new era would begin for New Zealand, and for the world, to which it supplies a valuable object lesson.

Administration of the Public Land

The system of administration of the public land need not give us much concern. We have enough precedents to prove that the officials of public bodies are as capable of undertaking this work as the agents of our landlords. The Prussian administration of the royal domains may be considered the model of a perfect management, and the Birmingham administration of the land belonging to the city is accounted as, at least, equal to any management of private landlords. Neither will the question how the management and revenue is to be divided between the central and local governments offer insuperable difficulties. The

Length of Leases

or rather, the periods of revaluations of rents, presents a more disputable field. In any case, I do not think that these periods ought to extend as far as many leases of city property given by English landlords, i.e., 99 years. The only advantage, which the private landowner may find in such long terms does not exist for public bodies. The former has the tendency to prefer advantages obtainable during his own life to the superior opportunities of his successors. A tenant who obtains a 99 years' lease will certainly pay a somewhat higher rent than he would for a shorter lease. The additional amount thus realised by the lessee may be a mere trifle when compared with the loss in the next generations, with their largely increased rental values; but the proverbial bird in the hand will not fail to claim its superiority over ever so many in the bush.

Public bodies, however, are longer lived than individuals, and though, unfortunately, often addicted to a very short-sighted policy, are not quite so inclined to sacrifice the future for the present. The long-lived lessor will find it good business to take advantage of the short-lived lessee's natural inclination to value the shilling, which he himself enjoys higher than the pound, which he might save for his unborn heir, and to prefer shorter leases at lower rents to longer leases at presently higher—but in future much lower rents. The privilege reserved by English landlords of confiscating improvements after the longer lease has run out does not add much to the inducement of the long lease, and prevents improvement on the property towards the expiration of the lease.

City of Wellington Leases

I should prefer the system adopted by the City of Wellington in its leases of the reclaimed land (land formerly covered by the sea). The land is leased for a term of 21 years at a stipulated rent. The tenant has to pay rates, taxes, assessments of any kind. At least six months before the expiration of the lease the tenant can demand a valuation of the rent for another term of 14 years, and so forth. Three valuers are appointed; one by the tenants, one by the corporation, and the third by the two valuers thus appointed. In ascertaining such new rental, the valuers shall not take into consideration the value of any buildings or improvements then existing upon the premises, but they shall value "the full and improved ground-rental of the premises" that ought to be payable during the new term. The corporation prescribes the kind of building, which the tenant has to erect on the land. The tenant has a right to have his lease renewed by, the corporation at the new valuation. If he does not demand a valuation, it means that he has no wish to renew the lease; and the corporation enters into possession of the land and improvements without paying for the latter. The tenant's only chance to get compensation for them is to find a person who will take the lease off his hands and pay him something for the improvements.

Risks of the Tenant

Of course, it may happen that these improvements, though they have been very costly, are worthless under the circumstances. Let us suppose, for instance, that when the tenant took the lease, the quarter of the city that he erected buildings in was looked upon as a fine location for residences, but, through the growth of the town, had become a business locality—as has occurred in certain portions of New York City—and in consequence of

this change, the ground-rent for the land has been considerably raised. In this case he could only recoup by increasing the rent of the residence built on the land, which is impossible, because the locality is much less desirable for such a purpose than it was before; whereas its inner arrangements render the house absolutely unfit for business purposes. As the rent can thus be recouped only by pulling down the house and building business premises on the ground, no tenant could be found who would pay more for the house than what can be obtained from parties contracting for its removal. Or business premises might have been erected which were perfectly suitable 21 years before, and paid well at the lower rent; whereas now, when the rent is raised, only a building of much larger dimensions could be made to pay. If the land were freehold, the owner would not hesitate to pull down the old building and erect a new one, provided the increased rent not only pays the interest of the new building, but also soon refunds the cost of the old one; or in other words, provided the unearned increment obtained from his land amply compensates him. But under the changed conditions this increment goes to the community, and tenants, in tendering, have to take into account any possible loss on their improvements. They will not rent unless they feel sure that the rent they pay will allow them to lose on the improvements when the lease runs out.

The condition that the tenant has to pay rates, taxes, and assessments of any kind under the Wellington system renders a special

Betterment Clause

unnecessary, which, however, ought to be inserted in every rating Act. Any increase in the rental value directly traceable to public improvements made in the neighbourhood of any property ought certainly accrue to those who pay for such improvements. Even under the Wellington Corporation leases, where the city benefits by such improvements after 21 years, there is no reason why the lessee should obtain the full benefit of any betterment through public improvements made while his lease runs.

A new tramline passes the land he holds; a railway station is erected; a park is opened in its immediate neighbourhood, or the street is widened. All this is done at the expense of the public. It would certainly not be fair to make a present to the lessee of the increase in rental value thus created, which was not expected at the time the lease was made; to let him reap where others sowed. The betterment clause would force him to contribute to the improvement in proportion to the profit he derives from it, giving him the benefit of the doubt as to the exactness of the assessment.

Lease of Hamburg's Free Port

A very valuable lesson as to land administration has been supplied by the little State of Hamburg, in Germany. When the new free port was constructed in 1884, a contract was made between the senate of Hamburg and the Norddeutsche Bank, by which 30,000 square metres of the 40,000 square metres (11 acres) belonging to the State in that section were—not sold, as our short-sighted New Zealand authorities sold the land traversed by our railroads—but leased to the bank, on terms which left in the possession of the community the increase of value certain to follow the improvements it created. It was done without any oppressive condition against the bank, and the company founded by it—which both did a profitable business. The State became, so to say, a partner of the company, putting in its land against the company's capital. The buildings were valued at 300 marks (£15) per square metre, while the State put in its land at 500 marks, and shared in the profits at the rate of 5 to 3; every surplus beyond $3\frac{1}{2}\%$ being counted as profit. In this way the State has received a yearly rental of 525,000 marks since 1889 for its 8 acres. But that is not all; for, beyond its share, the State obtains another 10% of the net profits made by the company after the $3\frac{1}{2}\%$ and a moderate reserve are deducted, and this 10%, with the accumulating interest, is employed to purchase for the State shares of the company. A yearly lottery determines the numbers, which have to be given up for this purpose at par. In the year 1900, the State had thus obtained shares to the amount of 223,000 marks. Finally, since 1899, the State has the right of purchasing the remaining shares at a price not under 110% and not above 150% (from 22 to 30 shillings per pound). It is calculated that without paying out a single penny the State will own the whole property within 50 or 60 years. The *Deutsche Volksstimme*, from whose 2nd August number of 1900 I extract the above information, says that this system, which thus rescued the land from private speculation and made it subserve the public interest, has in no way hurt the development of the Hamburg free port; nor have buildings of inferior value been constructed on the leased ground. On the contrary, the buildings, constructed on plans approved by the State, are of a superior quality, and the company has not found the least difficulty in obtaining mortgages. Eight million marks have been borrowed in this way on a building value of about double the amount. The dividend has been 5% of the capital invested, which in Germany is considered quite satisfactory.

