

Direct Taxation of Land Values.

SPEECH

OF

HON. JAMES G. MAGUIRE,

OF CALIFORNIA.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, January 31, 1894.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 4884) to reduce taxation, to provide revenue for the Government, and for other purposes—

Mr. MAGUIRE said:

Mr. CHAIRMAN: The arguments in support of the pending amendment have all proceeded upon the theory that the proposed tax upon incomes, above \$4,000 per annum, will compel the rich to bear a fairer proportion of the expenses of the Government than they now bear, and that the people will be satisfied with the accomplishment of that result. The people do, indeed, very much desire the establishment of such a system of taxation, and their claim for a more equitable distribution of the burdens of taxation is unquestionably just. But they are really desirous of substantial relief from the present power of the rich to use their wealth for the oppression of the poor; and they expect some measure of that relief to come to them through the income tax.

Such relief will not come from the income tax, nor will that change in our system of taxation even tend to curb the oppressive power of wealth. It simply puts a 2 per cent tax mainly on the results of useful investments and of personal effort. The control of labor by wealth, in certain forms of investment, and the consequent unfairness in the distribution of the products of labor is a matter of infinitely greater importance to the people than the equalization of the burdens of government, which is sought to be accomplished by the income tax. I am in favor of the income tax, as proposed by the Committee on Ways and Means, because it is better than the system of taxation now prevailing; because the burdens which are laid by the income tax, wherever they may ultimately fall, are all for public uses, while under the tariff system three parts of the burden are laid for the enrichment of private individuals to every one part that is collected for public use.

As a choice between the income tax and any extension of tariff taxation, beyond that provided for in the Wilson bill, I will unhesitatingly vote for the income tax.

UNDUE POWER OF WEALTH.

But, sir, I seek by the amendment which I have just submitted to establish a system of taxation by which the revenues necessary for the support of this Government can be raised without any burden whatever upon either industry or commerce, and by which, at the same time, the power of accumulated wealth over labor will be destroyed. The power of wealth to oppress labor results almost entirely from the present investment of wealth in the control of the natural resources, from which alone labor can produce wealth.

Land is the storehouse in which the Creator has placed the raw materials of all wealth, and labor is the means by which those raw materials are changed into forms of usefulness for the satisfaction of human wants. Wealth is the result of labor applied to land, or to the products of land, and land furnishes not only this raw material for all wealth, but it constitutes also the home and the working place of all labor. All of these things the Creator freely provided for the use and sustenance and shelter and comfort of mankind by giving the land to the world, with its abundant resources, as an equal heritage to the whole human race. The same Creator made man a land animal. He must live upon the land, and from the fruits of the land, if he shall live at all. All of his food and clothing and shelter, and every other thing that will tend to satisfy his wants, natural and acquired, come from the land. Indeed, his whole physical body comes from the land, and goes back to the land again at the close of his life.

Separated from the land, man must perish, just as a fish would perish on being separated from the water, which is his element. Therefore, if man has a natural and inalienable right to life and to liberty and to the pursuit of happiness, he must have a natural and equally inalienable right to the means which the Creator, who gave him life, has freely and abundantly provided for his support. There can be no right to life more sacred than the right to the means of sustaining life. "You take my life when you do take the means by which I live." Liberty is impossible to one man so long as another man controls his means of living.

It does not matter whether the dominant person holds a bill of sale to another as his chattel slave, or holds an absolute title

to the only means that the other has of sustaining his life, the dependent man is just as truly and just as completely as a slave, in the latter case, as the chattel is in the former. Therefore, it follows that whenever, in any country, one class of men become the owners of the land, all other classes in that country are subject to their dominion, no matter what other conditions of freedom exist. The owners of the land have the power to fix the terms upon which all non-landowners may live in the country, and have the power, without performing any productive labor themselves, to compel all producers to give up to them, without consideration, such share of the wealth produced by labor as they (the landowning class), guided only by their own avarice, may determine.

