

Similarly gold mining has suffered enormously. It is a precarious industry under any circumstances and should be the last to be weighted by taxation, yet there is scarcely an article it uses that is not taxed—machinery, timber, coal, explosives, sulphuric acid, oil, building material and other things. Assuming for the sake of argument that three pennyweight quality quartz will just pay expenses and that the tax burden is one pennyweight, the abolition of the tax burden would make two pennyweight stone pay expenses. As inferior stone is vastly more abundant than superior stone this would mean the liberation for exploitation of from at least five to ten times the quartz measures now worked, a vast increase of gold for the world's needs, and a very beneficial effect on the employment of labour. The evil effect of the system can be seen in Bendigo, my own town, which ten years ago gave employment to 3,000 miners—now to only 500. Yet the Government geologist declared that the riches of the field still untouched were enormous.

A great deal has been made of the prosperity of the United States as an argument in favour of Protection, but she owed her prosperity, not to Protection, but to the facts that her resources were near the surface and she had received millions of labourers of full age whom she had not had the expense of breeding or rearing. There is another side to the question. America by its economic policy limits production. Every assisted industry is a weight on the back of every other industry, and all are a blight on the unprotected and unprotectable industries. How can production reach its maximum under such farcical conditions? America is sometimes alluded to as having the moral leadership of the world, but, whether she is conscious of it or not, she is by her fiscal policy exercising a diabolical influence on the world and snatching bread from the mouths of others. Let her adopt Free Trade and she would be not only the miracle of the world, but its greatest benefactor.

But we want free competition not in goods only, but in everything. If we are to have the highest reach of production we must have free land from which all production comes—land free from monopoly exactions and control. Acre must compete with acre. Every acre must cry to capital and labour "Come work me, and me, and me also." Every barrier in the way of its use must be removed. Every effort to monopolize it must be thwarted. The law of supply and demand must reign, and in freedom, everywhere. And in this free environment labour stands to gain, for, if every other interest were made subject to the law of supply and demand, and there were no barriers in the way of access to land, the balance, instead of being, as it nearly always has been, against labour, would be in its favour.

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far as they are concerned, the loan has been more than repudiated.

I agree with those economists who declare that national debts are, by the laws of political economy and in economic incidence, a mortgage upon the land-rent of the country. The subscribers have, in effect, lent money to the landowners, who should have paid for the enterprise or the adventure in the first instance. If the subscribers to public loans are not prepared to call for repayment from the right quarter, then my reply to your question is—Yes. The subscribers to the loans are not entitled to live as the bondholders of industry, and their "private property" in their savings, so long as they try to get repayment from industry, is by no means safe from what you call "confiscation."

## " CONFISCATION "

We reproduce with pleasure the following letter by A. W. Madsen appearing in COMMON SENSE (London), October 23rd.

SIR,—In your footnote to my letter you say that, in proposing taxation of land values, I appear to be proposing confiscation of savings invested in land. Having chosen this word "confiscation," with all its ambiguity, you ask if I would confiscate savings invested in armament firms, municipal stock, war loans, etc.; and then follows the quite illogical question: Do I object to private property? It seems to me you confuse the fact of an investment with the nature of the investment, and you beg the question by asking me to argue as if all "savings invested" must be treated as private property—which is the whole point in dispute.

May I give examples? There are those (and I am one, as I think you are) who would stop the making of armaments, no matter what savings had been invested in the hope of dividends. There should be no more profit in that line of business. But are investments "confiscated" because the business is prohibited? Is the institution of private property overthrown because the makers of poison gas are no longer able to live upon the taxpayers?

A tariff gives protection to, let us say, manufacturers of boots, with consequences which you, as a Free Trader, fully appreciate. You would remove the toll imposed on consumers of boots. But savings had been invested in the protected boot factories and the shares represented in large measure the value of the privilege to rob the rest of the people when they required boots. You would destroy much of the value of these shares by enacting Free Trade. But is this "confiscation"? Do you object to private property because you think everyone should be able to buy boots where they like? I imagine you can answer such questions yourself without appealing to me.

So with regard to the private appropriation of the rent of land and "savings invested" in such appropriation. He who enjoys or collects the rent of land is consuming wealth which is produced by others, and taken from them without equivalent return. As rent increases, so wealth is concentrated more and more in the hands of the few. Private property in things, in goods, in commodities, is denied to those who produce wealth, to the extent that they must pay out of the produce for the use and occupancy of land. That at least is the argument, and it obliges you to discuss the distinction (if any) between private property in *land*, which is not the result of any industry, and private property in things which in every case *are* the result of industry. If you agree at least to consider that distinction and the contention that property in land is a denial of property in things, then we can decide whether, in proposing the taxation of land values, we are perpetrating or we are preventing "confiscation."

This letter is long enough, but a word is necessary about public loans. They are devices to postpone taxation, and, as taxes are now levied, they are devices to throw the cost of public enterprises and public adventures on those least able to bear it. A call is made for subscriptions. Many lend small sums. A few lend large sums. Taxes are levied to pay for interest and redemption. How many are deceived by this device? How many of the subscribers pay more in taxation than they get back in dividend so that others—the few large subscribers—may get more in dividend than they pay in taxation? The former already suffer "confiscation" of their "savings invested," and, so