Contrast with such far-seeing Policy that practised in Australasia

where the State as good as gave away the land of the people to enrich private speculators. When we hear of £750 a foot frontage paid in Sydney, in 1900, for land opposite the Post Office—land once belonging to the people, and sold for a trifle—we cannot understand how our legislators can waste their time on idle personalities and party squabbles instead of setting their heart to right so grievous a wrong, or at least trying their best to stop the further waste of the public domain. Daily, hourly the same misdeeds are perpetrated before our eyes. Millions created by the people's sweat are allowed to swell the wealth of a few rich men. A single walk through one of our colonial cities ought to bring the blush of shame to our legislators' cheeks. In one part of the same they see thousands of people crowded in slums; in another wide fields meet their eyes with cattle grazing, until some speculative land-owner exacts his tribute from workers wishing to erect homes.

Close Buildings

Yet land reformers have been accused that their success would produce close building. Certainly closer building where acres are kept waste by speculating holders, possibly by wills of former owners, dead men who command that the living have to go miles farther out than they want to; so that tramways and buses, water and gas pipes, drains, telephone wires, pavements and side-walks have to be extended without any necessity, thus uselessly doubling municipal rates.^{xxii}

But with equal certainty there will be no such close building anywhere as we now find in our slum districts. Why, the population of Auckland and its environs might easily exist on one-half of the present area, and still every household could be supplied with a building lot of over a third of an acre, after enough space has been reserved for commodious roads and sufficient parks.^{xxiii}

But under common land ownership, when the increase of rental values would flow into the pockets of the community, transit could be established rapid enough to bring the tenth mile from the Post Office nearer than the fourth is at present, for the higher rents of the land thus opened up for suburban dwellings would pay for the outlay. The citizens who want large gardens could thus be suited without requiring more time to reach their place of business. These people could as well as now afford the enjoyment of such gardens and parks. The sacrifice would not be greater, for the rent paid to the community would simply take the place of the interest on the

purchase money of their estates, which they now forego for their private pleasure.

Szegedin and Galveston

Our system is, anyhow, the greatest enemy of safe and hygienic sites for cities. We cannot find a better illustration of this than Szegedin and Galveston. The former became a victim to the floods of the Theiss in 1879, the latter to the waves of the ocean in 1900. For both, better locations could have been found, secure against the recurrence of such catastrophes. But in such an alternative, the landlords would have lost the value of their sites; therefore new houses were built, and cities arose on the old inconvenient locations. In any similar emergency, were the community its own landlord, it would at once condemn the old place, and would select a better position for the new town.

Fanaticism on special Methods kept us back

We should be much farther advanced if it were not for the stubborn zealotry of single-taxers, who insist on their special "ism," oppose all other methods proposed, and thus prove the worst enemies of land restoration. The final answer I usually get from their leaders, when I have driven them into a corner, when they can no more gainsay my arguments, is: "Let this proposal (of compensation) come from the land-owners, not from us!" As if landowners all over the world were not perfectly satisfied with their monopoly! As if they could be expected to initiate land reform of any kind! Many of them will oppose both land nationalisation and the single-tax; but whereas we can get them to meet us halfway on a plan of compensation, they would fight tooth and nail any attempt at confiscation. America had a civil war of four years' duration on less incitement. The proverb says: "Build a golden bridge for your enemy," and it is for us to propose fair means and ways to attain our end; we must not wait for the other side to take the initiative. If they do take it, it will be on the lines of British landlords when they passed.

The Ashbourne Acts

for Ireland, which strengthened landlordism by widening its base, just as our own Land for Settlement Acts have done.

However, even the Ashbourne Acts—although they merely created new land-owners—have rendered a great service by showing how easily compensation can be carried through without costing the people one single penny. We have already seen how the land was paid for by means of the difference between the cheaper in-

terest rate at which the State could obtain the purchase money, and the higher rate at which the rent was capitalised in the land price. In this way, though a reduction of rents to the amount of 25% was allowed, the land is paid for within 46 years. But instead of belonging to the State at that period, through whose good credit the operation had become possible, it was made in favour of certain privileged individuals, besides the former landlords. The tenants who accidentally were in possession at the time of the law became landlords without paying a single penny, by simply continuing to pay their old rent reduced by one-quarter for the next 46 years, unless they preferred to purchase right out at the official valuation. The Times of January 28, 1890, gives the inevitable results. One tenant bought the farm he cultivated at £550, and sold it, subject to the repayment of this sum, for £970. Another farm bought for £538 was sold, subject to the purchase money, for £1,280. One which had fetched £755 was sold by the fortunate tenant who obtained possession of it through the new law, subject to the purchase money, for £1,725. £3,975 profit was made in these three cases; more than three-fold the purchase money was obtained. Those who bought at such onerous terms pay, in the shape of interest, a more burdensome rent than their forerunners, when their state of distress resulted in the legislation which, from oppressed, made them oppressors. It matters little whether the title under which the power of oppression is exercised is that of the landlord or that of the mortgagee, whether the tribute is called rent or interest, whether the oppressor is the nobleman, whose ancestors had conquered the land, or the former tenant, who has been fortunate to enter into possession when the new law passed, and who retires from active work, supported in a town by the new tenant's or mortgaged owner's labour.

The Capitalist the worst Landlord

Experience shows, in fact, that the capitalist usually proves the worst master of the two. When even he disappears from the scene, through the sale of his mortgage, the case becomes more desperate still for the poor mortgaged farmer. As I already pointed out in the case of the French cultivators, the lord who once owned the land had at least some sort of personal connection with his tenants. He probably had been born and brought up in the castle, had known his tenants from childhood, and his exactions were frequently tempered by some kind of feeling, unless he was an absentee landlord who left all powers to his agent. To the Savings Bank which buys the mortgage the question becomes one of mere figures: it is no more a question of one man's relation to his fellow-man who works for him, but that of the impersonal Capital to its

interest. The right of Capital to interest has become such a self-evident one, that anybody who refuses to pay his interest dues is considered as defrauding Capital of its rights. Neither can the Savings Bank be blamed for not granting facilities, as it is merely the agents of others who have brought their savings. The real landlord is yonder poor widow, who has invested her few savings in the bank; or perhaps the farmer's own labourers, who have not the least idea where their interest comes from, and dream not that they are the oppressors of their poor master, who bitterly refers them to his own misery when he refuses to raise their wages.

England has thus shown how compensation can be given without any cost to the taxpayer, but instead of using the system for the nationalisation of the land, she has made it an instrument to strengthen landlordism.

