

CHAPTER V.

Carrying through the Reform.

There are three ways of carrying through the great reform :—1. By confiscation of the land. 2. By purchase. 3. By a mixture of both systems.

Confiscation a bad Policy.

Confiscation may have two forms :—1. Direct confiscation. 2. Indirect confiscation through taxation. The choice between the two would be that given to the rabbit, whether it preferred to be cooked in white or in black sauce. The objection that it did not want to be cooked at all was considered out of order. I think it is always honest to call things by their names, and though it may sound better to style oneself a single taxman, a land-confiscator would be more honest ; for there can be no doubt, and Henry George the great leader of single taxmen, fairly acknowledges it in his writings, that to take rent by taxation is an equivalent to taking the land. As I desire to keep to my plan of not unnecessarily repeating what others have said better than I could, I refer the reader to "The Land for the People," by Charles Wicksteed (London, William Reeves,), who to my great surprise has adduced some of the same arguments I used in my German book three years before his work was written. I have not much to add to this excellent book, which no one who takes an interest in this great question ought to fail to read. I do not believe in confiscation, at least not for England and the European continent, for the same reasons which caused Mr. Wicksteed's opposition to it. I believe that honest purchase is not only the best policy ; but that it is the cheapest in the end. It is carried through fastest and therefore will be more apt to benefit

the living generation than any other method. I believe that it would have cost a good deal less to buy out the southern slaveholders than to go to war, and finally to pay at least three times as much as the purchase of all the slaves would have cost. One might say, that slaveholders would not have submitted to being bought out, and the war would have been unavoidable in any case. This is possible; but it would be no excuse for not making the experiment. I would not in the least object to confiscate the land of all those landlords who would not submit to being bought out, if the law were once passed. I would even go further and advocate the insertion of a clause in the law to the effect that compensation is only to be given to those landlords, who leave off all opposition after this bill has been adopted by the House of Commons; while those who continue to fight it, be it by trying to raise opposition in the House of Lords, or in any other way, should lose all claims to compensation.

Here are my reasons for such a rigorous proposal. There can be no question as to the origin of English landlordism. It was an undisguised robbery of the people and English land legislation has been a continuation of this robbery. But that does not give us a right to call the present landlords robbers. They may plead that a wrong which had been tolerated so long, had at least got the semblance of a right. If their forefathers had wronged the people, this wrong had been allowed to last such a time, that they had every right to suppose that the nation did not object to landlordism, as otherwise it would certainly have made an end of it before. There would be no excuse in pleading the want of power, for there was at least one period of English history when the power of king and nobles was completely broken and when the people might have resumed their rights, if they had thought fit to do so. Excepting a comparatively small number of Levellers, who held some very advanced ideas on this subject the great body of the English nation in the time of the Commonwealth did not dream of such a thing. We find the best proof of the fact that public opinion was not at all prepared for the idea of land resumption in the system introduced in the United States by the Pilgrim Fathers and others. What William the Conqueror had done to their forefathers, they did to the poor

Indians. They robbed them of their land, and took it into private possession in a much more thorough manner than under the Norman system of feudal tenure, which at least kept up the right of resumption by the Crown, a right which though gradually falling into desuetude is still formally existent. No such mitigating feature existed in the system adopted in the new country. An absolute right of possession to use or abuse was given. On both sides of the ocean landlords can claim that they hold their land by a right, which, though unjustifiable in the base it rests on, can certainly claim the acknowledgment of centuries of direct or tacit toleration. "If we have not learnt anything which could be useful to us in earning our bread," landlords might plead, "it was not our fault. It was with your connivance that we grew up in the belief that those rights you want to take from us, belonged to us to all eternity. You ought to compensate us in some way, if all of a sudden you have changed your mind, especially as a great many of us have undertaken heavy responsibilities to mortgagees and others on the faith of our old and undisputed possessions." I should be very much mistaken in the temper of the English people if such an appeal passed unheard. The feeling of esteem for vested rights is inborn in the nature of the average Englishman, so much so, that it may be considered as a national element of strength, which, however, under certain circumstances may prove to be a source of weakness. If through this feeling England has escaped the shock of continual revolutions and counter revolutions, under which their passionate and changeable neighbours on the other side of the channel have for a century past been suffering, she has also missed an opportunity of improving the lot of the masses, such as did not recur for two centuries and a half. If the Long Parliament had confiscated or resumed the lands of all the rebels against the national will, it would have got possession of a greater part of the English, Scottish, and Irish land. If this land had never been given away again, but had been leased out by the nation to those who wanted to cultivate it, while the rent obtained from it had been employed to buy out the remaining landlords, England would to-day be the paradise of the world, and the school of real liberty for humanity. France in following

her in the revolutionary career more than a century later would not have committed the folly of selling the lands she confiscated from her nobility, but by keeping them for the people would have laid the foundation of social prosperity, such as would have preserved her from that continual discontent of the masses, which in vain tries to find the cure of the evils, pushing them to one revolution after another, by manufacturing new constitutions by the dozen, forgetting that only a social reform can afford the lasting remedy for which the people are pining in vain.

In spite of its drawbacks, the conservative feeling inherent in the average English breast is so estimable a factor of sound national progress, that even temporary disadvantages ought not to induce us to slight it. Compensation, therefore, has much to recommend it ; but even the most conservative need not go as far as the Long Parliament did, when it left their lands to the repenting cavaliers. After a vote of the House of Commons, in favour of land-nationalisation, (which certainly could not be obtained without an agitation of great magnitude), the questions of right and wrong of landlordism would be fully ventilated to the heart's content of all who have ears to hear and eyes to read. For those who wanted to continue a wrong which at last had been recognised as such by the majority of the nation, there would be no more excuse to slight a principle which from an ethical truth—never successfully disputed by any body who had the courage to look truth in the face—had advanced into a measure practically adopted by the majority of Englishmen. Those who opposed the nation's decision after such an unmistakable proof of the general recognition of a universal truth would have forfeited every claim to compensation, especially as their opposition would endanger the public peace, if the people, through not being able to overcome the resistance of the House of Lords and perhaps of the Crown, would have to take refuge in the ultima ratio of revolutionary proceedings.

Decrease of the Interest Rate will hasten Redemption.

Compensation would be easier even than Mr. Wicksteed thinks. He makes out a table showing that by calculating

on a yearly increase of rent amounting to 2 per cent, the land will be paid for in 40 years, and 2 per cent, according to his showing was the yearly increase during the last 40 years. I think, we can safely say, that the increase will be much faster in the reform time, when agriculture and industry are no longer handicapped by the increasing weight of landlordism and its effects, as I have shown in the last chapter; but another much more important element, the decrease of interest, is left out of consideration by Mr. Wicksteed, though he is one of the few land-nationalisers who have clearly seen that interest will disappear with private rent. As it is impossible to foresee, in what ratio interest will go down during the time required for redeeming the bonds issued for the land, it is not easy to calculate the exact number of years, by which the saving of interest would shorten the period required for this purpose. If rent did not increase at all this saving alone if it averaged 2 per cent during the whole period, would redeem the bonds in 40 years. I think, the saving would average rather more than less, if we take Mr. Wicksteed's assumption that land-owners receive 30 years purchase, so that 3 one-third per cent will be the rate at which rent is capitalized.

