

port from us only by conceding *some* increase in the tax on land values."

But now, while Single Taxers are living in a fools paradise of hope, the forces of reaction are putting a larger and larger proportion of the burden elsewhere than on land. *Many states have already abolished absolutely the tax on property so far as purely state revenue is concerned*, and state funds secured from other sources are being shared with local communities *so that real estate may be "relieved."* The first great battle *may* come when we demand that this *removal of taxes from land absolutely cease*. It is *high time* for this demand. If we make it, and give our reasons effectively, we shall be preparing the minds of men for the next step. But we *must stop this swing backward* or our case will be well-nigh hopeless.

Many men who have no real understanding of Single Tax, and who think themselves opposed to it, are nevertheless opposed also to the new taxes being substituted for taxes on real estate. *They are anxious to find weapons for the fight and will often use some of our arguments, if we put these arguments into their thinking, without necessarily seeing to what these arguments may ultimately lead. Thus we greatly multiply our effective army. Sometimes our allies will be the people in a specific line or lines of business,—like the druggists when soft drinks taxes are proposed, or the moving picture people when it is proposed to tax the movies. Sometimes they will be city professional and business interests who fear that increasing state income taxes to relieve land will unduly burden them. Whoever they are, it is for us to welcome, aid and use them, while also continuing our own positive propaganda, until, by these processes of education, we have spread an understanding and appreciation of the land problem far beyond our little group of idealists. Then will the time be ripe for some inspiring leader to focus in a challenging demand for reform the growing sentiment, and win a victory which may appear dramatic and sudden but to which all those will have contributed who, in a more disheartening period, constantly fought the propaganda of "tax relief for real estate."*

HARRY GUNNISON BROWN.

THE taxation of the site value, if it could replace the whole of the rates on building, would entirely sweep away this obstacle to the builder's enterprise. So far as it is used to diminish the rates on building it diminishes the obstacle. For many years we have maintained that the greatest and simplest reform in housing would be simply to lower if not to sweep away the tax on building.

Manchester Guardian.

IT is unendurable, that great increments, great additions, that have not been earned by those to whom they accrue, and have been formed by the industry of others, should be absorbed by people who have not contributed to that increase.—JOHN MORLEY.

The Wage Problem Solved

UNDER our present system no man can determine what is an honest wage. In labor disputes invariably the employee feels that he should have more (in which he is always right) while the employer as invariably feels (and generally rightly) that he cannot afford to pay more. To pay more would, as a rule, mean bankruptcy. Though both are right in their feeling, neither labor nor capital gets what is its due and yet neither knows why.

It is all a matter of feeling, of sentiment, of negotiation and compromise—get as much and pay as little as you can. Well disposed though both sides may be, they know no way out of the dilemma. Hence the ceaseless strife between even the best disposed employers and employees.

Can we arrive at the equities of their seemingly unsolvable wage problem?

It is axiomatic that a man earns and owns what he produces and should receive and possess that production, or its equivalent, as his own. What each man produces is his true (economic) wage. There should be and is a way to determine that product. Robinson Crusoe received his true wage—there was no one to interfere. Friday when Crusoe came was not allowed to work for himself, nor even to work for and receive his full wage. On the other hand a relationship was established by which Friday received a mere subsistence and Crusoe appropriated the remainder of his wage. There was no attempt to determine Friday's true wage which was so merged into that of Crusoe's that such a determination probably could not have been made.

Suppose one hundred families were to arrive on a previously uninhabited island, a la Crusoe; each family sets up for itself with perfect freedom to occupy a site for that purpose without purchase. Each family gets the result of its own effort—its wage. Results to individuals will vary with industry and efficiency. Later arrivals will choose adjacent sites and do likewise till the capacity of the island is exhausted. If one with executive capacity, (an entrepreneur) so organizes and directs a group that increased production results, all that remains after the others have received their true wage, will accrue to the executive and be his wage, though it be many fold the wage of the ordinary worker. He has done just what each of the others has done—created what otherwise would not have been. He makes no profit at the expense of the others, each of whom gets all he earns. If the total earnings under the direction of the executive do not exceed those of the members of the group working separately, then the executive earns nothing and should receive nothing. It is assumed of course that capital receives its economic share in the distribution of earnings. Here then is a natural and equitable distribution of wealth.