Germany's Land Reform in China

Germany, on the other side, in her Chinese colony, has made a beginning of land nationalisation, though not on the best system. The State buys the land from the original occupiers at a certain price based on the land-tax paid by them, or rather the land-rent, as the soil of China nominally belongs to her Emperor. The land is then sold to the settlers at the market prices resulting from supply and demand. The right of pre-emption is reserved to the State, in case the buyers want to sell at any future time. If the Government makes no use of this right, it demands a tax of 2% on the selling price, and furthermore, one-third of the unearned increment, of the profit made on the original price—of course, taking first account of the improvements made by the owner. This third has to be paid, anyhow, once within 25 years, whether the land changes hands or not. In addition to this, a yearly tax is demanded amounting to 6% of the selling value of the land. This tax cuts off the soil under the feet of land-hoarding speculators, who, besides the interest on their outlay, lose every year as much as 6% of the selling value of the land they leave unused; and, in the best of cases, they have to give up one-third of their final profits. It is understood that the 6% cannot be deducted from the profits from which the State gets her third. As the tax is one of the conditions of the purchase, all the advantages of a land-value tax are reaped by the State without the stigma of confiscation.

A valuable proof as to the progress land reform has made in Germany since the German Land Reform Society was founded, through my instrumentality, in 1888, a time at which the mere idea of land nationalisation was generally ridiculed in the Fatherland, is furnished by one part of the address with which the Government's representative, Contre-Admiral Tirpitz, introduced the

new law in the Reichstag. He put stress on the fact that the financial point of view had stood in the second line only in the motives, which caused the Government to bring forth this law. Better than this, a representative of the "Bund der Landwirthe," the league of the Agrarians, Germany's big landowners not only approved of the law, but would have liked to see the third of the State's share in the profits raised to one-half. The manner in which this progressive law may affect the development of the German colony will be shown when the present political complications are got over. This procedure on the part of a monarchic State throws a strong light on the backwardness of our democratic New Zealand, which purchases the land from its present owners merely to give it away to new landlords.

Our Colonies' suicidal Land Policy

A new colony cannot commit a greater fault than to sell its land; there cannot be a more invidious and dangerous way of raising funds. No money that flows into the public treasury can be more costly. It is selling the nation's birthright for a pottage of lentils. Land is sold right out at a price, which, a number of years later on, would in some cases be willingly paid for a month's or even a week's rent.^{xxiv} If New Zealand had kept its land, the rent by this time could pay for the maintenance of the Government, after taking into account the money obtained for it, with interest added. If the land were the property of the nation its railroads would have been paid over and over again by the increased income from the land in the neighbourhood, and there would be ten times as many railroads as there are. I have already illustrated this in the case of the Manawatu railroad, the cost of which would now be paid by a mere four years' rental income of the land through which it passes.

The State as landowner could run its railroads on quite a different principle from the one now in force. It might adopt the plan on which the owners of American skyscrapers run their lifts—whose free use is given to the public, the increased rent of the offices more than paying for the expense. In the same way the higher rent of the public lands resulting from giving the use of our railways to the public free of charge or at nominal fares freights at cost, would amply pay the running expenses. The same holds good for all other public improvements.

It was a disastrous policy of New Zealand to leave this increment in the possession of private individuals, instead of reserving it for the community. I find the following report in an article of Professor Ruski, of Odessa, Russia:

"The Russian Government shows by its actions how decided it is to prevent the land from becoming an object of speculation. After the construction of the great Siberian railway, it has been often tried to obtain land near the new stations. The Government has refused all offers. However, anyone who enters into the engagement to construct a house and to cultivate the land, or to carry on an industry, can have as much land as he requires, at a moderate rent, for ninety-nine years."

Despotic Russia is doing what democratic New Zealand refused to do when Sir Julius Vogel proposed it as the basis of his railway policy. Who has profited by his defeat in the Legislature? The farmers? Certainly not, for all they want is a low rent, which compensates them for the risks of the pioneer. If this low rent had been secured to them for their, and perhaps for their children's, lifetime, it would have compensated them well for their pioneer work. No, the farmers did not need the unconditional freehold to pay them for their work, but the speculators wanted such rights, and the speculators made fortunes by their victory, for it was they who had defeated Sir Julius Vogel. Many of them, or their children, sit in London and live in luxury on the hard-earned rent paid by New Zealand farmers, and it is immaterial whether this rent is paid on a leasehold or in the shape of interest on purchase money. If this income had gone into the pockets of the community, it would have relieved the farmers of other charges loaded upon them to pay the interest on our railway debt.

This debt would be paid by this time out of the increased value of the land, which was made accessible by the roads, instead of being a perpetual burden on the people, who have to pay heavy interest to bondholders, whereas speculators have pocketed the increment created by the railroads.

Investment of Capital In Land welcomed

Such things could not be if the people at large, and even its most intelligent men, did not wade knee-deep in the mire of ignorance in regard to this subject. How often the leaders of our best editors give expression to joy at being able to signal evidences of outside capital coming in to invest in this colony's lands, and that land values are booming! I wonder whether the poor, down-trodden hind of the Middle Ages rejoiced at the increase of castles, and at the prospect of a new donjon arising on the rocks above his humble roof—a stronghold from which the oppressor's armed minions would soon come forth to demand a heavy tribute in labour and kind; or whether the merchant of those days was happy in the prospect of a new toll-gate arising to bar his road and exact blackmail? What else is it when capital comes here to buy land as

a speculation, and makes money by a rise of values? The money is not given us; it is merely invested in a net with which to catch more, much more than was paid out. The man who pays this money does so merely to exact more from somebody anxious to work the land at some future day, I heard of a Scotch capitalist who, a few years ago, came here for the purpose of investing money in New Zealand land, and who had the chance of being the only bidder at an auction sale where 50,000 acres of land, north of Auckland, were sold. He obtained them at the first bid, at 5 shillings an acre. The man will probably hold the land until he can get at least a pound an acre, perhaps without spending a penny for improvements, unless he allows some of the rent he obtains meanwhile to go towards improving the land to a certain extent. And when he finally gets his pound an acre, when the value of his 50,000 acres has risen from £12,500 to £50,000, our press will rejoice at the country's prosperity exhibited by the increase of its land values. Certainly higher land values are an indication of greater wealth, in the same way in which rank weeds indicate a good soil, but just as we have to extirpate the weeds before we can use the good soil which brought them forth, so the destruction of land values will open the land to the wealth-strewing cornucopia of Ceres.

What good can such an investment do to the colony? The man did not come to stimulate New Zealand production, but to thwart it. If he had not made a bid, nothing would probably have remained to the former speculator—who had to sell for some reason or other—but to let bond-fide settlers have the land at a price, which permitted them to develop it at once. Investments of this kind remind us of certain others made in rifles and pistols by amiable gentlemen who earned a living with such tools on the king's highway. Mere instruments of extortion have been bought in either case, and our editors applaud such banditti operations. Only investments in land, which signify payments for improvements are investments of value to the country, and these are kept back by the other spurious kind.