At present landvalues offer an elastic reservoir for the spurious capital yearly accumulating through compound interest. When the value of land in the United Kingdom, including mines, urban land, railroad land, and ports is estimated at a yearly rental of 150 millions, its capital value at 3 one-third per cent would be 4500 millions; at 2 per cent, it would be 7500 millions. In the United Kingdom the effect on the capital market of this rise through the decrease of interest would not be so sensible, because the greater part of the land is bound by entail and therefore is not saleable; but the same cause produces the same effects everywhere and in countries where land is freely saleable, as in France, for instance, the effect of capital accumulation by forcing down interest raises the multiplier by which the capital value of land is computed from rent, and landvalues rise proportionately. We thus see that the very cause, which forces down the rate of interest, the accumulation of spurious capital looking for investment, increases the spurious

capital offering itself for investment. As no doubt land-nationalisation in one country will soon be followed by the same system in the others, we shall at an early period have a rigid enclosure put round the rubber reservoir of spurious capital, *i.e.* of landvalues, which under present circumstances expands with the new capital looking out for investment in it. The future increase of spurious capital, will either have to change into real capital, by investing in business enterprises, or will have to compete for the limited amount of spurious, but safe investments. The greater the fortune of a spurious capitalist, the less will he be inclined to choose the former method ; for the faculties of supervision are limited and the larger the capital invested in business enterprises, the greater will be the risk. Under present circumstances the descendants of a Rothschild, who by his financial genius has founded the colossal fortune of his family might be the most stupid fellows, but that fact would not prevent them from getting richer every year, if only they keep to the traditions of their house which enjoin them to invest in spurious capital and to shun the real. After the disappearance of spurious capital all this will change. Large capitalists like these would be the last to risk their fortunes in business investments. They would rather pay it into the government bank and leave it there without interest, and they would do well ; for when real capital pays no interest, but only yields a risk premium, this premium will mostly be paid by them to smaller investors, who are better qualified to watch their investments. Whatever these gain, they will lose. It would be no advantage to them, if they turned their fortunes into gold and kept it to raise its purchasing power by diminishing its quantity in the market. Independently of the reasons given in the second chapter, the risk and expense of storage might finally be greater than the profit realised in spending their gold. It is only on what they spend for consumption, that they could profit at all, for if they wanted to sell their gold in larger quantities, they would force down prices. They certainly could not create any difficulties in the circulation, for real metal is not needed for this purpose. The treasury notes of the State will be just as good as actual gold, in as much as the income of the State is greater than her expenses enabling her to get in more gold than

she pays out, or in other words freeing her from the necessity of paying out any gold at all, as clearinghouse operations will always be in her favour. Even in the worst case the profit made by capitalists in increasing the purchasing power of their savings will never have the effect of their present tribute rights. They are only effective at the moment of consumption, whereas the danger of present tribute rights consists in their not being exercised consumptively but being only used for the purpose of a further accumulation. Hoarding gold therefore never can have the effect of proving an obstacle to production.

The deposits in the State treasury or State bank will not remain idle there. They will be lent out to workers without any risk to the community. Credit insurance companies will take this risk. They will spring up all over the country, probably on a co-operative basis. Borrowers will get their insurance policies from them, as they now do from fire, life and other insurances. The rate of insurance will depend on the risk likely to be run. A temperate, industrious workman will pay a lower premium than one who is less trustworthy in this respect. There will be an excellent element of education in this, as the social standing of a man will come to be rated in accordance with his insurance premiums, and as intemperate people will rate lower than abstainers, there will be a strong inducement for them to practice temperance so as to get a better rating, and thus not only to save money, but to rise on the social ladder. The State bank will give the money free of charge on presentation of the policies. If it is not paid back at the end of the year, or if a new policy is not presented to replace that which has expired, the Insurance Company will have to pay the State, and try to get reimbursement from the insured.

We have seen now that when spurious capital has disappeared from the market, the great capitalists will rather deposit their money without interest than risk it in business, but of course as long as there exist investments in spurious capital, they will eagerly compete for them with the natural consequence of raising their price or in other words forcing down their rate of interest. If interest is going down even to-day, when the elastic reservoir of spurious capital, mostly represented by land, is offering an expanding store-room, how

fast will the decrease be, when once that store-room is closed for ever through land-nationalisation, or rather when its walls have lost their expanding power, so that there is no more room for the new capitals created by compound interest! If, therefore, I estimate at 2 per cent the average saving of interest made by the State within the time needed to pay back the debt, I think I have kept within the bounds of reality. In this way the land debt could be paid back within 40 years, even if there were no rise of rent at all during that period; but as the rise will not only be as fast as it is now but much faster, when as I have shown in the last chapter, the increasing prosperity of the land users will enable them to make higher bids for land, I think, I may safely say that in 25 years not only the land would be paid for, but even the present debt as well would be redeemed. Three or four years of the increased national rental would do **this**.

Compensation preferable to Confiscation.

The absence of interest will be an important moment in appeasing those who do not want to incur eternal national obligations towards the successors of generations of drones fed for centuries from the national exchequer and by the sweat of hard working tenants and labourers. The whole financial operation would be over, all would be paid off long before the advocates of confiscation could hope to carry through their plans, especially if the confiscation is to be a gradual one by a successive increase of the ground tax. They think such a process less painful, as did the man who, wishing to cut his dog's tail off, only cut a small piece every day, so as to hurt the poor beast as little as possible. The tail at least did not grow during the cutting operation, but rent will, for the effects of land taxation would certainly be in the direction of increasing rents. George shows this very clearly himself, when he maintains that any tax, which is taken off will increase rent, rent being always the highest price obtainable for the use of land through the competition of workers, who can pay a higher price when they have no other taxes to pay, than when taxation reduces their rent paying capacity. For this reason I am not over enthusiastic

over the plan of taxing ground rents, unless the proceeds are to be used for the purpose of buying the land for the people; for if they are to be employed solely to take off other taxes or rates, landlords will recoup themselves in raised rent for what they have lost in taxes.

If a tenant pays £100 rent and £30 rates he will have to pay £130 rent when the landlord pays the rates, and if he does not because his lease has yet to run for a certain time, there are £30 put into his pocket, which any body else would willingly pay, as it is not the landlord, but supply and demand which fixes rents. An individual would get the entire benefit of a good law, which ought to benefit the public. It is only in its effects on unused land, that taxation of ground rents would benefit tenants, for this land would be thrown into the market and would force down rents as the landlords could no longer afford to keep it idle, when heavy rates have to be paid from it. A tax on land differs in one important particular from all other taxes. Whereas these increase the price of the goods they are imposed upon, a tax on land decreases the price of land and renders it more accessible to those who want to use it.

For the same reason Herbert V. Mill's plans, of which I gave a short outline in Chapter III., would only help to raise rent, if his intention of relieving the parishes from the poor tax was carried out. Rents would rise in proportion and the parties mostly benefited would be the landlords. If I approve of his plans it is chiefly, because I would not reduce the poor taxes one penny, but would use the economies made to purchase land for the nation. The first condition for the carrying through of this or any other plan of reform must be a general appraisement of land values all over the country and the passing of a law empowering the State or the County Councils to purchase the land at this valuation at any future time, only taking account of the improvements which increase the value. If this was not done all the advantages obtained through the reforms would in the last resort benefit the land owners by increasing the value of their land, and thus raising the price the nation would have to pay for it. If we have been fools in the past, this ought not to mean that we are to continue so in the

future. If we have been crazy enough to allow dogs in the manger to swallow all the benefits accruing from any improvement due to the workers of the nation, we ought to act more sensibly from the moment the great truth has dawned upon us, that the land belongs to the people. No sane man will then listen to the proposal of making a present to Irish tenants of the advantages to be reaped from the use of imperial credit. "Neither the landlord, nor the tenant, but the whole people" will be the cry, not the fortification of landlordism by creating a greater number of landlords. By going back to the system of peasant-proprietorship, which has produced such bad results wherever it has been tried, capitalist landlordism through division by inheritance, sale, mortgaging and any other process of disintegration, becomes simply inevitable!"

I do not depreciate the help of ground rent taxation, or the reimposition of the four shillings in the pound. All such laws, if they can be carried, will force down the selling value of land and hasten the day of full redemption. Inheritance taxes might further help to bring on that much desired time. The wave of prosperity for the people will not have to wait till then, for the effect of the reform will be felt almost immediately, and will be more marked from year to year. First of all large public enterprises undertaken by the nation, the pauper system advocated by Mill, and small land allotments given to cultivators with the additional help of a loan of the small capital required by them for their start * would soon do away

* The fact I have before me in two forms. The first is supplied by Mr. Sidney Smith:

"The parish of Cholesbury, in Buckinghamshire, was entirely occupied by two large farmers. Fertile, populous, within forty miles of the metropolis, its cultivators, notwithstanding, fell behind. There were 139 inhabitants in the parish, but only two had an inch of the soil. Was not this civilisation run mad? Was it not a glaring and staring evidence of the monstrous abuse of the principle of private property that only one man out of 69 tillers of the ground should have exclusive occupation of the earth, which God made common to all, and the appropriation of which can only be tolerated upon the clearest proof of public advantage? What was the consequence of this *beau ideal* of politico-economical arrangement? Simply this: out of the 139 inhabitants 119 were paupers. The

with the army of the unemployed and by taking away the dead weight which their competition puts upon the active workers, would soon enable the latter to get higher wages. Gradually the effects which we are entitled to expect from the reduction of the large incomes and of the deficit between production and consumption, will come into play, even if other nations do not follow suit immediately. In this case interest would decrease more slowly, and the disappearance of the capitalist's blackmail would not be as fast, because capital could emigrate.