This unnatural power of the landed class over the producers who are not landowners, naturally and inevitably begets a system of industrial slavery such as now prevails in this country, and in all other civilized countries of the world. But land ownership gives something more than the mere present power to exploit and oppress labor. In all growing communities there is a constant upward tendency of land values. This growth of land values results entirely from the presence, industry, enterprise, and virtues of the whole people of every such community. Land values are never produced by the individual owners of the land. They grow with the growth of population and in proportion to the enterprise and industry and inventiveness and virtues of the whole people. They result entirely from what the people, as a whole, do.

That value attaches to all land of the same character similarly situated, no matter whether the owner uses it or holds it idleness; no matter whether the owner resides upon it or resides in some foreign country; no matter whether he daily cares for it or has never seen it. The people produce the value and the private owner is permitted to appropriate it to his private use.

GREATEST OF ALL INCOMES.

This ever-growing value constitutes to-day a source of private income greater than all other incomes from invested wealth in this country combined; yet, the proposed income-tax bill does not reach it at all, and it can not be reached by any income tax that has been suggested.

Political economists call this steady increase of land values, resulting from public effort for the enrichment of private owners, the "unearned increment" of land. The private ownership of land is the only means by which individuals can secure to themselves the unearned increment, and this induces men to speculate in land that they do not want to use. Speculation in land closes its natural resources against labor, and places labor at an unnatural disadvantage in the struggle of life. It takes away from labor the natural opportunities which the Creator provided for it. It destroys the independence of labor and renders it a helpless commodity in the market, whereas, with those natural resources open, upon anything like the terms upon which the Creator gave them, labor would be free and independent as the Creator intended it to be.

The laws, therefore, which permit private individuals to appropriate the unearned increment of land are the cause of land monopoly. Men do not monopolize land in order to oppress their fellows, although the effect of monopolizing it is to oppress and starve and degrade and injure the landless people. Men monopolize land solely because it pays to monopolize it. So long as the community allows the speculator to take to himself the unearned increment which the community gives to land, it will be profitable to monopolize land. There is no other form of investment in which wealth oppresses labor, for every other form of investment depends upon production for its return, and in order to secure its return, must in some way promote production, thus extending, instead of limiting, the opportunities of labor.

But investments in land are made remunerative by limiting the opportunities of labor. Land speculation is, therefore, the only form of investment that is really injurious to labor, and the increment resulting from it is the only private income that is produced entirely by the whole people. If, therefore, there is any form of investment that should be discouraged, it is speculation in land. If there is any form of investment from which the people are entitled to a share of the income, it is speculation in land; because, as I have shown, the income from that form of investment results entirely from the general enterprise and industry of the whole people and not from what is done by the investors.

PURPOSE OF THE AMENDMENT.

My amendment proposes a tax on that unearned increment as a substitute for the taxes on other incomes prescribed in the bill which has been offered as an amendment to the Wilson tariff bill. It seems to me, sir, that I have already specifically shown the justice and expediency of confining taxation for the purpose of meeting the expected deficiency in our Federal reve-

nues, to incomes from the unearned increment of land; but, I am fully aware, and this House is fully aware, that the purpose of my amendment is not at all limited to the trifling burden which it purports at present to lay upon the enormous land values of this country.

It is understood, by you as well as by me, to be the assertion of a principle, which, if conceded to be sound, must ultimately transfer the entire burden of all taxation for the purpose of supporting our Federal, State, county, and municipal governments, from all other subjects, to the value of the lands of this country; ultimately appropriating the rental value of all land, exclusive and irrespective of its improvements to public use. It is meet and proper, therefore, that in the primary discussion of the question there shall be no evasion, no deception, no concealment of premises, no obscuring of issues, and no avoidance of questions that must be fairly and honestly met and answered in extending the principle which I have here asserted to the ultimate and logical conclusion which I have stated.

It means, unequivocally, the assertion of the natural and inalienable right of the people of this country, in all generations and at all times, to the lands of this country "which God hath given them." It is not, as has been erroneously stated, a claim that the lands should be held by the people in common use, which is impracticable in a condition of civilization, but that it should be held in common ownership, with private individual use in severalty, secured and regulated by the Government, as trustee of the natural common right.