The Freehold handicaps the Land-user

The more a farmer is forced to spend for the acquisition of the land, the less is left to him for its improvement. De Lavergne, the enemy of peasant proprietorship, speaks of

"That turning aside of capital from the cultivation of the land to its purchase, which is one of the chief vices of our French rural economy."

Unprovided with sufficient capital for improving and cultivating the land, the poor farmer has to take up a mortgage, and when

once this parasite has taken possession of him his destruction is only a question of time.^{xxv}

Lacontext says: "Getting rid of one order of landlords and their rents, they have subjected themselves to another, though invisible order, the mortgagees, and to their heavier and more rigid rents."

The same holds good also for land used for purposes of Residence. The money now paid out to buy the land then will build the houses. House rents are cheaper in England than on the continent, other conditions being similar, because the landlord is satisfied with the interest on the present value of the land, which remains in his possession, while the interest on the continental purchase is paid on a price including the value of the future increment. When Ricardo says with perfect justice: "It follows then that

The Interest of the Landlord Is always opposed to the Interest of every other Class in the Community,"

we must not narrow down the term to the man who holds the title, when the real landlord may be the capitalist who holds a mortgage on the other's land, and who uses him merely as the sponge with which he sucks the life-blood of the land-user. And I repeat: you cannot get at the mortgagee unless you cut at the root—"private landownership." Taxing him is absolutely useless, for he will simply add the amount of the tax to the rate of interest he claims, as has been proved in New Zealand and Switzerland. The case of the people is most hopeful where, as in England, landlord and farmer are usually two different persons, and most hopeless where the cultivator is nominally the owner of the land he works. When a shoemaker is in distress, we are not in the habit of bewailing the fate of the poor land-owners because accidentally some shoemakers own their shops and the land these are on. On the contrary, we are rather inclined to look at the exactions of land-owners as one of the causes from which the trade is suffering; but we are only too apt to pity the landlords in times of agricultural depression. In reality, the interest of the farmer, as such, is entirely separated from that of the land-owner, and the sooner the two are divorced the better it will be for the working partner. Farmers ought to be the most energetic land reformers, for the land is their principal tool, therefore land usury affects them most deeply. It is better for them to lease land than to buy it, for it leaves them more capital for their business, and it is certainly to their advantage to have the rent which they pay anyhow, go into the pockets of the community they are a part of rather than into those of a monopolist.

Laying the Blame at the wrong Door

When a school-boy, I read in our primer of a way snakes have of biting the stick which strikes them, not the man who wields the stick. We need not laugh at the simplicity of the snakes, for we generally act just like them where the landowner is concerned. Take, for instance, reports like the following:

"It is common in parts of London to find a notice, 'Part of a room to let.' The question appears to be fast approaching a climax. It is no longer within the means of working men, earning ordinary labourer's wages, to provide decent house accommodation. Only the other day no fewer than seventeen people were found inhabiting a single room in Camberwell. Among some families in Spitalfields the beds are rented on the eight hour principle, having three different sets of sleepers every twenty-four hours. Such a statement would be incredible were it not well authenticated. The officials of the local authorities do not know what to do. The report affirms that fully a fifth of the total population of London are overcrowded, in spite of the law. That is, 900,000 people are in illegal occupation of rooms. There are nearly 400,000 people living in London in what Mr. Sydney Webb calls 'the soul-destroying conditions of the one-roomed home.' There are 3,000 living eight and more in a room, and 9,000 living seven and more in a room, and there are over 26,000 living six and more in a room. In describing some of the cellar dwellings in London, the report tells of a number of children who took turns at keeping awake to keep rats off the others. It is horrible. Yet this is a civilised country, and this is the end of the marvellous nineteenth century.

"In this crushing and crowding for room to live the property sweater scores at every point."

This is the conclusion usually reached. The owners of these tenement or slum houses are the usurers at whose door the whole blame lies. Not often do we find the real source of the evil indicated as in this case, where the *People's Journal*, Dundee continuing its comment on the Bethnal Green Vestry's report, says:

"The cry of 'No room to live' is another form of the everlasting land question. The slum landlord gets all the benefit"

Attack the System, not those who profit by it

I do not want this looked at in the light of an attack on the landowning speculators. I am attacking the right of private landownership, not the landowners, whom I think in their full right to invest their money as they please, and who are fully justified in their business transactions, even if they are sincere land reformers. So also with opponents of our gold currency if they elect to

buy gold shares. One might as well reproach the socialist Bebel with having been an employer of labour. On the contrary, we should be justified in doubting the good faith of the land reformer, who professes that under existing laws land offers the most remunerative and the only safe investment, and who, notwithstanding, places his money in industrial enterprises which he asserts to be superlatively hazardous.

When I myself was accused on these grounds I used to tell the story of the dog trained to fetch the meat from the butcher. Once upon a time, half-a-dozen other dogs attacked him, and forced him to put the basket down. He defended the meat against his enemies as well as he could; but when he saw that he could not prevail, he took his share. My forbearing from buying land would not make it common property, would not give it back to its rightful owners, the people; but would simply cause another to buy it in my stead. Nor would the leaving my capital to my banker without interest prevent him from taking interest for it from those who borrow it from him. I should simply increase the power of others to defend the present system, while weakening my means of assailing it.

In an article on Tom L. Johnston, one of the foremost single-taxers in the United States, Louis F. Post, the able editor of the *Public*, takes the same stand:

"If in his business dealings he may at any time have been accused of resorting to the arts of the monopolist, that is because he makes a clear distinction between things as they are and as they ought to be. Whoever would be rich in these days must resort to the arts of the monopolist. No successful businessman is free of that taint. The real issue is not whether a man is a monopolist or tries to be one, but whether he tries to perpetuate the conditions and institutions that make the arts of the monopolists prime conditions of business success. On this issue Johnston's skirts are clear. He realises that with things as they are a veritable car of juggernaut is passing over the writhing masses of mankind, crushing them under its ponderous bulk. He knows that this ought not to be, and he appeals to the people to stop it. He offers to help them stop it. He endeavours to stop it. But he refuses to be crushed. 'So long as you allow this infamy,' he exclaims, 'I shall try to get a place on the car instead of under the wheels; but I will help you to abolish the whole thing.'

"He has got a place on the car, a comfortable one as such places go; but from this point of vantage he is doing all that one man can to hinder its murderous progress. In his business life, that is, Johnston takes advantage of conditions, as they are to make money. But he does not fool his own conscience, nor insult the intelligence of his generation, by pretending that the industrial

conditions which foster fortunes so made are beneficent. He knows the conditions are foul, he knows why they are foul, he denounces them as foul, and in all his civic relations, whether as office-holder, politician, agitator, or simple voter, he does what he can to abolish them.