Emigration of Capital, a Bugbear.

This emigration of capital is one of those terrible bugbears which ignorant or malevolent journalists and public speakers are in the habit of presenting to workmen, whenever these latter see fit to present their demands for a greater share in the produce of their work. Let us see what capital can really emigrate. The real? Very little of it can get away at all and only a small part will ever dream of doing so, because

land monopolists became bankrupt, the parson got no tithes, the landlords' acres were in rapid course of being eaten up with rates, and the whole property of the parish, being unable to feed the inhabitants, a rate in aid had to be levied on the neighbouring parishes, which were rapidly degenerating into the same state. The Labourers' Friend Society came to the rescue. They leased the land at a fair rent. They parcelled it out among the very worst class of persons upon whose habits to hazard the result of such an experiment. Some got five, some ten acres, according to the size of their families; and what was the effect? At the end of four years the number of paupers had diminished from 119 to five, and these were persons disabled from old age or disease. These once paupers could now afford to pay a rate in aid of the neighbouring parishes—and it was found that every one of them was in a state of independence and comfort; each had a cow, many two or three, to which some added a horse, others some oxen ready for the market, and all had pigs and poultry in abundance. No experiment could be more conclusive than this. Persons once degraded to the condition of paupers lose self-respect, the love of independence, the spirit of self-help."

I have before me a copy of a letter from the Rev. H. P. Jestin, the rector of the parish, too long to give here entire. He says that for the previous ten years the poor-rates had been 30s. in the pound; and that this amount brought the parish to wreck. The

it would almost entirely lose its value. Houses, factories, wharves, mines and the like cannot emigrate at all. Machines can only do so to a very limited extent, because their removal would be so expensive that a great part of their value would be lost. This loss would be certain, whereas the possible gain arising from working them with less obstreperous labour would be very problematical in these times of universal workingmen's manifestations. Goods and gold could leave ; but the very thing workers want, is to have the surplus of goods out of the way, to enable them to go to work and produce new stock, which soon would bring back the money that had emigrated. All the workers want is to be allowed to produce wealth, and capitalists cannot take away with them what they require for this purpose, viz., land and natural opportunities. Even if they could take away all the machines in the country, the hands of the British workman would soon have made others. In a very short time there would be more wealth in the country than had left it. No, the exodus of real capital will never harm the workers, if natural opportunities are open to them, if the land, the soil of their country is restored to them, and this soil cannot be taken away. Landlords have

gates were removed from the fields, the hedges allowed to be broken down, and the land thrown out of cultivation, that it should not be rated. Previously the land was let at 13s. an acre, the landlord guaranteeing a maximum amount of rates. In those days, the tenant, when he went to the rent audit, had to carry a lot of money away instead of leaving any. Of course an end of such a state of things soon came. The landlord was without rent, and the parson without tithe, and the farmers bankrupt and gone. But when the monopoly system had brought all things to chaos the remedy came. The paupers had to rescue the land from barrenness, the landlord and parson from ruin, and redeem themselves. And nobly they did it all. The land was divided up amongst them, not at 13s. an acre though, the price the farmers paid, but at 26s., just double ! However, the rates quickly went down from 30s. to 3s. ! The parson got his tithes, and the landlord his rent, and the people food, the produce of the land. For ten years after not a single pauper thus raised to independence committed any offence to bring him before a magistrate. They were all changed at once from paupers into decent people, tax-payers, law-abiding men. And the clergyman wrote, "*there is not a ragged, ill-dressed person in the parish !*"

to leave behind this source of spurious capital. An exportation of the spurious capital, therefore, is nothing but the expatriation of tribute rights derived from the possession of things which cannot be taken away, but must remain in the country. The annulling of such rights would of course do away with their exportation. This alone would be sufficient to show the idleness of the exportation threat. As long as the workers have it in their power to prevent any injurious actions of capitalists by holding the confiscation sword over them, they need not be afraid of them. *Salus populi suprema lex*. If exportation of tribute rights should prove an obstacle to peaceable reform, such exportation would have to be prohibited. Exportation of spurious capital would entail its confiscation. What did the French emigrants take with them a hundred years ago? A few jewels and a little gold which they could secrete about their persons, was all. The great bulk of their fortunes had to remain behind. What would it have helped them, if their title—or mortgage—deeds had been taken with them? They were just so much waste paper, if the rights they conveyed were no further recognised. Real capital is too heavy to fly away, and spurious capital is like a kite. It depends altogether on the goodwill of the string-holder. Land and other monopoly values are the strings of the kite, "spurious capital." By their means it can always be brought back to its starting place, or if the string is cut, will fall down a worthless bit of paper, and henceforth cease to be a kite, as long as the connexion with the string is not renewed.

But confiscation is not needed to prevent the exportation of spurious capital; let it go away, it will not do harm long. Even if other countries did not follow England's example, the withdrawal of English land from the capital market, the substitution of government bonds, of an unchangeable field of investment for an expanding one will have a certain effect on the capital market of the world. Such an important change in the international field of investments, as the withdrawal of English land values would certainly tend to lower the rate of interest to a certain extent, and thus provide a fund for the redemption of the government bonds. Their gradual withdrawal and the yearly decrease of the spurious capital of the

world would further force down interest and quicken the redemption of government bonds. If meanwhile the increasing national income from the land—increasing even if rent does not rise, because the interest debt rapidly decreases—was partly used for public improvements, giving work to the unemployed, and thus enabling workers to force up wages, immense progress could be made in bettering the position of workers, especially if we take into account the effect of the impulse given to agriculture through the opening of natural opportunities. If other nations after this would not follow England in a reform which thus ensures the prosperity of the people, they would be blind, or their workers would be devoid of all energy.

We can hardly suppose this, but even if we did, the effect of the reform on England would be almost the same. Spurious capital would have disappeared from within her borders in any case, or what would remain of it would not be based on English tribute rights, but on those of foreigners. This would harm the latter, and thus would hasten their social revolution; but it would affect England only so far as to prevent real interest from disappearing, as long as spurious interest could be obtained from foreigners.

I have already shown, in the second chapter, how impossible it is for real capital and real interest to create the unnatural prohibition of work, which spurious capital has to answer for, and I have also shown that it is impossible to accumulate large fortunes in real capital. But can there not arise a deficiency of real capital in England, if capitalists prefer to export their savings, for the purpose of investing them in the securer spurious capital of foreign countries? Is it so certain that there is greater security? America will, perhaps, carry through the great reform before England, and it is not every other people that possesses the law-abiding spirit of the English. Socialists on the continent of Europe do not, and their numbers are rapidly increasing, so that if things have their course the time will soon come when they will form the overwhelming majority. What security is there for a continuance of the present state of things, if these multitudes, who form the armies which are to restrain them, once get it clearly fixed in their heads, that their masters have nothing

else wherewith to coerce them but their own arms, and if by common consent, by one of these epidemics reigning in the spiritual empire as well as in the physical, all at the same time refuse obedience to their officers, when commanded to fire on their brethren, as they did in the French Revolution? But we do not even have to wait for a revolution; we have seen that the laws of arithmetic are fighting against the continuance of the present state of things, and if revolution will not put an end to it, bankruptcy will. Productive work cannot keep up with the magic power of compound-interest figures. Before another doubling of these figures takes place, the inevitable general crash will have come. Where will be the security of foreign investments in such a case? If foreign investments are becoming more doubtful, from year to year, the very opposite would take place with English real capital investments after land-nationalisation. The absence of spurious capital means, that capitalists are no longer able to accumulate tribute-rights to any extent. Real interest cannot accumulate beyond a certain limit, the same limit, to which spurious interest is subject, the solvency of the debtor. The only difference is, that if the debtor of spurious interest fails, the creditor gets possession of something, by which he can force others to take the place of the ruined man. If the interest on a mortgage is not paid, the land on which this debt is secured is sold to anybody, on the condition that he is to undertake the obligations of the ruined predecessor, including the outstanding interest. If the rent of a farm is not paid, the improvements made by the tenant or his personal property will have to make up for it. The next tenant who steps into his shoes will pay the back rent by reimbursing these improvements or this property either in cash or by a higher rent.