In view of the broad scope and ultimate purpose to which this amendment but points the way, I will avail myself of the privilege accorded by the House, of fully and fairly, according to my ability, presenting in general the whole argument in favor of the ultimate purpose, of which I have avowed this amendment to be the suggestion. Before proceeding to that discussion I desire to say a few words further upon the income-tax measure, for which it is offered as a substitute.

TAXES ON INCOMES CAN BE SHIFTED.

The income tax, while it will be infinitely better for the masses of the people than any form of tariff taxation, will be a grievous disappointment to those who have been its most ardent and honest supporters. It will not in any way check or limit the power of wealth to oppress labor, because it does not at all reach the source of that oppression. I have shown already that it leaves untaxed the greatest of all incomes from invested wealth, namely, the ever-increasing value of land, a value that has increased thirtyfold during the last sixty years, according to statistics, in the United States.

In addition to these objections, the great bulk of the income tax, falling as it does upon the results of productive effort, and upon returns from capital in use, can be shifted from the primary payers to the shoulders of the poor. It will not stay where it is put. For example, a manufacturer makes a profit of \$50,000 next year, upon which he will pay an income tax of \$1,000. Will he ignore that item in figuring on his contracts, or in fixing the prices of his commodities? Certainly not; he will figure it as an expense of his manufacturing business, and he will, as a sensible business man, add it with his other expenses, and a reasonable margin for the outlay, and to cover the uncertainty as to the amount of the tax, to the prices of his commodities, and it will follow the goods until it is finally paid, with its added percentages, by the farmers and laborers who consume the goods.

So it will be with the merchant. He will shift the income tax just as he now shifts all taxes that are levied on his goods. So it will be with the banker and the money lender. They never pay taxes. If they are taxed they add the tax to the interest which they receive for the use of their money. It does not matter to the manufacturer or the merchant or the banker or the private money lender, or to the railroad or steamship company, whether the tax is levied upon their investments or upon the incomes from their investments. It is precisely the same to them. The laws of trade determine what their net returns shall be, and every expense that is added by way of taxation or otherwise will be added by them to their gross prices, leaving their net incomes just as they are fixed by competition in trade.

The proposed income tax will catch the holders of such present mortgages as are not overdue, but it will be shifted by all future mortgagees, whether making or renewing loans. For example, the net rate of interest for which money is now loaned on perfect, untaxed security is 2½ per cent per annum. That is the rate upon which loans are freely offered on untaxable bonds of the United States Government. Proportionately higher rates are charged on private loans to cover risk, expenses (including taxes), etc., etc., rising as high as 60 per cent per annum. If a tax were laid on Government bonds equal to the interest which they bear, they would become at once a dead investment and nobody would buy them except at a discount.

In order to sell the bonds it would be necessary to increase the interest so as to leave 2½ per cent per annum above the taxes

to which the bonds were subject. It does not matter whether you lay the tax on the bonds or on the income derived from the bonds, the effect is to burden the investment, and the interest must be increased or the bonds must fall to a discount. So it is with mortgages; so it is with all investments of capital. The investments or loans are made for the purpose of securing the net return which the laws of trade prevailing generally throughout the world give to such investments. In countries which give the greatest security and impose the lowest rate of taxes, or no taxes, upon investments, interest will be lowest, because money will flow to such country for investment; and money will flow away from a country imposing heavy taxes upon that kind of wealth until the rate of interest rises sufficiently to cover the tax imposed, thus leaving the net return which capital will yield to the investor in the most favorable country.

Under the proposed income tax even the landlords could shift a large portion of the tax falling upon them; for, although tax on the rental value of land generally can not be shifted, and tends to reduce rather than to increase ground rents, tax on the rent of land in use only is a burden on the use and not on the monopoly, and it can, therefore, be very largely shifted. This tendency would be intensified under the proposed system by the tax on incomes derived from improvements on land.