"His attitude in this respect may be best illustrated by an answer he once gave in Congress: 'As far as I am personally concerned I am a thorough-going monopolist, and would be willing, outside of this hall, to take advantage of any of the bad laws that you put upon the statute-books; but I will not defend them here.'

"That declaration describes Johnston exactly. In business he is a monopolist; but unlike the other great monopolists, he does not carry his business interests into his political life."

It is here, I think, that social democrats are committing their most grievous mistakes. It is true that the employer is the sponge which sycks up the profit, the greater value (Mehrerwerth, as Marx calls it) of labour's product, but only to yield it to the rent and interest lords, as well as to the middle-men, who together press it out of him as quick as he gets it, barely leaving him on the average the hard earnings of his own work, and, what is worse, taking the power from him of increasing production to its full potentiality. Stirring up the workers against their employers unnecessarily creates bad feeling on both sides, and thus prevents both parties from getting at the full truth, and then combining their forces in the attack upon the real enemy.

Which is the best policy? To attack the man whose footstep has involuntarily started an avalanche, or to try to protect the valley from such curse? But even those who sent the wanderer on his journey are as guiltless as the poor fellow who himself was buried by the avalanche. Through circumstances over which they had no control, through ignorance, habit, prejudice, descent, education, the land and money lords have become the innocent wheels in a machine, which crushes millions beneath its rollers. As a general thing, they imagine that they accomplish a social duty in interlocking their cogs, well greased, into those of the other wheels of the machine. Even the voluntary retirement of the single wheel cannot stop the working of the mechanism, because at once other wheels would automatically take its place.

Let us fight with all our power against the evil, and, if we are victorious, the evil-doer will disappear. I do not think that anybody ever expressed this sentiment more forcibly than my old friend and co-worker, A. J. Ogilvy, when he wrote the following article in the columns of *Land and Labour* (June, 1900):

"GREED.—This is a protest against the habit, too common amongst us, of charging this and that exploitation of the workers

to greed: the greed of the landed, the monied, or other privileged or powerful class.

"Greedy people, of course, there are in these as in all classes, but in no one class more than another; and these wholesale charges recoil upon ourselves, doing perhaps more harm than all the arguments and influence of our opponents put together.

"For even with the greedy ones it is not greed that makes them do the things we denounce, but mistaken ideas as to their rights, backed up by the teachings of a false political economy, and confirmed by immemorial custom behind and universal practice all round.

"It is not greed, but fair honest business, to try to get the full market value (i.e., the best price going) for whatever we have to sell, lend or let, and to give no more than the market value for whatever we have to buy, borrow, or hire, so long as we believe honestly in our right to dispose of or to acquire it. No one blames the farmer for taking advantage of bad harvests to ask the abnormally high price going for his grain, and this notwithstanding that the high price means a pinch to the poor; for scarcity means that there is not enough to go round, and so someone must go short in any case, whatever the price, and the high price actually works for good by compelling care and economy in the use, and so making the scant supply spread wider or last longer; and high prices at one time are but fair compensation for low prices at another, and for risk at all times.

"Also if he thinks the price likely to rise still higher, he is quite justified in holding on for the expected rise so long as he does not deliberately try to force the price up by 'cornering'; by producing an artificial scarcity on top of the genuine one. The same thing holds true with the merchant in regard to his goods, and the worker in regard to his labour. It is only careless indifference or weakness of character to let your commodity go for less than its market value. If you want to be benevolent or public-spirited, you can be so more effectively by insisting on your full price and righteously applying the proceeds than by letting your goods or services go cheap, which rarely benefits the right person.

"Now what we have to realise is that the landlord, in trying to get the most rent, the money-lender the highest interest, and the employer the most work done at the smallest cost, is acting on the same ordinary accepted business principles as the farmer in regard to his grain, the merchant his goods, and the labourer his service; and not only does he honestly believe that he has the same right to do this, but so also do the public generally, including even the very people who suffer: the land-user, the money-borrower, and the employee, who conversely and very properly tries to get the

highest wages he can. Each believes that a thing is worth what it will fetch, and that this 'worth'—this market value—can only be ascertained by the 'higgling' of the markets; that the owner of the thing has the full right to get it without exposing himself to accusation of greed. If the whole idea is a mistake, it is a universal (or almost universal) mistake, and no class in particular is to be blamed for it.

"These hasty and sweeping accusations of greed not only exasperate the accused, and set them determinedly against us, when many of them are good men open to conviction if only fairly approached; but they arouse indignation and opposition in the tens of thousands of honest men who do not belong to the classes attacked, but are their friends and neighbours, and who, knowing that this attack is unjust, set us down as violent fanatics, whose arguments are not worth serious attention.

"I meant to have illustrated my argument by applying it to particular cases, such as the withholding of building sites, the extortionate demands for allotment rents, and even that crime of crimes, the highland clearances (if that can be called a crime which is atrocious only in its nature, and not in any criminal intent of the perpetrators), and to show in each case how special and specious arguments, even of disinterested economists, helped to delude the doers of the wrong acts, in the belief not only that they were strictly within their rights, but often (especially in regard to the worst of all, the clearances) that they were really acting for the public good; but space forbids.

"But there are two other causes at work, besides mistaken ideas as to rights, which if they do not create, at any rate intensify the evils we deplore:

"1. That in regard to sweating; the sweater in most cases is himself sweated, and driven to sweat others in his struggles to keep his own head above water. If he is not directly sweated by extortionate rent, crushing interest or insufficient salary, he is sweated by that terrible cut-throat trade competition that cuts profits down to the quick, and makes ordinary business something like the struggles of drowning men, each pulling the other down in his attempt to keep himself up.

"2. The other cause, less commonly noticed, is the delegation of responsibility and consequent loss of the sense of it, due to the growth of Joint Stock Companies. Enterprises are now carried on on so large a scale that they are fast passing out of the hands of the old 'Captain of Industry,' the single specially gifted organiser and owner of enterprise, and are falling into the hands of a multitude of obscure shareholders who leave the management of the affairs to directors, who being in turn mere paid agents, consider

they have no right to be magnanimous with the property of their employers, or to consider nice questions of ethics, but are bound to carry out strict business principles to the bitter end; while their employers, the shareholders, consider that the whole responsibility of the business is on the shoulders of the directors, and look merely for their dividends, never asking inconvenient questions as to how the dividends are got. They are mere sleeping partners, absolutely asleep so far as the management is concerned, only waking up now and again when dividends fall to make spasmodic inquiry as to the cause of the fall; never as to the strict equity of the source. You may hear complaints from them that such and such an officer is inefficient, never that he is under-paid or over-worked (unless it involves a risk to their interests), or that such-and-such requisites might be procured elsewhere; never that the extra cheapness elsewhere is due to sweating.