What if ten men in the above group were to say to the others and enforce it, "You are slaves," or (which is the

equivalent), "You are free but you may not use the land, may not have a site on which to locate, may not even take the timber from the woods, or have to build a boat to get away from the island until you shall have bought land from us or paid us rent"—tribute. Economically, what difference would it make whether those people were slaves or free, whether they or the land necessary to their existence was "owned" by someone else? In either event those who held the land would command the services of the others at any compensation the former chose to pay—merely enough to maintain their existence and that only so long as the services of the latter were needed. Without free access to land, men are helpless—are economic slaves so long as their services are needed. This power comes from the fact that one collects ground rent from another—that one must purchase or pay rent to another before he may use land.

The history of the island of Britain (of all civilized peoples) is an exact parallel to the condition set forth in the last preceding paragraph as to our seemingly imaginary island, though it seems incredible that any set of men would have the temerity to attempt such inequity (iniquity) or that other men would submit.

When the Normans conquered Britain, it was established that all the land "belonged" to the crown, the crown allotted it to his barons and the common people became serfs and, in this enlightened twentieth century, nearly all the people of Britain exist on the land at the pleasure of the landlords and pay tribute to them. The inequalities are worse today than at the beginning and still growing worse. In early Britain the serfs had certain rights in the land which landlords were bound to respect. Though the masses are no longer called serfs, they are deprived of practically all ancient rights in the land enjoyed by the serfs with no compensating rights in return except to vote and call themselves "freemen."

We inherited Britain's land system. The crown owned America as it owned Britain, and awarded its lands to favorites, or creditors, or to those who would pay most for it. And so, for example, in Pennsylvania, for nearly two hundred and fifty years, if a man has been desirous of using the most remote vacant land, he may not do so legally unless he first buy or lease it from the Penns or their successors in title.

Lord Fairfax was granted 5,000,000 acres in Virginia, Washington had more than 50,000 acres there (probably not used to 5% of its capacity) and the state was practically divided into great estates. Thus arose the "poor whites" and negro slavery. From the same cause arose also the "restless pioneer" who, unwilling to submit to slavery, chattel or economic, went to Kentucky or the Northwest, hoping there to establish estates similar to those of Virginia and Britain.

Had land been available in Virginia there would have been no restless pioneers. Men would have taken land adjacent to their neighbors and kinfolk and Kentucky and the

Northwest and later the Great West would have been settled only when the natural growth in population should have overflowed into those territories. Developments of the new areas would have been postponed, but to the great economic advantage of both the old and the new—the growth of both would have been normal and life in each more desirable and comfortable.

With the Normans masters of Britain, however justly or unjustly, by what rule of right or equity did William allot the land to certain "nobles" and establish serfdom for the rank and file, including the soldiers who fought and won his battles. It was the same as if, following our late war, General Foch, General Pershing and other commanders and their heirs forever had been granted great estates in the conquered countries and the private soldiers and their children after them forcibly attached to those estates and compelled to labor on terms prescribed by law or by the landlord. Every British and American land title originally resulted from conquest, and these titles have not improved morally though transmitted by entail, inheritance or sale for centuries.

Such is the genesis of the land titles of Britain and America. Had every man had free access to land as was his right, there could have been no serfdom or slavery. As serfdom declined or was abolished, the "freemen," still without rights to land, were compelled to seek employment and employers. Thus arose what economists call "free labor" in contrast with serfdom—free to work where they pleased if employment was to be found, otherwise to starve, or become objects of charity. And now the same conditions exist in Britain and America as existed in our imaginary island when a few usurped ownership. It is readily seen that these "free laborers," without free access to land, are competitors with each other in the labor market. It is also apparent that, not what they earn (produce), but what they can demand will be their pay. When "times are good" and employers plentiful, labor may to some extent dictate. When there are few employers and many looking for work, the laborer, if he is so fortunate as to secure a job, must accept any pay offered even to the margin of existence, or less, for many succumb and die, and women and children go hungry under the strain and privation to which they are subjected.

That the pay envelope bears no relation to the earnings of the payee is readily seen in recent experiences. During and following the war, notwithstanding the payment of unprecedented wages, the profits of many an employer (not because he earned them but because of the accident of his position) were greater than his entire pay roll. Until recently when "big business" was in receipt of unprecedented profits, wages were declining, as a result of competition for jobs between men thrown out of work by the installation of machinery, mergers and other causes.

