

their consequent entry into productive occupations, would quickly follow this expedient and far-reaching readjustment of the incidence of American taxation.

All "taxes," however, would still be paid by the *producers* of wealth; but the payers would include every member of the community, not merely the willing workers, because *all* its citizens are but units of a social organism that by its mere existence and through its needed public utilities *creates* the economic value of the land—each tax all based upon a just appraisal of the site of which the owner claims the right of sole occupancy or possession, and being minus every other form of tax that is now unjustly levied upon personal property, individual earnings and natural rights.

Confirmation From a High Source

In the years of reconstruction and rehabilitation following the speculative panic of 1873—and they were long lean years—there appeared a remarkable volume of English literature from the pen of an economist, philosopher and social thinker, a volume which was destined to be translated into almost every language of the world. The power and inherent strength of its thoughtful restrained persuasion has placed it on a plane which has been reached by few economic treatises. That volume is "Progress and Poverty," by Henry George.

After one of the most painstaking, broad studies of primary economic theories covering the fundamental problems of wages and capital, want amid plenty, population and subsistence based upon the Malthusian theory, laws of distribution, of labor condemned to involuntary idleness, the effect of progress upon the distribution of wealth, the author arrived at the consideration of the bottom cause of the ever-recurring paroxysms of industrial depression. That fundamental cause he believed to be the speculative advance in land values. In every progressive community, population gradually increases, and improvements succeed one another, bringing about an increase in the value of land. That steady increase leads to speculative activity in which future increases are anticipated. In this manner, land values are carried beyond the point at which, under existing conditions, the customary return is expected by wages and capital, an increasing proportion of income going to rent. Production begins to decline at that point and this cessation is communicated to an ever-widening circle of industrial activity. There are other proximate causes such as the growing complexity and interdependence of the machinery of production, defects of currency and credit, protective tariffs and artificial barriers to the interplay of productive forces, the pursuit of netary profit, but beneath all factors, according to Henry George, is the fundamental initiatory cause in the speculative advance of land values.

Up to the time that "Progress and Poverty" made its appearance for several decades afterwards, there existed a westward flowing frontier where land was freely available to dissatisfied Easterners and energetic immigrants. In the latter part of the eighteenth and early part of the nineteenth centuries, Kentucky, Tennessee, Ohio, Illinois, and Indiana beckoned with their fertile valleys. Each succeeding panic, 1792, 1819, 1837, 1857 and 1873, added impetus to the flow of Eastern blood to the unsettled West. Wealth was measured in actual material possessions of which the most important was land. With the exception of canal construction and then later, railroad construction, actual speculation had been largely carried on from colonial days in the buying and selling of large outlying tracts of real estate.

In 1795 the Georgia "Yazoo" land frauds, the most notorious and

widespread of the early American land gambles, took place—approximately 30,000,000 acres comprising most of the present States of Alabama and Mississippi were sold to four separate land companies, for the aggregate of \$500,000, or about half a cent an acre. Shares or scrip in the early land companies, representing a pro rata equity in the trustee property were generously offered to the public. Philadelphia, New York, Hartford and Boston were the principal centers, each city having its own "deals" and selling its shares throughout a wide area. Their purchases of land extended from Lake Erie to the Gulf of Mexico and from Maine to the Mississippi. The size of their operations is not to be despised even from the viewpoint of present day extensive speculative operations.

With the early consolidation of railroads, headed by the New York Central and the Hudson River lines in 1869 by Commodore Vanderbilt, there was slowly ushered in that period of large scale production and commerce under the corporate enterprise which provided a medium of wealth in the form of corporate securities, stocks and evidences of debts, which together with government securities of all classes, gradually appeared more important to the layman than real estate.

While stocks and bonds became the favored medium for investment and speculation, land naturally continued to play a most important part. It was not so many years ago that real estate development companies were giving prospective purchasers free trips to Florida and to Muscle Shoals. The Florida real estate boom, while antedating the stock market crash of 1929, is too recent an occurrence to be easily forgotten.

ROY A. FOULKE, in Analytical Report of Dun & Bradstreet.

A Notable Series of Papers

"AN Ancient Remedy for Modern Depressions" is the title of a series of papers running in *The Gaelic American*. They are from the pen of Henry J. Foley and they are wholly admirable, scholarly and argumentatively novel.

In the first of the series begun in *The Gaelic American* of Sept. 30 Mr. Foley gives a history of the Brehon Laws under which Ireland flourished for a thousand years until replaced by the English land laws which spread throughout the world. But during those thousand years in which the Brehon land laws were operative there were no unemployed in all Ireland. But under the English land laws Mr. Foley tells us that Ireland became "the world's poor house."

Discerning the insecurity of the new structure built on the old lines, Mr. Foley says:

The earth, which is in theory the heritage of man, of all men, has been alienated. Men who are not already blessed with prosperity have no right on the earth, and no right to a place to work. My thesis is that unemployment and panics are not sad and lamentable accidents, but the logical and inevitable results of a mistaken and heartless policy.

And with an eye to the modern planning of the new economics he says:

Every complicated modern device introduced to cure unemployment and panics without removing the cause of panics has only given rise to confusion worse confounded, to more unemployment and poverty, and to the creation of still more fantastic remedies. Public works to furnish employment bring more crushing taxes and more poverty; poor relief and charity-drives create pauperism and destroy morale; reconstruction schemes, the lending of billions to the banks