It is entirely different with real interest. If a manufacturer fails his creditors who have not secured their claim by a mortgage on the land on which the factory stands, at the valuation based on the rent which anybody would pay who needed the land, even if the factory had to be pulled down, i.e., the creditors, not secured by spurious capital but by the real, will have nothing left, save what the machines and the building will fetch in the market, unless they want to run

the risk of continuing the business themselves, or of renting the stock to somebody else, in which cases the likelihood, nay on the average even the certainty will be, that they lose every penny of their investment. At a sale of this kind generally not a quarter of cost is obtained, and the creditor has very little left.

What makes investments of this kind so insecure? It is the state of business brought about by the effects of capital accumulations. After land nationalisation these accumulations are no longer possible in the country, which carries it through; business consequently will improve, failure will diminish, real investments will become securer. This would seem to make accumulations again possible, and so it may, but only to a certain extent, as otherwise they would again injure business and in consequence, losing their security would become reduced again. In this way there would be a natural adjustment, preventing the recurrence of the present state of things. If capitalists could no longer interfere with the free exchange between production and consumption, because any such interference would destroy their capital, and thus immediately remove the obstruction, labour would hold the balance of power. Wherever a capitalist loses, through the sale of a failing factory, labour will be bound to win, being able to buy the tools of production cheaper. The capitalist has no use for them unless somebody works with them, and the workers will be able to make their own terms. Gradually the workers would be able to save as much capital as they need to carry on their work. They would be more and more independent of the great capitalists, and with this growing independence their purchasing power would increase and business would improve. With improving business the risk inherent to commercial enterprises would diminish and capital would look out more and more for real home investments instead of spurious foreign ones. The small capitalists, especially, would rather invest at home, where they can better watch their investments than abroad. A tradesman would rather lend his savings to another tradesman, whom he knows and whose business he can watch than look out for foreign investments. This used to be the general case in times gone by, when state-loans were almost unknown and

land held by feudal tenure offered only a small field of investment. Capitalists then used to lend their capital to merchants and tradesmen who had any use for them and whom they thought they could trust. (According to Adam Smith business men in Holland borrowed at three per cent in the last century). These times would come back again. Even those investments which were made in foreign countries, would not do any harm. To export real capital, work would have to be employed to produce it, certainly not a very appalling prospect in a time when over-production and want of employment are the reigning complaints.

But supposing that our great *capitalists exported gold* instead of goods? Let us suppose they did, which might happen, if instead of getting in their foreign interest tribute they not only invested it anew there, but continued to invest in the same way all the interest income collected from the British government for their bonds. Let us suppose that in spite of the superiority of English industry, the high wages paid would diminish exports to such a degree, that the increased home production of food stuffs would not make up for them and that the balance of trade would be against England to the full extent of the wealth exported by the great capitalists to pay for their interest.

In this case the gold would soon be drained from the country and would be at a premium. England would for the time have a paper currency. This paper money would not be less good than it is to-day, the State being responsible for it and the State would be richer than to-day, as she would own the whole land of the country with a continually diminishing debt on it. There would be no difficulty to keep the paper floating, for it is only when its circulation exceeds the demand for a circulating medium that it flows back into the coffers of the bank. What would it matter if gold was at a premium? It would rather have a beneficial effect on the relations between labour and capital, for a depreciating currency hurts the creditor and benefits the debtor; nor would it in the least interfere with production and consumption, with the purchasing power of wages. Prices of goods and wages might be depreciated if measured by the gold standard, but their mutual relation would not change, as the depreciation would

be the same. Both would be lower than in countries with a gold currency, and this fact would stimulate exports so, that the final result would be that the gold premium would only rise high enough to increase exports sufficiently to cover the requirements of the exporting capitalists. Gradually, as the bonds of the latter were becoming redeemed, their exports would decrease until finally these creditors after being paid off, would disappear altogether from the home market. All this time their influence may have diminished the amount of wealth enjoyed by the total of English workers, but it certainly would not have interfered between production and consumption in England. Their interference in this direction would have been entirely exerted on foreign producers, and by thus hastening there the process of capital accumulation, would have precipitated the catastrophe in those countries. They would have done their share in bringing about international reform and international disappearance of spurious capital. It is then that real interest would follow spurious interest and that the full effects of the great reform would be felt the world over.

The Case in New Countries.

We have now seen how easy it will be to carry out land-nationalisation by giving full compensation to landlords. I think that this would decidedly be the plan for old countries, where landlordism is an old and deeply rooted disease, inherited through generations, of which all those whom it infects, the oppressors and the oppressed, are the innocent bearers. The case may be different altogether in new countries, where the living generation of landlords is partly responsible for the growth of the evil. It will be different in a country like the United States, in which millions of acres have been acquired by present owners or by their fathers in the most reprehensible ways, either by fraud, or by lobbying, by railroad jobbery, or any other of the different methods by which uncle Sam got swindled out of his inheritance, till in a country large enough to accommodate and feed the whole population of our earth, with only 65 millions inhabiting the country, people talk of over-population because every particle of available space has been taken hold of by greedy landsharks*

* An immense continent, large enough to accommodate the whole

Or in a country like Australia, where a landowning minority influenced the law-making machinery and cleverly managed it in their own interest, so as to facilitate their getting a hold on the inheritance of future generations.

In such countries single-taxism may perhaps prove to be a better system than compensation, though even this is doubt-

population of this earth, has been squandered to enrich a few thousand speculators. There is not a square foot of land worth the having which is not appropriated, and that for the most part by men who never had and never will have the slightest idea of cultivating it. The immigrant farmer vainly looks out for land, which he can cultivate without paying some landshark for the privilege. W. A. Phillips in "Labour, Land and Law," gives extracts of official statistics for 1880, according to which more than one fourth of the farms in the United States are held by tenants and as this includes on the average mostly the larger sized farms, the proportion of the territory taken up will be much more pernicious. It is very probable that by this time as much as half the farm land of the United States is in the hands of rackrenting landlordism. But even this does not give the full extent of the evil which a false system of landownership has entailed on the United States. Of 7,670,493 persons engaged in agriculture, only 670,944 can be said to actually cultivate the soil they own; 804,522 do part of the work on their farms; 1,024,601 pay rent to persons not cultivating the soil; 1,508,828 are capitalists or speculating owners, who own the soil and employ labourers. The rest consists of labourers and employés. We may safely say that not one tenth of the improved land is actually worked by its owners. And even this does not give the full truth, for it leaves the mortgage indebtedness out of the question. Phillips estimates that not less than 40 per cent. of the farmers owe interest to the full amount of the rental value. How much of the land after this can be really considered as cultivated by peasant proprietors, a class the land-laws intended to foster? If we take into account the cumulative effect of capitalism we can feel sure that if the present state of things lasted, if George and his friends did not begin to wake the people to a sense of the danger they are running, less than 50 years would elapse before a free peasant proprietor would be as rare a thing in the United States as in England. The Duke of Sutherland, the largest landholder in Great Britain already owns 425,000 acres in the United States; the Marquis of Tweeddale 1,750,000 acres, etc. And what did the State get for the patrimony of the people, which has thus been given away? The total amount received for public lands up to and including 1884 was not more than 230, 285, 892, dols.

ful. In the United States it has been customary to make land support the expenses of government. It is only since the war has loaded the country with a heavy debt, that the custom duties have to bear the greatest part of the public burden. Every landbuyer knew, or ought to have known, that such a method of supporting the expenses of the State was only a temporary one and that the time might arrive when land would have to take heavier burdens. In old countries, where only fixed taxes are levied from land, the capitalised value of these taxes is taken into account when land is bought or sold. They are no longer a tax, but a certain part of the land value may be considered as belonging to the State, as is clearly understood by anybody who buys land. A new tax on land is considered as an increase of the State's share, for which a compensation is due to the landowner. When in Prussia the land-tax was extended to the lands of a certain part of the nobility, which had been freed from it, the landlords got a compensation to the amount of the capitalised value of the tax. This was in 1865 and 20 times the amount of the tax was paid. This does not prevent at present the same landlords from agitating for a removal of this very tax which they got paid for, or rather for having it applied to local purposes and thus to be relieved from a corresponding amount of local taxation.