Though the United States has a billion acres of arable

idle land and its used land is used to but a small fractional part of its capacity, those men cannot have access to it even for subsistence, because it is "owned" and held out of use by speculators, who hold by such titles as indicated above. Arthur Brisbane recently said the whole population of the world could subsist comfortably in Texas. The land was made for the race of all ages and no man has a right to any part of it except to use it. To as much as he can use he has an inalienable right. Sir William Blackstone in his "Commentaries," which has been the principal text book in America and Britain for a hundred and fifty years, of all law students, says: "Accurately and strictly speaking, there is no foundation in nature or natural laws why a set of words on parchment should convey the dominion of land." It is a sound principle that no man can give a better title to land than he has received. If the crown had no moral right to convey land as it has done, then no subsequent conveyance, no number of conveyances, can correct the original wrong, and every such attempt at conveyance is morally invalid.

Under the present system men are helpless because forced from the land. How may it be established that every worker shall receive his economic wage—his exact produce? Is it not apparent that it can be done by restoring to man his natural right of free access to land by appropriating ground rent to public use? With this alternative men will be in position to dictate the terms on which they will leave the land and accept work elsewhere. Their demand will be their natural or economic wage—all they earn.

Suppose one hundred men with their families were to arrive in a country previously uninhabited and settle there on equal footing. Humans cannot live except on land, which naturally and morally belongs equally to all. This is a requisite to equality. So each family without pay or hindrance settles down on a piece of land. The sites probably are distributed by lot as when the invading Israelites entered the Promised Land. For the time being, assume all the sites to be equally desirable and productive. Every family has a place of abode, a sure means of livelihood (self-employment on the land) and every man receives all he produces—his economic wage. Results to individuals on the various sites will vary with industry and efficiency.

Now a factory settles there and wants men. It is evident that what the individuals can earn on the land, together with the comparative desirability of the work, will determine the wages that the industry must pay to secure employees—the minimum wage. Moreover every man will be perfectly free to accept or reject the work offered; employer and employee will be on equal footing. Such terms as master and servant will be unknown.

The wage will be limited only by the capacity (producing capacity) of the individual. As all will be employed to their full capacity or desire, power of purchase and consumption will be multiplied, production will keep pace,

there will be no business cycles, prosperity will be ceaseless and competition for workers will result always in maximum wages—to each worker his actual production.

The land on Broadway with its sky-scrapers and army of workers is as essential to production as the suburban truck farm and the respective contributions to production of the different areas are in exact proportion to their respective market values—rent or selling value is determined by productivity.

The physiocrats made the mistake of thinking that agricultural land is the sole ultimate source of all production (wealth) and so proposed that land should pay all public revenue—taxation at the source. Henry George saw that all used land has a part in and is essential to production and proposed that all such land shall contribute to public requirements, each area in proportion to its part in production as measured by its rent value. Thus would public revenue be obtained at the actual source of production. He saw that ultimately every worker works on the land, doing his bit in supplying the animal, vegetable and mineral products essential to the race.

What is a man's wages? How can we measure his produce?

Some years ago one of our largest coal producing concerns had a general master mechanic in charge of all the machinery of its more than fifty plants. In the midst of a "boom" when prices and profits were unprecedented and the closing of a plant meant the loss of several thousand dollars per day, an accident occurred. A telephone conversation followed between the General Superintendent and the G. M. M.:

G. S.—(very earnestly) The crank shaft at Blank plant broke just as today's run was completed, how soon can you get in a new one, how much time must we lose?

G. M. M.—Don't let that worry you; we'll fix it tonight and you can make your usual run in the morning.

G. S.—You don't understand. The crank shaft is broken.

G. M. M.—Yes, I understand. I looked at that a year ago and saw it was going to break. I had a new one made, it is lying in the shop. We will put it in tonight and you can make your usual run tomorrow.

That master mechanic held his job on account of his efficiency. We will not attempt to determine his share in production (his economic wage) what portion of the thousands of dollars he no doubt was constantly saving his employer, should be his. Suffice to say that with business always at capacity (what we are accustomed to in "boom" times) every man will be in demand and free competition between employers for men's services will result in each man being paid his economic wage. With the alternative of free access to land the economic wage will be automatically determined—our master mechanic and every other man (all being freemen) will demand and get what they produce or its equivalent. Each individual will de-

termine his own wage—he will get what he demands or find self-employment, always available. Each will actually get what his fellows will pay for his product.