"Which of us, indeed, even amongst the loudest declaimers against Greed, has not insured his life or his property, or invested savings at interest? And yet how many of us have ever paused to reflect how it comes that our insurance is assured, our premium is as low as it is, and how the interest on our savings accrues? If we did, it might begin to dawn upon us that our insurance and our interest are due to the Insurance Co. and the Savings Bank, both acting consistently on the strict business principles of getting everything in the cheapest and disposing of it in the dearest market; taking every advantage the market offers of scarcity of goods, scarcity of money, scarcity of employment; conduct which, quite natural and legitimate in itself, and actually for the public good amongst a really free people, does under existing conditions of monopoly of natural resources exhibit itself as sweating.

"So long as natural resources are made an article of commerce, to be bought up by the rich, granted to or withheld from us at their pleasure, and used as an 'investment' to exact tribute from the workers, so long will the naturally boundless field of employment be artificially restricted, and more workers be seeking work than work offering for workers; and so long will the evils we deplore follow inevitably, competition for employment forcing down wages and lengthening hours. It is the institution which is at fault, not the people who happen to represent it for the moment. Let us cease, then, hurling baseless and exasperating accusations against these, and attack the institution only."

Other Aspects of the Land Problem

I should say much more here upon this great subject of land reform. I have not even touched upon any but the direct effects of private land-ownership produced by the mere withholding of our

mother earth from fellow-beings who famish without it. I have not discussed the most important relation of rent to interest, as one of its progenitors, nor have I done more than merely indicate the part Land's indestructibility plays in the building and maintaining of wealth concentrations, and their effect on employment. These aspects of the great problem can only be approached after other social factors have been duly considered. Our next step will be to investigate the nature and the influence of one of these factors, equivalent—by many regarded as superior—in importance to Land: Money.

ⁱ In the chapter on "Socialism" I shall treat the question whether I have the right to call the present position of our workers a miserable one in the absolute meaning of the word "misery"; but there cannot be the shadow of a doubt that I may speak of "relative misery" when our latent productive power supplies the standard of comparison.

ⁱⁱ Christ's admonition to the rich man: "Go and sell that thou hast and give to the poor" is still preached by some sincere social reformers of our time; though the same men would never advise a soldier to throw away his gun and fight without arms. To make any headway with the reform work in our days, the sinews of war are more necessary than ever, and far from reproaching philanthropists with making money in whatever honest way they can, and then using their means to forward reform, we ought to be glad to see them acquire more room to their elbows for the good work. (See more on this subject at the close of next chapter.)

ⁱⁱⁱ If I remember right, he had not answered my letter.

^{iv} The minutes of the Congress have been published under the title "Congrès International pour la Reforme Agraire et Sociale," by the Librairie de "La Revue Socialiste," 8 Rue des Martyrs, 1899; with a rectification, dated October 1, 1889; both signed by A. Toubeau, General Secretary of the Congress. (The English translation is mine.)

^v See, for instance, the report of the Sutherland clearances in *Land Nationalisation*, by Alfred Russel Wallace.

^{vi} I cannot abstain from quoting the opinion of my old friend, A. J. Ogilvy of Tasmania, on this subject, put forth in his usual concise and eloquent way: "But, - we are told, - you forget the land hunger. Man naturally craves for the absolute ownership of the soil he tills, and without it loses half the stimulus to exertion. He wants to sit under his own vine and fig-tree.

"Here are three statements rolled into one. Take the last first. He wants to sit under his own vine and fig-tree.

"True; and the result of your system of absolute ownership is that ninety-nine men out of one hundred can get no vine or fig-tree to sit under, and the hundredth finds that the vine and fig-tree under which he sits are not his but his landlord's, who charges him heavily for the privilege, and

this even though he has planted the tree himself, and watered it with the sweat of his toil.

"Year by year, all over the civilised world, the ownership of the land is passing out of the hands of the occupier. One man rears the fruit, another stretches his hand and takes it. The very institution, which you defend as securing to the producer the full value of his produce is the institution that compels him to part with it.

"How comes this?

"Because the unearned increment, though certain, is deferred, and falls, therefore, to him who can afford to wait, and who accordingly lies in wait.

"Sooner or later the day comes when a mortgage has to be redeemed, or death brings the property into the market, and then the man of large and independent means, who does not mind getting a low rate of interest for a while in consideration of large profits hereafter, easily outbids the working owner, who has to earn his living, and must have quick returns.

"Thus it is that not only is the rich non-occupying owner fast superseding the poorer working owner, but the large non-occupying owners are also eating up the small ones, and the tendency of the times is for the whole land of the country to pass gradually into the hands of a few enormously rich people.

"We have not got into this second stage yet out here, but we are well on into the first. And so inevitably and steadily land is coming to belong, not to him who has the best right to it, not to him who wants it most, not to him who will put it to the most productive use, or even to any use at all, but to him who can afford to give most for it for the mere purpose of squeezing other people.

"You offer the name, but you cannot confer the reality. We withhold the name, but guarantee the reality.

"For what is the land hunger?

"It is the natural craving for a permanent home, and for the fruits of our labour; and we guarantee both these; you do not.

"The natural desire of a man is for a dwelling which he can regard as his home for so long as he chooses to dwell in it; for a piece of land which he can cultivate and build upon and improve as his interest or fancy may dictate without the fear of a notice to quit, and the certainty that when he quits of his own accord he can realise the full value of his improvements at the time of his retiring.

"If you say further that all these things shall be his own, you are conferring no further privilege. You are only summing up the privileges already enumerated in a compact, sweet-sounding phrase.

"That he shall possess his home so long as he chooses to dwell in it, his land so long as he chooses to till it, this is the land hunger. But to want to own the land without using it, to leave and yet retain the ownership for

the mere purpose of preventing other people from using it except on payment, this is not the land hunger at all.

"Directly a man has lost the desire to dwell in his home and till his land, and wants to go elsewhere and live on the rent, he has lost the land hunger, and retains only the ordinary desire to make money.

"Therefore, when under these circumstances we require him to give up the land, securing to him the value of his improvements, we violate no craving of his nature; we only take from him what he has ceased to value, the land; and allow him the one thing he continues to value—his money—to invest elsewhere.

"Further, it is the nature and not the extent of the occupancy that satisfies the land hunger. A home and land enough to afford employment are all that is wanted for the purpose.

"The Irishman's poor cabin is as much his home to him as the duke's palace is to him; and an acre or two satisfies the craving to be working for oneself as thoroughly as 1,000 acres would. Therefore so long as we leave a man land enough to provide him full employment, much more when we leave him enough to employ many hired servants, we may take, at a valuation, the broad acres on which he merely runs his flocks without jar-ring any legitimate feeling."