Important Objection against the Single Tax.

This is one of the great objections to a tax. It never will present to the mind of the people the unmistakeable impression of common ownership; it will leave to a certain degree the idea of private ownership. The tax will be considered a burden on rightful owners, a burden which they will always

It will thus be seen that the total proceeds of the sale of half a continent amounted to less than one year's revenue of the government in the years 1882, 1883, or 1884. If we consider that the time will come when the rental income of the United States will be ten times, nay a hundred times as great as now, we are forced to arrive at the result, that the government has bartered away the people's land for the future income of a single week. Verily the lentil business transacted by Esau was a thrifty speculation by the side of this!

do all in their power to lighten or to remove, as they have done in times past whenever their influence on legislation has allowed them to do so. Are we perfectly sure that such a case could never happen in the time of the single tax? Can we be so confident that it will be impossible for the great body of landholders, much greater than to-day, who will always wield a certain influence, to get some kind of legislation passed, which will alleviate the burdens put on them? There is a natural sympathy with people who petition against taxation. A tax has become a very unpopular thing and the great philosophical truth which underlies the principle of the single tax may not always remain so clear and generally understood as it will be to the generation which carries it to victory. Even great truths need continual freshening up, or people, who have not got the time to make a special study of such subjects as embody these truths, will be very apt to forget them. The history of almost any abuse under which we are suffering will furnish the proof of this. The tyranny of the most absolute ruler was originally nothing but the leadership of a patriarch or of a hero. The teacher gradually became the governing and stake erecting priest. The head of the clan became the landlord who now has the power to drive into exile the descendants of those who were his equals in possession. As times passed the people forgot the origin of rights which are nothing but legalised usurpation, legalised by the usurpers. "Now arose a new king over Egypt, which knew not Joseph." We might add "and a new people which did not know the rights Joseph had enjoyed." All history lies in this. And not only do the ignorant people forget the origin of their slavery, but men of the highest intelligence champion the perpetuation of wrongs on the ground of their great antiquity. In the article of Mr. Huxley which I have already referred to, the great scientist invokes "a statute of limitation" for certain past wrongs.

"There is nothing more fatal to nobility of personal character than the nursing of the feeling of revenge; nothing more clearly indicates a barbarous state of society than the carrying on of a vendetta, generation after generation 'Must immer thun wie neugeboren,' is the best of maxims for the guidance of the life of states, no less than that of individuals," SAYS MR. HUXLEY.

I REPLIED:—"I think I am of as forgiving a nature as Mr. Huxley.

If I ever should meet a man whose great-grandfather had killed mine, I do not think this would prevent my enjoying his society in the least, and even inviting him to my house. But if not only the children of the ancestor in question had acted similarly with those of mine, if even the gentleman in my presence himself was to my certain knowledge quietly preparing to put an end to my mortal life, I do not think that I would vote for a statute of limitation limiting my revenge, but not limiting his murderous proceedings, nor do I believe that I would carry personal nobility so far as to invite the gentleman to dinner. If anybody robbed my great-grandfather of some goods produced by his labour, it would be wrong if I wanted to make his innocent grandchild responsible for the action. Human productions are perishable, and ten to one the object in question is no more in existence, would be no more in existence if my great-grandfather had kept it. But supposing the object not only was of an imperishable nature, but its possession was a condition of life and death, not only for my ancestor, but for me, that whoever holds it has it in his power to murder me, as it gave our friend's grandfather the power to murder mine, and supposing that I felt sure of this power being exercised on me as it was exercised on my grandfather, does Mr. Huxley really think that I ought to carry the nobility of personal character so far as to quietly leave the gentleman in possession of the object in question?

"Well, land is exactly a thing of this description. The man who owns it has got certain rights over the life of his fellowmen, the extent of which can go and very often goes to the taking of this life. Or can it perhaps be denied that the perpetrators of the Sutherland clearances were downright murderers, though they did nothing but what the law allowed them to do and even to this day allows every landlord to do? The man who starves in a London slum, is he not murdered by the landlord who drove him or the man who took his place from the land?"

When we see men like Mr. Huxley stand up for a wrong, because it is an old one, I become frightened at the idea, first of seeing the masses forget the origin of the single tax, and next of having men of ability prove to them that their drifting back into the old abuses took from them the right to reform those abuses. Could there be anything more popular, more engrafted in men's methods of thought than the principle, that land belonged to all and that no individual owner had the right to deprive the people of their inheritance, was among the old Germanic nations? Did this prevent their descendants all but forgetting that there ever was a time when land was common property? None of our forefathers would have

thought that the time could ever come, when words like these would need to be written by a learned man :

"In general it seems, that when we speak of land property, that it can only exist under one form, the one which we see in force among us. This is a profound and regrettable error, which prevents us from rising to a higher conception of right. The exclusive, personal and transferable dominion, applied to land is a comparatively very new conception and during a very long time men have only known and practised common ownership. . . . The right of full property applied to land is a very young institution ; it has always been an exceptional phenomenon."

It is Emile de Lavaley from whom I quote these words.

This is the reason that I like to call a thing by its name. If land is common property and the periodical payments for the use of a piece of property is called "rent," or hire, it is well to use these words, which clearly show the mutual relation between the people as landowner and the landusers. They are not likely to lose their real meaning in the course of centuries, as the word "tax" might, which is open to completely different interpretations. The fundamental difference is, that a tax is levied for the purpose of supplying public necessities, a very elastic conception, whereas rent is claimed as a remuneration corresponding to the value put on the use of the object in question by the laws of supply and demand. It is only as a means to an end in view, that I can approve of the single tax idea. If the constitutional habits of the United States allow the collection of all taxes on land, the introduction of the single tax may be a very good method to enable the State to get back the land at reasonable prices ; but a real nationalisation of land could only be carried out by the final resumption of land possession by the State.

Other Objections against the Single Tax.

There are grave objections to the confiscation by way of the single tax, even in the United States. I need only adduce the mortgage question. It is all very well to tell the farmer, that he will gain more through his liberation from personal taxes and taxes on improvements, as well as from protective duties, than he loses through the single tax, especially as it will fall for the most part upon unused land ; but this will not prevent his land losing almost the whole of its selling value. In fact if it did

not take away the selling value of the bare land after leaving a trifle for the collection of the tax, the single tax would not answer as a means of reform; for it is only when we remove the source of spurious capital with private rent that we can really expect the full effects of the reform. If land loses its selling value, mortgages lose their security. The George men do not deny this, and in fact it is just this effect of the reform which I think most important. They usually answer, that, as the reform will not be carried out immediately, mortgagees will have ample time to demand payment for their outstanding debts. There is no doubt of that and I am perfectly confident, that one of the immediate effects of the single tax movement, after people begin to believe in its final success, will be the general calling in of mortgages. The consequence must be that nine tenths of American farmers will be bankrupts; for they will not be able to repay their creditors, and the forced sale of their farms will throw these with all their improvements and probably even with their personal property into the hands of the mortgagees. The independant farmer will become a poor tenant or an agricultural labourer.

Another feature of the single tax plan does not seem to me very practical. The tax is to be taken out of the *selling value of the land*. Mr. Post explains the manner, in which the system will operate, in the *Standard*. The whole rental value is to be taxed away excepting a small per centage sufficient to pay the landlord for the trouble of collection, say 10 per cent. Supposing the selling value of a piece of land to be 2,000 dollars, this system, according to Mr. Post, would make its rental value to be 100. He seems to think, that there is a law of nature which says that the rental value has to be five per cent of the selling value; for otherwise he would have to find out two things, instead of one. Whereas we only have to find out the rent offered in the market, by those who want to rent land, Mr. Post has also to find the rate of interest at which rent is capitalised, in order to get at the market value of land, which is nothing but the capitalisation of rent at the rate of interest paid in the market at the time and in the locality. This rate varies in the United States, as everywhere else. It gets higher the further you go west. Unless Mr. Post knows very

exactly how much in each case this rate is to be, he will get into the greatest difficulties. In the article mentioned, he says, that if we leave ten dollars to the landowner, the state will collect a tax of 90 dollars. This would reduce the market value of the property to 200 dollars, of which 45 per cent has to be taken in taxation. Now, let us suppose, says he, that the market value will rise to 250 dollars. In this case, the state would get 112.50 and the owner would keep 12.50. Now, let us suppose, say I, that the rate of interest has gone down to four per cent, which would put the value of our land at 250, though the rental value has not increased. If the State now takes 112.50, the land owner not only gets nothing for his trouble, but has to pay from his pocket 12.50. He is a loser, because the tax-collector does not know, that the rate of interest has changed, and is calculating on five per cent, when only four per cent was earned. The State will have to be well informed in regard to the rate of interest, as well as to the market price of land, whereas if she only collects the rental value, she has merely to find out by supply and demand how much this will be, thus having one operation, instead of two, of equal difficulty. I should very much have liked to discuss this point with Mr. Post in the columns of the *Standard*; but a previous experience had taught me, that Mr. Post does not publish any objections, which he cannot answer. A letter which I had written him about some false theories of his, in regard to the interest question, has gone into the waste-basket, a proceeding which I did not think very consistent in the editor of a paper, which is bravely fighting against economical lies. He ought to be the last man to shirk from discussing a truth, or acknowledging it, if it is brought home to him in an unanswerable way.