The tax on incomes from personal earnings could not be shifted, but the proposed tax on nearly all forms of invested wealth could and would be shifted. The financial world lives on percentages. It calculates them closely, and it never bears a burden, however slight, which it can possibly shift to a customer.

The financier is a lightning calculator and his business is to see that the net return, for which his investment is always made, is kept clear of all burdens. You can not tax capital, nor incomes from capital (land is not capital) by any process short of confiscation, that has ever been devised. It will either shift its burdens or leave the country whose laws are unfavorable to its investment.

A general tax on land values can not be shifted (all political economists from Adam Smith to Henry George are agreed on this point), because it falls equally upon idle land, held for speculative purposes, and land which is in use.

The burden upon the idle land forces it into the market to be either sold or leased, thus increasing the supply of available land in the market, and, by the universal iron law of supply and demand, forcing the rental and selling price of all land down, even as the tax is increased. This tax can not be evaded, because neither the land nor its value can be concealed and the land can not be removed from the jurisdiction of the taxing power. Heavy taxation will never drive landed property out of the country and will never diminish its usefulness.

Instead of being shifted to the shoulders of the tenant or to the consumers of the products of land, a tax on land values would not only relieve labor and capital of the tax burdens which they now bear, but would increase their share in distribution, by providing them with locations for homes and industries and with raw materials for their production on better terms than those on which they can now be secured.

MAN'S NATURAL RIGHT TO THE EARTH.

My proposition to impose all taxes for public purposes upon the value of land, exclusive and irrespective of the improvements thereon, and to abolish all other forms of taxation, necessarily involves the idea that there is an essential fundamental difference between private property in land and private property in other kinds of wealth. We assert that there is such a difference, and that it is not in the power of man to obliterate it.

There is a natural right of ownership in the relation existing between everything produced by labor and the labor that produced it.

That right springs from every man's ownership of himself and of his mental and physical powers.

Owning himself, he has a natural right of ownership in the things and values that his own mental and physical powers produce, and he can manifestly without violating any principle of natural justice transfer his right in such things to another upon any terms which may be satisfactory to him. That is a matter with which neither society at large nor any individual can properly have any concern.

The utility which would not have existed but for the voluntary exertion of the producer should as a matter of natural justice be at all times subject to his control and to the control of those to whom he has voluntarily transferred his right.

But there is no such natural right as a basis for private property in land. No man made the land. It is the common heritage of all mankind. It was made, with all of its powers, elements, and resources, by the Creator, and freely given by Him, as an equal, common heritage, for the use, subsistence, and comfort of all mankind, in all generations, from the beginning until the end of the world.

It is, moreover, with air and sunlight, the only means provided

by the Creator for the support of human life. The denial to any man of access to that natural source of subsistence is equivalent to a denial of his right to live, and any interference with such right of access must correspondingly interfere with the comfort and happiness of the man and must correspondingly subject him to privation and misery. It therefore follows that the ownership of the land by one class of men, enabling that class to fix the terms on which all others may have access to it, gives to such class unlimited power of extortion and oppression over all landless people.

It creates a dominant and a servient class among the people of every community in which such ownership exists, and makes social and political equality between those classes absolutely impossible, regardless of any nominal declaration of such equality in statutes or constitutions.

The right of eviction and exclusion from land, inhering in absolute private ownership, involves the power of life and death over the landless classes, and it consequently involves the power on the part of the landed class to extort all that the landless classes are willing to pay in order to avoid deprivation of their means of sustaining life.

Isolated cases of the merciless exercise of the extreme power of the landed class over the landless have in recent years occurred in nearly every community in the United States, and their recurrence is becoming painfully frequent.

In many great industrial districts of this country the laboring classes and their families are tenants of their employers, by compulsion. They are therefore subject not only to dismissal from service, but to eviction from their homes upon the slightest displeasure or whim of their employers.

In Ireland, the same power which landlords hold in this country is exercised more mercilessly, as a general rule, than it is here.