While there will be a constant "boom" it will be merely a normal condition, every phase and factor of production will be adapted to it and it will be without the feverish nervousness and excitement that accompanies our temporary periods of super prosperity.

Moreover, men will desire other things than material gain and much time will be spent in recreational and cultural pursuits. It will require an astonishingly short time daily (with modern machinery it has been estimated at as low as thirty minutes) to gain a comfortable livelihood since every man will receive all he produces, and additional income will depend on the effort the individual may be willing to devote to the acquisition of more wealth, which will have no value except to satisfy his individual desires—it will give him neither position nor power. Probably most men will spend as much time with their avocations as their vocations. Men will engage in occupations to their liking and adaptation, no square pegs in round holes, work will be play, a joy to the worker. As men will receive only what they earn, no one can cheat—every wage will be an honest wage.

Not only the farmer, but every man who performs a service, works on the land and is a producer. The grain from the farm or the mineral from the mine is not "produced" till it is in the hands of the consumer. To place it there requires the plowman and the miner, the railroad official and the track hand, the truck driver, the merchant, the salesman, all the executives and clerks that handle the business, all the army of skilled and unskilled workmen who produce all the machinery, equipment, factories, homes and every requirement of production. The railroad official and his stenographer and the laborer on the railroad are as truly producers of wheat and coal as is the man who reaps the grain or with pick and shovel loads the coal in the mine. Probably there are no greater factors in production than the physician who keeps us fit physically and the man of God who ministers to our spiritual needs. And there are the writer, the orator, the poet, the artist, the musician and every man who aids in maintaining morale and adds to human knowledge and happiness, or inspires men to nobler deeds and better lives. Every one of these is a producer, supplementing the work of the man in the furrow. The basis of production is land, the means is labor. All workers work on the land—there is no other place where men can work.

The workers may be thought of as an inverted pyramid with the man in the furrow at the apex, the area ever increasing to the top, and all resting on the land. The structure contains every individual contributing to the welfare of mankind.

While a man's earning, self-employed on the land, determines the wage, the wage of the immediate worker on the soil will not be greatly different from that accruing from

equal ability and effort applied elsewhere. Since land is the basis of all labor, it is evident, if proper economic conditions were established, equal effort and equal efficiency would automatically produce equal returns wherever applied or employed. A perfect balance will be maintained, a perfect fluidity of labor, because all men will be free to come and go as they please. If there should be a tendency for work at one point to command more wages than at another, men would flock to that place and thus automatically reduce wages there and raise them at the deserted places. The law of supply and demand would have free play and determine wages on a normal basis. Each family will have such income that every child will be "well born."

While free access to land is the one requisite to the establishment of equity, it will not be sufficient to allot certain land to each individual or family and then say to each, "Now make the best of what you have." The reason is that different sites have different values. One must have an advantage over another on account of location. That is a fundamental defect in our present system. Some have sites that have little or no site value while other sites of very limited area pay (produce) thousands per annum, with no more effort by the producer than is expended on the poorer site. Establish equity by taking all ground rent for public use and thus equalizing advantages of location.

To a lone resident like Crusoe, there is but one factor in production, namely labor. The product has no value except for use by the producer. In a community the product has a commercial or sale value. The latter depends on location, whence arises site value. The better the site (the more fertile it is or the more social advantages it enjoys) the greater the value of the product. This is not due to the labor of the producer but to environment, the presence and activities of the community.

The measure of site value is ground rent—witness the enormous ground rents at the centers of urban population where the produce is not vegetables but dollars. Labor of individuals produces the labor values, community efforts the site values, and each should have what it produces. At present the "owner" gets the value produced by site advantage—rent. It is proposed that the public, its creator and rightful owner, shall take this product.

As there would be no one but the occupant wanting the poorest occupied sites, they would command no rent—the "owners" would occupy them without cost. Each site above the poorest would pay to the public treasury the difference between its annual produce and the annual produce of the poorest occupied site with the same expenditure of labor and capital.

Thus all would be on an equal basis—the occupant of the best urban site would have no advantage over the most remote cultivator of the soil. One might have a "Lizzie" and the other a Rolls-Royce, but whatever either had would be purchased from his wages (the results of

his own labor) and not from his being in position to take the efforts of others by appropriating ground rent.