There would be no absolute need to give up the tax system altogether, even if we preferred the simple method of rental values to the roundabout way of selling values. Anybody who wanted land could make his offer to the authorities of the locality. The average of a certain number of such offers would determine the amount of the tax, and all such land owners as were unwilling to pay it, would have the right to offer the land to the State at a corresponding rental. The State

would either have to rent it at the rate, subletting it to the party who wanted it, or she would have to reduce the tax. The tax in this case would be nothing but another name for rent. As long as the occupier of a piece of land is willing to pay the tax which others are ready to pay, he can keep it; if he finds it too high, he must give it up. His improvements will be credited to him according to a valuation. As I have said before, I believe in calling a thing by its real name, and for this reason I prefer complete land nationalisation to the single tax system.

Fear of Corruption.

I am not afraid of corruption, or of putting too great a power into the hands of the State and thus endangering public liberty. As for corruption, I am convinced that two potent factors in its present production will be absent in the time of reform.

The one is that where an honest way of making a living is just as easy as a dishonest one, people will prefer to be honest. The social effects of land nationalisation would enable any one to employ his labour in that department of work best suited to him, at a good remuneration, and office seeking will be a thing of the past. In this department of work, as in any other, the demand of workers will exceed the supply, and the pay will have to be in proportion to the work done; otherwise nobody will do it, unless men who have retired from business will undertake it as a post of honour. A great deal of this kind of work is done thus even in our time, done honestly and efficiently, without any remuneration whatever. I need only mention that done by men employed in church work or charities. If we have got thousands of men, who thus toil from morning till night without any pay but that given to them by their conscience or the approval of their fellow-men, if this is done in a time of greedy battling for life and "the devil take the hindmost," how much more shall we find such men after social reform has smoothed the path of life to all who honestly want to work for their living, turning to a pleasant emulation what now proves to be a most fearful struggle.

The other factor on which we can depend for an honest

administration will be the interest which the people will take in the management of the public domain. The indifference of the masses of voters is the cause of present mismanagement. Politics have become a business in which a lively interest is taken by those alone who expect to make something out of it, be it money or honour. Those who do not make them a speciality give their principal attention to their own private business. The financial interests at stake in the public domain are too small for each individual voter, to induce him to take much trouble about them. It will be entirely different, when such important interests come into play as will be connected with the administration of the common land. The money value by which each voter participates in the public domain is too considerable to be slighted.

I have lived for long years in a small German village and had occasion to observe our peasants. The conclusion I have come to is, that if to-day the German parliament was dissolved for ever, not a single man of them would lift his hand in defence of this popular institution ; but if the government were to take away the privilege of gathering in the communal forests dry leaves, which are needed as a litter for the cows, a revolution would break out. Local elections in such places create such passionate interest, that a great many of the criminal cases treated by the courts in that special locality (Baden) spring from such elections. The elections for parliament pass off comparatively quietly. Why? Because in the one case private interests may be affected. The mayor of the village has to give out little jobs (stone breaking, roadmaking, etc.), and it pays to be on the winning side, to be counted among his friends and to be patronised by him.

Fear of Oppression and Bad Management.

The same causes will prevent the abuse of governmental power. Social independence will close the source from which rulers could find help for oppression. The interest taken by the people in the administration of their country, and a better education, the consequence of a better income or of the manner in which the state employs her rental revenue, will be the best security for the maintenance of those

guarantees of liberty and of public control, which the laws that provide for the great reform will have to furnish.

There will be no worse management through state officials than through those of our present landlords. We certainly can improve on their system of confiscating improvements as a consideration for a very long lease. Leases might be shorter and improvements paid for on a valuation of their market-value.

We find this system in the United States; for instance the Randall farm property in New York is administered on this plan. The free city of Hamburg in Germany has made another kind of arrangement in regard to the land bought by her for the free port. She gave a lease of this land to a Stock Company, by which the Company engages to build and to administer all the offices, storehouses, elevators, etc., required. The city gets a certain share of the net income, about 56 per cent, the Company keeps the balance to pay for the work and for the interest of the capital. Every year a certain number of shares are redeemed by the city from the profit she makes beyond the interest of the funds paid for the land, and after 1899 she has the privilege of buying back the balance for a certain maximum price fixed in the agreement.

Large and Small Farms.

A provision might be inserted in the law by which large farms will only be let when there is no demand for smaller ones; but I hardly think there will be a necessity for this. A large farmer who has to work with paid labour cannot compete with the peasant working on his own account, for the simple reason, that the profit which satisfies the latter would only pay the expenses of the farmer, as the peasant's net earnings are the minimum wages at which he would agree to work for the farmer. He would not think of working for less than he could make on his own account and if land and capital are easily accessible to him, he will have no difficulty in making a living on his own account.

At present landlords do not like small allotments. It raises the wages of agricultural labourers and it puts obstacles in the way of their sport. Mr. William Saunders

reported a case of this nature at the Paris congress. In Wiltshire the small farmers have to pay £3 an acre where the big farmer gets the land at 12s. 6d. and yet has to stop payment, while the little men make a living. This shows clearly that the big farmers cannot underbid the small ones.

The Fallacy of the Net-proceed's Reasoning.

At any rate the present state of things by which net proceeds are the only governing principle will be rendered impossible. Let us suppose the gross proceeds of a piece of land to be £1,000 out of which have to be paid, to 20 workers £500 wages and £250 more for other expenses. The net proceeds in this case are £250. Turned to sheepgrazing the same land, gives £600 gross proceeds, of which £25 for a shepherd constitute the whole wage-account, besides which £200 have to be deducted for other expenses. The net profit will have risen to £375. £125 more net income, an increase of 50 per cent; who will hesitate a moment in this percentage-governed time? The 20 workers are evicted and the sheep take their place. Who cares for the 19 families losing their bread? "Let them find work elsewhere!" says the political economist. But there is no work anywhere else for them, as all the other landowners in the country have acted on the same principle of highest net proceeds, and industrial work has certainly not increased through the diminished custom of agricultural buyers. "Well in that case we have overpopulation and we have to find remedies for it." But would it not be better to force landlords to return to the old system, to make them change their meadows back again into agricultural land? The unemployed workers would find employment and instead of forcing down wages, they would consume industrial products and give employment to other workers. Of what benefit can the higher net proceeds be to us, if the gross proceeds have been reduced? "Gross proceeds must be left out of account. Expenses have to be deducted and wages are expenses. We do not live in a patriarchal or socialist state but in the world of free individual development, of *"laissez faire, laissez passer."* The economic law says that every individual in furthering his own interest must also best further the common welfare. It would therefore be

against all principles of sound political economy to force landowners into using their land in a way opposed to their best interests and this interest is governed by the height of the net proceeds they can draw from their land." According to these principles, when our landowners find that it pays them better still to let their land as hunting grounds, they will evict the shepherd as well? There is no more employment for anyone on the land; but the net proceeds have increased and that is all that is required? "Certainly, for the common interest is best served by serving the interest of the individual," is the final decision of our economist. Is this true? *Has the common interest profited by working on the net proceeds line?* We all know how the circle from the wilderness to the meadow, from the meadow to the cornfield and back again from cornfield to meadow and from meadow to wilderness is being closed in these islands; but there are other parts of the world where the folly of the net proceed system is demonstrated with equal clearness. One of the best proofs is furnished in a new book which has lately been published by a German scholar of great ability, Mr. Werner Sombart. In "Die römische Campagna, eine social ökonomische Studie." Leipzig, 1888, he gives a statistical history of the Roman Campagna, from official documents of the Vatican library. The Roman Campagna, as is well known, is the rural district of Rome. Its size is about 2000 square kilometers. In the time of the Emperor Hadrian it was the garden of Italy, and was peopled by two million inhabitants, who lived in plenty.