^{vii} "It is a favourite dogma of some reformers that all the evils of the present day would be got rid of by what they term 'free trade in land.' They seem to think that if all obstacles to the sale and purchase of land were abolished, if entails of all kinds were forbidden, and the conveyance of land made as cheap and expeditious as it might easily be, the obstacle that now exists to the growth of a body of peasant proprietors would be got rid of. This notion appears to me to be one of the greatest of all delusions. The real obstacle to peasant proprietorship or small yeoman farmers in this country is the land hunger of the rich, who are constantly seeking to extend their possessions, partly because land is considered the securest of all investments, and which, though paying a small average interest, affords many chances of great profits, but mainly on account of the political power, the exercise of authority, and widespread social influence it carries with it. The number of individuals of great wealth in this country is enormous, and owing to the diminution of the more reckless forms of extravagance, many of them live far below their incomes, and employ the surplus in extending their estates. The probabilities are that men of this stamp are increasing, and will increase, and the system of free trade in land would serve chiefly to afford them the means of an unlimited gratification of their great passion." (*Studies Scientific and Social*, by Alfred Russel Wallace.)

^{viii} The number of people paying an income tax in New Zealand is only 5,600. The stamp tax does not affect the majority of the people to any noticeable extent; but let us put one quarter of the £860,000 of 1899 to their charge. The land tax does not count for them either, as there is a

£500 exemption, and the majority does not reach this limit. What the citizen spends for the use of the railways, as little as gas and water rates, or tramway fares, or money spent for the purchase of goods, can count as a tax. Of the custom duties, amounting to £2,042,002 in 1899, we have to deduct £825,408 for alcoholic liquors, for tobacco in its different forms, for opium, and for parcels post, which, strangely enough, figures under this heading. The balance of £1,216,596, to which we have to add £215,000 for the stamp tax, gives us a charge of £1 16s. per head of population per year, or about 11/6 penny a day. If we include alcohol and tobacco we reach twopence a day, excise duties included.

^{ix} Though rent, as a rule, is not included in price, it is always included in the proceeds. An acre of land, which produces 50 bushels where the margin of cultivation produces only 20 bushels per acre, yields 30 bushels rent; while the price of each bushel is determined by what a bushel has cost at the margin of cultivation, and this does not include rent. The proceeds of the 50 bushels certainly include rent to the amount of 30 bushels.

^x As J. R. M'Culloch says in his preface to Ricardo's works: the theory generally associated with Ricardo's name was first advanced by Dr. Anderson in 1777, then by Malthus and Sir Edw. West.

^{xi} It is almost unnecessary to observe that rent is an income, whether this income is paid to the landlord by another party or whether it forms part of the benefit he draws from his personal use of the land.

^{xii} The same holds good in every single case where, through a shifting of rates on unimproved land values, the tax on the land is raised more than is taken off from the improvements

^{xiii} Since I wrote this, I have read that Dr. William Clarke published an article in the *Contemporary Review* of December, 1900, in which he predicts that England will gradually be turned into the pleasure domain of the world's aristocracy and plutocracy. The population, which did not emigrate would serve as their flunkies and shopkeepers.

^{xiv} Sport may not have been the only cause for this anomaly. The landlord was perhaps afraid that allotments would render the labourers too independent, so that farmers would have to pay higher wages, and thus be unable to afford as much rent.

^{xv} My friend, A. J. Ogilvy, of Tasmania, one of the finest intellects in the Southern hemisphere, in an article written for *Land and Labour* (August, 1900) gave seven reasons for withholding land, of which I here quote the last three, as those which would not be affected by a mere land tax. I have already given one of these in the text, but Mr. Ogilvy's terse expressions and happy illustrations can only be of additional help in elucidating an important truth:

(5) Business withholding. Most people are under the impression that it is the more productive use of the land that brings the highest rent, and so that high rents enforce productive use. This is a great mistake. A small

product which a man can keep all to himself is more to him than a much larger product which he must share with many other people. Under existing conditions the labouring man is regarded by the landlord, by the employer, and too often by the economist, as a mere expense to be kept down; his wages being regarded as the cost of the product (to the country as well as to the employer), instead of what it really is, his share of the product (whether paid out of the product or advanced beforehand is immaterial).

Suppose the owner of 100 fertile acres, putting his land down to grass, can make it yield £1,000 in meat, without any expensive wages, he himself doing what little work is required, thus clearly he can keep all that £1,000 to himself. If he bought manures and machinery, and employed labour to cultivate that land, it would probably yield twice as much —£2,000—in produce of some sort; but he would have to pay away at least three-fourths of it in wages and purchases, leaving him only £500. It is his interest, then, to have the land put to the less productive use, even if he lets it to a tenant, for the tenant can then pay him a higher rent for the same reason that he could have made the higher profit. So the production of the land is reduced to half, the manure and machinery remain unsold or unproduced, and labourers unemployed; wages have to be reduced, business profits (of the manure and machinery producers) cut down, and the struggle for existence of the workers all round made more grievous. This (if you will take the trouble to trace it out) is one of the commonest sources of land withholding, and one of the most difficult to meet so long as the relations of land, labour, and capital remain as they are. Mere land taxation will not touch it so far as I can see.

(6) Autocratic withholding. This is when an owner withholds his land from the superior use required of it, notwithstanding that he does so at a distinct loss, because he prefers some other gratification from the land to that of money-making. The commonest form of this is in land withheld for sport, chiefly in deer forests. A single deer forest is sometimes as large as a county, and though it is on the whole very inferior land, it always contains considerable tracts of land, not only quite fit for cultivation and home-making, but that have actually been so used from time immemorial till the occupants were cleared out to make way for the deer. True it is that the land-owner often clears them away, not for his own sport, but for his own profit, i.e., for the higher rent offered by a rich landless sportsman than the workers could give for mere permission to live by their own labour in that spot. But this does not in the least affect the fact that the land is withheld from productive use by the poor, merely to afford sport to the rich, whether they be the actual land-owners or not. Practically, it is the landless capitalist who, by his higher offer, is the real cause of the eviction. The case is another example of the point made by the Socialist, that for purposes of practical reform it is impossible, or useless, to distinguish between the landlord and the capitalist.

(7) *Lordship*. I know cases in which a land-owner persists in holding his land, although he knows that the rent he receives, or the occupying profit he makes, is less than the interest of the money he could get if he sold, so that he remains poorer than he need be. Yet he refuses to sell even a part to a more efficient man, or for a more efficient purpose, because he cannot bear the idea of diminishing his sense of lordship over a large area, or many dependents.

^{xvi} Dr. Alfred Russel Wallace, in "Land Nationalisation," gives the letter of a landlord named Langhorne Burton to a Wesleyan minister who asked that religious services, which had been conducted by him, and interdicted by the landlord, might be resumed. I extract the following passage: "The result (of the non-resumption of the services) would probably be the removal from Bay-Enderby of all the members of your body, who are of little value as tenants. I wish to have as tenants *none*" (these italics are his own) "but thorough Church people, and consider myself at liberty to choose such as I like without being dictated to by anybody."