In that landlord-cursed country the landlords have a sort of protective league, to which the landlords of this country are rapidly approaching, and have for several generations maintained what are known as "Rules of the Estates," under which all tenants are forbidden, on pain of eviction from their own holdings, to give food, shelter, or comfort to any evicted tenant, or to his wife or children.

The merciless exactions and oppressions of Irish landlordism have directly caused the destruction of millions of innocent lives. Alfred Russell Wallace has shown us that the persecutions of the Scotch peasantry by the landlords of Scotland have been little less rigorous and little less destructive to human life than those of the Irish landlords. In England and Wales these fearful consequences are not far behind, and they are matched in the tenement districts and in the coal and iron regions of the United States. Already (as shown by the census returns of 1890) more than two-thirds of the families residing in the cities, and one-third of the families residing in the rural districts of this country are already reduced to tenantry.

The houses of one-fourth of the remainder are mortgaged beyond redemption, and the tendency to further concentration of of landholding to the distinctive landlord class is increasing year by year.

We are already a nation of landlords, tenants, and tramps. The landlords own the country and the others are dissociated from its soil, having no more stake in the country than lodgers have in their boarding houses.

It thus appears that the monopoly element in our present system of land tenure is not only in contravention of natural rights, but is absolutely destructive of the general happiness of mankind, and is wholly incompatible with the conditions of social and political equality, necessary to the perpetuation of popular government.

All economic writers, all religious teachers, all statesmen, and all thinking men in every walk of life, agree that the earth, with all of its natural resources, was originally the common heritage of all mankind.

To this point we are all agreed. Science and religion, with equal positiveness, support this conclusion.

RIGHT TO LAND INALIENABLE.

The single-tax men assert that this common heritage is a continuing right, and is inalienable.

We hold that every child born into the world has, at once, an equal right with all other living persons in the earth and in all of its resources, regardless of any laws or contracts that may have been previously made for its partition. We hold, with Thomas Jefferson, that "the earth belongs in usufruct to the living," regardless of any attempts which the dead may have made to apportion it to private owners.

We hold, with the American Declaration of Independence, that the natural rights of men to "life, liberty, and the pursuit of happiness" are inalienable.

We hold that no man can sell his right to the natural means

provided by the Creator for the sustenance of his life, his liberty, and his happiness, any more than he can sell his life, his liberty, or his right to the pursuit of happiness; and we hold that no man and no state has ever had the power or the right to sell the interests of unborn children in the common heritage provided for them by the Creator.

We hold that the true function of government is to preserve and not to sell the natural rights of its citizens in the lands which constitute the country.

We deny that the Creator has ever given any evidence of his intention to limit his gift of the earth to any one generation of men, to be afterwards made the private property of any class or of any part of succeeding generations.

We assert that the original gift of the earth by the Creator was made as truly to the whole people of the last generation that shall inhabit it as to the people of any preceding generation.

To me these propositions seem to be manifestly and necessarily true—"so true that repeating seems cant"—yet they are positively and most vehemently denied by many theologians and statesmen and philosophers.

But thought is quickening on this great question. Not all theologians deny this natural right, not all statesmen ignore it, not all philosophers deride it. Within the last ten years this question has arisen in church and state and school all over the civilized world demanding answer or recognition. It has not been answered, and the futile attempts that have been made to that end by the ablest and brightest of modern scholars afford tolerably conclusive evidence that it can not be answered. Recognition and enforcement of that living and inalienable natural right is, therefore, the only alternative, and it must come to pass.

Never yet share of truth was vainly set
In the world's wide fallow.

"The land shall not be sold forever, for the land is mine." This we are told in the twenty-fifth chapter of Leviticus, twenty-third verse, is the command of the Lord to the children of men.

Woe unto them that joins house to house, that lay field to field, till there be no place, that they may be placed alone in the midst of the earth.

This, we are told in the fifth chapter of Isaiah, eighth verse, is the curse of the Lord upon the monopolists of the earth. Yet land is monopolized in every civilized country by the few to-day, and the many are homeless, and the monopoly is defended from pulpits that are devoted to teaching the laws and the will of the Creator.