Now a few thousand miserable people find a poor living there, and it has become one of the unhealthiest parts of the world. It is harrowing to read how the labourers attending to the cattle and sheep grazing on this land once so fruitful, live in caverns where they get the terrible malaria fevers, which take them off, unaided by medical help, and half starved. Why all this? What is the cause which has changed this garden of Italy into such a desert? Why do they not raise wheat and corn, vegetables and fruit on it, as before? Because it does not pay so well. Sombart shows, that the experiments made with corn-growing gave a loss of 9,50 Lire per Rubbio (1,85 hectares), if the present rent is to be

paid, whereas grazing leaves 6,21 Lires. Gross proceeds have doubled in a hundred years. If a century ago the amount produced is put at 100 it has risen at least to 200. Of this the workers got 30 all the time, whereas capital earns 50 now, where it earned 35 100 years ago, and rent gets 120 against 35 at that period.

Nobody can blame the landlords or the capitalists. They act strictly in accordance with business principles; we have only to blame the State for allowing the practice of such principles in regard to the foundation of all life: *land*. If the State had held possession of the land, she would have calculated in quite a different manner. She would have considered that *gross proceeds are composed of a number of net proceeds*, that what the individual landowner and capitalist farmer count as *charges and expenses are nothing but the net proceeds of other people*, whose welfare is just as important as theirs. For the State the £500 of wages in our first example are the net incomes of 20 families, and she can find no advantage in economising part of these £500 and depriving these people of their employment, even if it increased the rent paid into her pockets. She will calculate that there can be no real profit to the community if thousands and millions of hardy workers are thrown out of employment, if the minus production of these people diminishes the national income which is composed of gross proceeds. Net proceeds can only come into account where individuals are concerned. The total of net proceeds and the total of gross proceeds amount to the same if looked at from the bird's eye view of the state. The community has to strike quite a different balance sheet from the individual. She has to feed these workmen as paupers if she cannot give them work, and this alone will make a complete change in the calculation. The individual can make a profit by making the State feed the workers he replaces by sheep; the State cannot, for she has to do the feeding of these men in any case. But this is not all. These men, if they have a piece of land of their own will work with quite a different zest to that with which they work for others. They will become capitalists, and will gradually greatly multiply the produce of their fields, so that finally they can pay a much higher rent to the State than she would

have got, if she had let on the capitalistic principle of to-day. Even if she had to take less rent in the beginning she would finally get more. The disappearance of interest will change the whole calculation. To-day the greater capital required for corn-raising and the interest outlay for this additional capital are the principal items, which make grazing pay better. If capital can be had without interest, corn-growers can pay a higher rate than graziers and still thrive. Real peasant-proprietorship is the healthiest foundation of a state; but real peasant-proprietorship cannot be obtained by selling the land to the peasants. Experience has shown, that in this case it will soon get into the hands of the capitalists, and the curse of rent will be doubled by rent's child "Interest."

Injustice of the New Irish Land-purchase Act.

Independently of this there would be no possibility of creating peasant-proprietors without committing the greatest injustice to other citizens, who do not get any land, or only inferior land. The land belongs to the people, to the whole people, not to any section of it, and nobody has the right to earn special advantages by getting more or better land than his average share would be. There can be no greater injustice to the Irish and English people, than the establishment of peasant-proprietorship through laws like the Ashbourne Act, an enlargement of which is in contemplation, while I am writing these lines.

Such laws are only in the interest of a land holding class, who want to perpetuate the injustice of the system, which has allowed them to plunder the people for centuries, by increasing the number of landlords and thus strengthening the base of the building of iniquity. The Irish tenants, who happen to be holding the Irish land now have not got a particle more right to this land than the Irish labourers or any other Irishman. Not only has the work done by nature to be common property, but also all advantages accruing from social causes, as for instance the enjoyment of a good credit by the State and the lower interest at which in consequence she can get money.

If a financial operation is possible, by which rent can be reduced and yet owing to the low interest at which the

State can get the necessary means, landlords can be paid off in 49 years, the benefit of this operation ought to belong to the community, not to a few tenants, who are accidentally in possession. Why is the tenant, who was evicted yesterday to be ruined for ever, to be the labourer of the tenant who has held out a few months longer and not only gets a reduction of rent such as would have saved the other, but without paying a penny, by-and-by becomes the full owner of the land he cultivates, so that his descendants in times to come will be the masters of the children of his less fortunate colleague? It is not through better management, through harder work that he and his descendants earn such enormous advantages, but through the legislation of landlords, which made him a present of wealth created by nature and the community, because *their selfish interests wanted a fortification of unjust monopoly rights*. It is the motive which made them create landlords out of Indian Zemindars, men who were nothing but tax-collectors for the government. Such a bad example as that afforded by the sight of state officials collecting the rent of the land for the community could not be tolerated and it was much better to have landlords collect this rent and pay off the State by delivering part of the booty after keeping the lion's share.

How little the very object, which is ostensibly aimed at, how little peasant-proprietorship is attained by such means is shown by a report on the working of the Ashbourne Act, given in the *Times* of 29 Jan., 1890. A case is cited where a tenant bought a farm at £67 10s., subject to a small annuity and sold it for £90, subject to the same annuity. Another who had paid £550, sold, subject to the repayment of this sum, for £970. A farm bought for £539 was sold, subject to the purchase money, for £1,280. Another bought for £775, has been sold, subject to this sum, for £1,725. In these last three cases the fortunate tenants made a profit of £3,975, *obtaining more than three times their purchase money*. The new owners, who paid so much beyond the value, which official estimation put upon these farms, and beyond the real value, though there was a certain increase due to the enjoyment of the cheap money of the State, are bound to be subject to worse rack-renting than the former tenants. Whether the rent is paid

to a landlord or whether it is paid in the shape of mortgage-interest is unessential. Sooner or later such imprudent buying will *throw the farm into the hands of the mortgagee, or of some other capitalist, and absenteeism will be re-enacted in a worse form than before*, as it is well known that *there is no worse landlord than the capitalist*. He expects the interest of his outlay. It is a pure arithmetical problem with him, in which human beings play no part. The personal interests which influenced the descendant of the cavalier, whose family had been connected with the farm for centuries, has disappeared completely in this case. If two more cases are mentioned, in which farms bought for £750 and £880 were sold for £1,300 and £1,880, what does it mean but that two tenants became little capitalists, who in buying consols have obtained the right to extract an eternal tribute from the English taxpayer, whereas new landlords have been created, who probably sooner or later have to become the victims of capitalism, unless they succeed in selling and putting another into the same plight, or of letting and getting the state to buy them out in favour of their tenants. *The Times* had better attach a little more importance than it does to the words of Michael Davitt, which it quotes, "It must be borne in mind, that what is bartered away by this public money is, in reason and justice, *national property*, in the disposal and future administration of which every individual in the country whether tenant, labourer, artisan or mechanic, has an equal right to have a determining voice."

Or take the following, also cited from a speech made by this real friend of the Irish people, the greatest patriot the Green Isle can boast of, delivered at Cork: "The labourers of Ireland in country and town must, if true to their own best interests and to those of the nation, resist all attempts to create a tenant landlordism as an anti-climax to the nation's fight for the abolition of the entire landlord system. Those are the tenants best friends who warn him of what will happen if he is induced by the absconding landlord to purchase what will not free him from the taxes *which the State is certain to exact from the land hereafter*."

