

unnaturally restrict production, consumption, and distribution, and, with the consequent increase in both production costs and living costs, would therefore be the fundamental cause of "poverty," of "hard times," and of "business depression."

THE REMEDY

The economic maladjustment, whose most unnatural and inhuman sociological effects, with increasing density of population necessarily tends toward, or culminates in, "Kultur," happily may be easily corrected. Were this not true, then would the Creative fiat, "Increase and multiply," be the world's perpetual and ever-increasing curse. Except for man's stupid cupidity, such as has brought on the World War, this command would have long since proved to be, as under natural conditions it yet will be, the crowning economic blessing of all nations.

The only genuinely constructive basic remedy yet conceived by political economists, appears to lie solely in each subdivision of government collecting and using its own public-produced earnings, thereby preventing dangerous concentrations of "unearned" increment, and, concurrently, obtaining its necessary revenue for public purposes. The essential need lies in simply changing the incidence of such taxation as tends to multiply cost, to that which the greater it may be taxed the more it justly subtracts from all productive costs. This is true of nothing save land values.

This change may best be accomplished by taxation levied directly against the privilege of land ownership, the amount to be apportioned according to the purely socially-produced annual rental value of land exclusive of improvements. The essential change may be gradually completed in a five year period, by increasing the present tax on land values 17 per cent. per annum; corresponding annual reductions (except of graduated inheritance taxes) to be made in taxes now imposed either directly or indirectly on other objects of taxation.

Thus, leaving land titles undisturbed, the land owners' remuneration for the specially qualified service they would render in collecting and turning over to the public its socially-produced earnings, would finally be reduced to 15 per cent. of the total annual rental value of land. Revenue so obtained constitutes society's natural general fund for supplying governmental needs. This simple, but all-important, fiscal change in the incidence of taxation, may thus be constitutionally made, by any nation or subdivision of government, with no resulting disturbance of legitimate business or industry. On the contrary, all business and industry would immediately be tremendously stimulated.

By no other just method can natural economic and desirable sociological conditions become possible. Nor can the true basic right of both public and private property be otherwise obtained and made permanently safe, in any country or under any form of government.

K. P. ALEXANDER.

The Only Road to True Democracy

IT may be set down as an axiom regarding any newly-discovered idea or principle, that in proportion as it is of vital importance to the well-being of humanity, it will not at first yield up its full significance. When Luther nailed his thesis to the church door at Erfurt, he probably thought only of an immediate protest against the spiritual tyranny of the Church of Rome, and little realized the remoter implications of the principle for which he contended, "the right of private judgement."

When men first conceived the idea of democracy or self-rule, did they visualize or foresee all that is involved in the conception? Have we even yet completely unfolded to our understandings the full meaning of the words Liberty, Equality, Fraternity? What in the last analysis is the fundamental definition of the word "democracy?" It will perhaps never be possible to define it completely, for in its fulness it includes something of which its verbal formula gives no hint,—a civic consciousness, a patriotism of a hitherto unknown kind, a form of dynamic power which favoring static conditions may release but cannot generate;—a something which "rather consists in opening out a way whence the imprisoned splendour may escape, than in effecting entry for a light supposed to be without."

It is indeed more easy to say what is *not* the last word in the definition of democracy, than to give an exhaustive, full, and rounded-out account of its content. Government of the people by the people for the people? Yes, if we can be sure that there are no political conscripts among the "people," else what becomes of your "liberty?" Rule by majority? Perhaps, though the word "rule" jars upon the thought of freedom, and does not square with equality, nor yet with fraternity; even if majorities were always in the right, which is notoriously untrue.

Where then shall we find a test-point by which to determine when a democracy, with whatever of imperfections or unfinished ends it may present itself, is a true democracy and not simply a poor relation of the picturesque autocracies or force-governments of history? Surely if anywhere, this test-point must lie in the condition that membership is purely voluntary. A democracy that creates its membership by compulsion or conscription is a contradiction in terms, like a square circle or a rectangular triangle. The idea of a true democracy will only hold together in the solvent of pure reason, when conceived of as a voluntary association of free individuals who willingly agree in advance to abide by the decisions of their majority.

But the freedom and the willingness with which individuals may enter the democratic federation necessarily implies that it is permissible and possible for them to stand outside of it if they so prefer. When a Henry D. Thoreau appears on the scene and declares his unwilling-

ness to join the social group, his disinclination either to rule or to be ruled, his determination to be unsociable and to seek companionship with wild animals and birds and fishes rather than with his kindred, what has democracy to say to him? Will it allow him to go his way unmolested until a change of mind and heart overtakes him, or will it compel him to confess his membership in the democratic federation by paying taxes, and in default of payment, imprison him? Has democracy a place for the next Thoreau whom the Gods may send us?