The value of site advantage is a natural fund created for public use. It increases as the community and its requirements increase and is always adequate to public requirements.

As the income from ground rent would be adequate for public needs, all taxes would be automatically abolished. The amount of ground rent would be graduated from large payments for lots at the urban centers to nothing for lands at the perimeter of population.

The ground rent of rural lands would be low and, as there would be no taxes on improvements, or personal property, the contributions of the farmer and other ruralites to the public revenue would gradually decline with distance from the center and reach zero at the perimeter. The contribution to public revenue by the farmers would be greatly reduced. The bulk of the public revenue would come from urban lots and royalties or rentals from natural resources. Every site would pay in proportion to its social advantages—pay for what it got in return and all royalties would go to the public treasury.

Men would settle contiguously on advantageous locations, and beyond the perimeter of population no man would have or want land titles. Land there would be free as air and just as nature left it. Here would be inexhaustible publicly owned timber resources and a limitless paradise for sportsmen and pleasure seekers. Every power site and every natural wonder and resource would be public property. With her present population, the United States would have a domain of a billion acres of such land—the billion acres now held idle for speculation by private “owners” and being denuded of everything valuable for their private gain.

Thus in a simple way (by taking ground rent for public use) we solve the labor problem and with it the many other seemingly complex social and economic problems.

G. FRANK KELLY.

Henry George in the Congressional Record

MR. WHEELER (Senator Wheeler, of Montana) “Mr. President, I ask unanimous consent to have inserted in the *Record* certain excerpts from Henry George’s Protection or Free Trade.”

The Vice President: “Without objection, it is so ordered.”

Thus, there is printed in the *Congressional Record* of March 13 the “Outline of Protection or Free Trade” in full as made by Will Atkinson.

The tariff just passed is bound to create a revulsion of feeling, and the sentiment for free trade will grow with increasing unemployment.

Lecture Work of James R. Brown

JAMES R. BROWN has rendered a report of his lecture work for the last fifteen years beginning with Jan. 1st, 1915, when he assumed the presidency of the Manhattan Single Tax Club.

During these years he has delivered 1,865 lectures distributed among the states as follows:

New York, 769; Massachusetts, 157; Virginia, 145; Canada, 145; New Jersey, 140; Pennsylvania, 139; Ohio, 101; Maryland, 88; Rhode Island, 88; Connecticut, 32; Indiana, 18; Michigan, 15; Illinois, 11; Dis. of Columbia, 8; New Hampshire, 5; Delaware, 2; Maine, 1; Wisconsin, 1.

Last year, 1929, Mr. Brown delivered 209 lectures distributed as follows:

Business organizations, 84; universities, colleges and schools, 90; churches, 7; sundry organizations, 28. Attendance at these lectures have run from 25 to 2,000.

Besides the lecture activities articles on taxation and the Single Tax are sent every month to 850 newspapers. Many papers have used this matter; and many have made it the basis of editorials treating of taxation and their own local problems.

A constant stream of literature in the shape of books and pamphlets goes forward from headquarters, and great care is exercised in the distribution of this material. This work is under the supervision of Miss Beatrice Cohen, the able and efficient assistant secretary of the organization, who in the absence of Mr. Brown on his lecture tours directs the machinery of the club, answers communications, and arranges advance dates where possible.

Mr. Brown accompanies his report with impressive testimonials from those who have arranged successful meetings. Prof. Robert Fry Clark, of the Department of Economics and Sociology at Marietta College, Marietta, Ohio, writes: “We were glad indeed to have you here and hope you may be able to come again.”

Prof. Mitchell, of Johns Hopkins, says: “Mr. Brown is by all odds the most acceptable outside speaker that has come to the University in any department in years.”

L. N. Deniston, president of the West Hartford, Conn., Chamber of Commerce, writes: “That you have made a lasting impression is certain, for those who heard you still discuss the topic, and many want you to return.”

Prof. E. J. Urwick, of the University of Toronto, Ontario, writes: “Both on my own part and on that of all my colleagues I should like to express our very grateful thanks for the delightful and stimulating address you were kind enough to give to our Commerce Club.”

Joseph J. Moran, President of the Moran Business College, Kingston, N. Y., writes: “A man who can present so intricate a subject lucidly and entertainingly must, indeed, be an educator of high rank. Many express the