Mr. J. West, of Bradford-on-Avon, writes to the Echo: "A titled landlord in Warwickshire has enforced upon his tenants an agreement, the last clause of which runs as follows: 'The tenant agrees to have his children properly vaccinated at the usual age, and not to raise any conscientious objection to the same.'" Could tyranny go farther than this? Such is the omnipotence of landlordism in this country that people are not allowed to avail themselves of their statutory rights, but must, at the whim of landlords, have the health and life of their children crushed out under that superstition—"vaccination." It is difficult to conceive upon what grounds a landlord has the right to dictate to his tenants any special kind of medical treatment, any more than he has the right to dictate the kind of food they shall eat, or the clothes they shall wear. How long will the people of this so-called free country endure to have this superstitious medical fad thrust upon them by various devices?

The following item from Passaic, New Jersey, might show Mr. West that employers are sometimes as great despots as landlords:—

"There was a lively time at the American Tobacco Company's works to-day (April 11, 1901), when the 350 girls employed therein heard they would have to be vaccinated because two employees had died of small-pox. The girls vehemently objected; some fainted, others went into hysterics, and a general rebellion ensued. About 200 tried to escape from the building, but all exits were blocked. Several girls fought the police, who were called in, and they had to be led screaming, struggling, and kicking to the surgeons. The greatest excitement prevailed, and all work was

suspended. At one time the girls threatened to set fire to the establishment if they were not let out. By night, however, they were all subdued, and everyone of them had been vaccinated."

Under the title "Conscience Owners," the Beacon of Melbourne gives this instructive little tale:—"The following is an idyll from Fletching, a little village in Sussex, where Lord Sheffield exercises his mild sway: On the death of the vicar a large number of the villagers—men of the Low Church—came to the conclusion that his most acceptable successor would be the zealous and popular curate whom they had known for eighteen months. Accordingly, the people's churchwarden had the audacity to 'approach' Lord Sheffield with a humble request that he would receive a petition 'on behalf of a clergyman whom they would like to have as vicar.' To this Lord Sheffield graciously replied that he would 'give the petition all the attention and consideration it will deserve.' The petition on behalf of the curate was duly signed by 275 persons, and submitted. The sequel was astounding. Lord Sheffield appears to have charged the promoters of the petition with 'serious misrepresentations'—the suggestion being that they had encouraged the belief that he approved the candidate on whose behalf the petition was drawn. Nor was that all. Many of the signatories were Lord Sheffield's work-people and tenants. They were promptly served with notices to quit, the notices being followed by a private inquisition into the circumstances surrounding the petition. The villagers, it seems, ate the requisite humble pie, and the notices were withdrawn.'

^{xvii} In Peru and in Egypt part of the soil was distributed to the soldiers. Dodurus says: "This was done to give a solid basis to their patriotism. It is absurd to confide the public safety to those who have nothing in the country worth the trouble of fighting for." (Ch. Letourneau, *Property: Its Origin and Development*, p. 145.)

The famous passage from Pliny's writings where he describes the fate of Rome's soldiers, who did not own a square foot of land, as worse than that of the wild beasts which have their lair, applies to Great Britain's soldiers who fight for a country in whose soil most of them have no part whatever, while their present foes (in Africa) are endowed with the strength of Antaeus through being in continual touch with their own soil.

^{xviii} In fact, the case of the watch is much harder, for the temporary owner might have bought it in good faith; but everyone is bound to know that the land of this earth has been created for all men by its Maker.

^{xix} So has reaction, the revolution backward. The following passage taken from Macaulay's "History of England," Chapter II., shows to members of the English Liberty and Property Defence League—a league of drones formed for the defence of the liberty of exacting tributes from the land-using workers and of the property wrested from the people, the land—that their party supplied a very valuable precedent how to treat vested rights, even where founded on cash payment. Their own actions in the past

have deprived them of their strongest defence against plans of confiscation.

Single-taxers may point out to them of how little value they accounted the right based on honest purchase, how it was they who first in England made use of Henry George's argument that the owner of stolen property has the right to take possession of it without any compensation wherever he finds it, never mind what consideration has been given by the actual possessor.

"Property all over the kingdom was again changing hands. The national sales (under Cromwell) not having been confirmed by Act of Parliament, were regarded by the tribunals as nullities. The bishops, the deans, the chapters, the Royalist nobility and gentry re-entered their confiscated estates, and ejected even purchasers who had given fair prices."

^{xx} If there were no other way but confiscation to obtain land restoration, I should agree with Proudhon when he said that if he had to shoot 100 innocent men to save 10,000, he would give the order to have them shot. I should agree even if I were one of the hundred; but fortunately, there is an alternative in our case.

^{xxi} If this tax had been collected from the actual value of the land as it ought to have been, its proceeds would have redeemed England's public debt, if the debt had been contracted in such a case

^{xxii} In this way most of Auckland's suburbs cannot afford to pay for public water-supply and drainage. If the speculators' open spaces were built upon the increased number of inhabitants, or the reduced area of the suburb, would lessen the cost of such public works sufficiently to at once permit their installation.

^{xxiii} I calculate that about 10,000 households now exist on an area of 10,000 acres, or about 16 square miles. Taking off as much as 1,500 acres from half this area for roads, parks and public buildings, the remaining 3,300 acres would give over one-third of an acre, or a building lot of 70 ft. by 300 ft. to each household.

^{xxiv} This sounds like exaggeration, but only to those who never paid any attention to the subject. As an illustration take one case of many from a West Australian single tax paper. Taxation, of August 1, 1900: "*An Object Lesson*.—Five years or so ago the Government sold a block of land in Kalgoorlie for the sum of £40. They had this land in trust for the present and future generations, and, like the man of old, they sold the people's heritage for a mess of pottage. The other week this same piece of land was leased for a term of ten years at a weekly rental of £40, and in addition to paying as much every week as the Government received altogether, the leaseholder has to put improvements on to the extent of £6,000, which at the end of his term he leaves to the landlord. As a proof that the leaseholder is not paying more for this natural opportunity than it is worth, the gentleman

who supplied us with the information said he offered the same rent, and was prepared to-morrow to give the man who is paying £40 per week the sum of £1,000 on his bargain. Nine men out of every ten will tell you that this piece of land ought not to have been sold. What has made this particular piece of land so valuable? The people of Kalgoorlie in particular, and the people of West Australia in general. Who should receive this increased value in the shape of higher rents?"

^{xxv} I know a poor man now earning a hard bread by canvassing who came to this country with £4,000, a capital with which he might have made a fortune on leased land; but he bought a farm for the money and had to borrow capital to work it by giving two mortgages on his land, amounting to £2,600. At the next crisis a mortgage was foreclosed; all he possessed just paid his debts, and he was turned loose upon the world, a ruined man.