Again, we read in "Sartor Resartus" that George Fox, the first of the Quakers and a shoe-maker by trade, haunted by the divine idea of the Universe and eager to escape from the hampering conditions of a sinful world, asked himself "What binds me here? Want,—of what? Will all the shoe-wages under Heaven ferry me across to that world of light? Only meditation can, and devout prayer. I will to the woods; the hollow of a tree will lodge me; wild berries will feed me, and for clothes cannot I stitch myself a perennial suit of leather?" Will democracy protect the next George Fox from the interference of Lord Rackrent's game-keeper or the agent of the Western Land Development Co.? These are the questions by which we must ultimately judge the genuineness of any so-called democratic constitution. Has it or has it not a place for the man who wishes to live alone, who asks for no social service and refuses to give any?

Now a democracy founded on the Single Tax principle is the only conceivable form of society that can stand the test involved in these questions. While every normal man and woman in whom the social or co-operative instinct is healthily developed, will undoubtedly recognize both the profit and pleasure of living on rent-yielding land and thereby becoming part of the democratic community, those abnormal persons who prefer to forego the advantages of social life will find no-rent land lying open for their use. There will be more of it, and it will be nearer to the margin of civilization than any that is at present available.

The willingness to pay economic rent in exchange for the privilege of citizenship, will thus constitute voluntary membership of a democracy, just as the payment of annual dues constitutes membership of an association. Under a democracy having so firmly-based an economic foundation, many of the functions of the force governments of former times will fall into desuetude, and it may then appear as it ought to do, that the chief business of a democratic executive is the careful administration of the social estates,—the wise expenditure of the rentals which the people willingly pay for the privilege of communal life.

It is not necessary, however, to place any limit upon the further functions of a democratic administration, so long as it acts as the servant of a free people. But the freedom is the determining condition without which government tends towards tyranny and democracy tends

to become only a name;—and this freedom in its last analysis means freedom to withdraw. Under no other system of economic relationships than those of the Single tax, will it be possible to get out from under an administration that has failed of its only real purpose, that of making industry more profitable and life more pleasant on rent land than on no-rent land. Single Tax is the only theory that promises that particular kind of freedom which forms the sub-stratum of a true democracy.

ALEX MACKENDRICK.

John Z. White's Lecture Dates for January and February

- Saturday, Jan. 11, 1919, Saturday Lunch Club, Indianapolis, Ind.
- Monday, Jan. 13th, The Toledo Commercial Club, Toledo, Ohio.
- Tuesday, Jan. 14th, Rotary Club, Auburn, N. Y.
- Tuesday, Jan. 21st, Rotary Club, Rochester, N. Y.
- Wednesday, Jan. 22nd, Optimist Club, Syracuse, N. Y.
- Thursday, Jan. 23d, Chamber of Commerce, Butler, Penn.
- Sunday, Jan. 26th, Hebrew Educational Society-Forum, Brooklyn, N. Y., Hopkinson and Sutter Aves., 4 P.M.
- Thursday, Jan. 30th, Chamber of Commerce, Springfield, Mass.
- Thursday, Feb. 6th, Rotary Club, New London, Conn.
- Monday, Feb. 10th, Chamber of Commerce, Holyoke, Mass.
- Tuesday, Feb. 25th, Chamber of Commerce, Steubenville, Ohio.
- Wednesday, Feb. 26th, Greater Dayton Ass'n, Dayton, Ohio.

Site Value or Land-Privilege Tax

EVERY owner of valuable idle land should be encouraged to improve it and to put it to productive use or sell it to some one who will do so. He should be required to compensate the community adequately for the land-holding luxury which he enjoys. This can be accomplished (while improvements and implements of every kind used in production yet remain untaxed) by levying a site-value tax heavy enough to destroy the incentive to hold land for speculation. Very little of a site-value tax would fall on farmers, as the great site values are found in the cities. New York City has more site values than 20 agricultural States. Such taxes are not easy to evade and not expensive to collect. They place no burden on production, nor do they tend to raise the prices of commodities.

A tax of 4 per cent. annually on the estimated site values of the United States (improvements exempted) would yield a revenue of \$4,000,000,000. Eventually, revenue needs will compel this; why not now?

Washington, D. C. Tax Reform Association.