Though I do not agree with Mr. Davitt's plan of taxing out the Irish landlords without any compensation whatever,—he

stands on the same ground as Henry George, if I am well informed,—I certainly should not think it correct to compensate the tenants buying under the new land act, except for improvements created by them, as they do not pay anything but a reduced rent and certainly should not compensate those who buy from them. Whoever now buys land in a country whose people are standing up as one man against landlordism knows what he is about and has only to blame himself, if he is a loser. The most ardent defender of vested interests could not find much to say for him. It is just as if the importer of corn during the hottest of the fight against the corn-laws, after the victory of freetrade wanted an indemnity for the duty he paid. It was his fault if he risked the importation instead of waiting for the expected abolition of the duty. But buying of the new landlords, after having paid the old ones with the profit made by the State credit, *would be paying for the land twice, giving double compensation.* If the principle of compensation was to lead to the sanctioning of such abuses, I would rather join the single tax party and leave compensation out of the question. Anyhow, there is one great advantage in their agitation. It frightens landlords and makes them more accessible to moderate proposals such as land-nationalisers are making. I for the most part favour the mixed system of "TAX AND TAKE." It will be advisable to impose all the taxes which can be got, especially *the four shillings in the pound*, and to purchase the rest at a valuation to be made at as early a date as possible. If the tax would be imposed on the value of the land, which might be preferable, let the owners fix the value, the State obtaining the privilege of purchasing at such valuation.

How to do it, of Secondry Importance.

I do not consider this whole question of paramount importance for the present. The first task of land reformers is to prove that the terrible evils we are suffering from *are caused by land monopoly.* If we can prove that without a reform of this greatest of all abuses, landlordism and capitalism, its offspring, are sure to gain upon us like an avalanche descending from the mountains, increasing in size as it comes thundering along and certain to engulf us in a most fearful crash, if we succeed in proving this we may safely leave

the "how to do it" to public opinion. Once frightened out of its false confidence, once seeing the whole truth, the best way out of the difficulty will not be hard to find. If once there is no doubt left about the "must," the "how" will easily be found. It was guided by such considerations that the first international congress of land reformers, which met in Paris on June 11th, 1889, did not even try to come to an agreement on this point, but confined itself to the following resolutions:

- "Whereas land is not the product of labour but is the raw material, or source from which all that is necessary for existence is drawn,*
- "Whereas labour is the only rational base of property,*
- "Whereas the private ownership of land results in the enslavement or exploitation of labour,*
- "Whereas, finally this social condition begets dangers which, if neglected, will end by making all order impossible,*
- "This assembly declares that the private ownership of land should cease, and give place to its collective ownership for the commonwealth."*

This resolution was *unanimously adopted* by all the different schools, by Mr. Henry George and his followers, by the adherents of Collins, a French land-nationaliser, who began his work as long as 50 years ago, and whose most important follower, Mr. Agathon de Potter was mainly concerned in the draft of this resolution; by the German, Austrian and Swiss adherents, who stand by those theories, which I have been trying to elucidate in the course of this work; by the Danish, Italian and French land-reformers of different schools, by English and Irish friends as well as by Socialists. It contains the great truth by which all stand, who want a real reform by getting at the root of the evil, we are suffering under. It is the truth, which shows us the only way of salvation by peaceful means from the terrible abyss, which is threatening us. Every man who loves his fellow man, whose religion is not a mere empty form, any man who has got an interest at stake in maintaining peace and order, in preserving as much as is possible of what good fortune has done for him, ought to join us for we offer the last chance of such a solution. Men like the Duke of Argyle, who oppose Henry George by discharging at him all the artillery of

sophistry they are master of, do not understand their real interest. I do not object to their opposing schemes of confiscation; but they can do so only in one way, *i.e.*, by furthering some plan or other of land-nationalisation by reasonable compensation. They can get it yet; but not for a very long time. If they hesitate, if they continue to oppose the very principle of land-nationalisation, they will experience a revival of the old story of the Sybilline books. They finally will be glad to pay for a fraction, what would have bought them the whole. With every liberal bill thrown out by the House of Lords the adherents of Henry George and those of Socialism are increased by the thousand. People begin to see more and more clearly, that there is no hope of getting their aristocracy to see reason and to come to a compromise, and, say they, "if there is to be a fight, we might just as well go for the whole hog," in putting aside the question of compensation. "If there is to be a compensation, let there be one for the robbed, not for the robbers," said my friend Saunders at the Paris Conference. His opinion is becoming that of a daily increasing number of land reformers. I am glad of it; for it may serve to obtain for those of us a better hearing, who are trying the path of peace and conciliation. If we should find, that the views of a Duke of Argyle are shared by all those who are in power, and that these people are completely unable to profit by the teachings of history, we shall join those who go in for confiscation. If there is to be a fight, let us at least reap the full benefit from it. Furious radicalism is the fruit of stubborn conservatism.

The Georgian confiscation scheme will work a great deal of good, if it succeeds in convincing the upper classes, that the offers we, the compensators, are making are the best they will ever get, and if their alliance will secure a speedy victory to the only reform which can save society from a terrible day of reckoning, which can offer relief to the sufferers without depriving the usurpers of their spoils. All the latter will have to do, is to sacrifice the right of future spoliation, a sacrifice they ought to be the more willing to make as the simplest mathematical calculation will show them, how impossible the continuance of their rights proves to be. *We are already on the thirty-ninth square of the chess board*

of demon interest. We cannot stand another doubling. General bankruptcy and revolution will finish the game, if we do not stop in time. Arithmetic is as inexorable as destiny.

The Terrible Danger.

Now I come to the end of this task—a task imposed on me by the inner constraint I felt to show the abyss towards which we are rushing and to find, even in the eleventh hour, a way of escape from the terrible danger. Let us, as the first step to improvement, throw away that false sense of security that so fatally prevails among us, as it did a hundred years ago among the aristocracy of France, who held high revel over the abyss, little suspecting (as Carlyle says) that their skin ere long would be tanned into glove-leather at Meudon.

For years past I have looked on in despair at the drift of our political parties; I have seen how they are contending over secondary points, neglecting what is vital—a sure sign of approaching downfall. Meanwhile beneath us rises the glowing lava of the social globe, whose thin crust (composed of our comfortable classes) includes (like the crust of the earth) not 2 per cent. of the diameter. The fiery mass is surging and rolling. Already the weak rind is quaking under its pressure. And we are going on quarreling over constitutional questions, trifling away the precious time like the ancient inhabitants of Pompeii at the circus while already the shower of ashes that was to bury them was beginning to fall. Just think of the proud civilisation that flourished two thousand years ago on the banks of the Tiber, and what remained of it all after a few centuries! Do you ask, whence then the destroying barbarians are to come? As Henry George says with keen insight, the streets of our great cities shelter worse Vandals and Huns than those that shattered the civilisation of Rome. Since these words were written, they have been strikingly illustrated by events in Belgium, London, Chicago, Amsterdam, and elsewhere.

And we might do so much! Even the weakest among us can. The first thing we have to do is to search out the truth with honest effort, to extricate the real truth from

the midst of the heap of lies that the struggle of interests is day by day throwing up around us.

The truth, the whole truth—if we discover and spread that we have done enough. The rest will follow of itself. We may trust the victorious power of truth to assert itself in the world of facts.

The aim of mankind should be, what was the last cry of our great poet, Goethe—"more light!"

I have done. It was a thankless task which I had undertaken. Cassandras are never welcome. Writers like Giffen, or the American, Atkinson, who prove by all kinds of sophistries and by a preparation of statistics which the best French cook could not equal, that everything is going on splendidly in this magnificent nineteenth century, and that we are living in the best of possible worlds, are much greater favourites. It does not matter. I feel that I have done my duty and that is something at any rate. Is it not too late in any case? God only knows. I am almost afraid it is. The reign of individualism seems to be passing away too rapidly, to permit the hope, that the current of Socialism can be stemmed at the eleventh hour. How sad! What noble aspirations will be buried under the ruins! What wonderful springs of untold blessings will be dried up, when the free aspirations of independent manly work are pressed down under the heel of state governed uniformity. Poor individualism! Thou hast only made one single mistake, but it was a deadly one. Thou hast forgotten, that a free development of individual enterprise is only possible, if the base of all life and effort, if mother earth, is freely open to all who want to exert their powers in the infinite storeroom she offers to humanity. If it is yet possible, retrace thy steps, reform at the last hour by opening to all men the only field in which individual freedom can be exerted: "*Land.*" If thou canst not take this decision very soon, farewell to thee and welcome Socialism! Death is hard and life is precious, even if it be life in a prison