PRESENT TREND OF THOUGHT.

But, happily, there are indications everywhere that this paradoxical condition is not to last long. In the Roman Catholic Church, the oldest and strongest of the Christian churches, noble bishops and brave priests are here and there preaching and teaching the doctrine of man's equal and inalienable common right to the bounties of nature. Conspicuous among these is the Rev. Dr. Thomas Nulty, bishop of Meath, who in a masterly pastoral letter, basing his conclusions upon reason and revelation combined, thus declares his belief in that doctrine:

God was perfectly free in the act by which he created us, but having created us, He bound himself by that act to provide us with the means necessary for subsistence. The land is the only source of this kind now known to us. The land, therefore, of every country, is the common property of the people of that country, because its real owner, the Creator who made it, has transferred it as a voluntary gift to them, *terram autem dedit illis hominibus* (the land He hath given to the children of men). Now, as every individual in that country is a creature and child of God, and as all His creatures are equal in His sight, any settlement of the land of a country that would exclude the humblest man in that country from his share of the common inheritance, would be not only an injustice and a wrong to that man, but, moreover, be an impious resistance to the benevolent intentions of his Creator.

Again, in the same pastoral letter, he says:

I think, therefore, that I may fairly infer on the strength of authority as well as of reason that the people are, and always must be, the real owners of the land of their country. This great social fact appears to me to be of incalculable importance, and it is fortunate, indeed, that on the strictest principles of justice it is not clouded even by a shadow of uncertainty or doubt. There is, moreover, a charm and a peculiar beauty in the clearness with which it reveals the wisdom and the benevolence of the designs of Providence, in the admirable provision He has made for the wants and the necessities of that state of social existence of which He is author, and in which the very instincts of nature tell us we are to spend our lives.

A vast public property, a great national fund, has been placed under the dominion and at the disposal of the nation to supply itself bountifully with resources necessary to liquidate the expenses of the Government, the administration of its laws and the education of its youth, and to enable it to provide for the suitable sustentation and support of its criminal and pauper population. One of the most interesting peculiarities of this property is that its value is never stationary; it is constantly progressive, and increasing in a direct ratio to the growth of the population, and the very causes that increase and multiply the demands made on it increase proportionately its ability to meet them.

Six years ago Dr. Edward McGlynn, a priest of the Catholic Church, was silenced by the Archbishop of New York, and finally excommunicated from the Catholic Church, for persistently preaching and teaching the doctrine of which the amendment that I now propose is the practical assertion. But after six

years of controversy he was exonerated from his excommunication and restored to his priestly office without condition or penalty, and he is now preaching and teaching the inalienable equality of human rights in the lands of the earth.

I might give other examples illustrating the trend of thought on this great economic question in the Catholic Church, but they could add nothing to the tremendous evidence of that trend of thought furnished by the vindication of Dr. McGlynn. In many of the other Christian churches illustrious bishops and ministers have publicly proclaimed their belief in the continuing equality of human rights in the Creator's bounty. In the national legislatures of England, France, and Germany, as well as of this country, its advocates are found and their number is increasing in all of the State and colonial legislatures of the United States and of England. In the legislative bodies of counties and towns, single-tax men have made their appearance and in many of them their influence has been strongly felt.

The colony of New Zealand has partially adopted the single-tax system, to the infinite advantage of its producing classes, and the new Parliament, as a result of its favorable experience, is expected to largely extend the system in that colony. In the conservative domain of philosophy, in which ten years ago Henry George was regarded and criticised as a brilliant crank, he has taken a fixed position as one of the leading economists of the world. "Progress and Poverty" has become a text-book of economic science, and the antagonist of the single-tax doctrine who has not read that book is universally regarded as insufficiently educated for the intelligent discussion of social problems and methods of taxation. Such is the status of the single-tax movement to-day. Such has been its advance during the past ten years. It has reached the halls of our National Congress by regular stages, and it is here to stay until it shall be finally settled and settled rightly.

EVILS OF LAND MONOPOLY—INDUSTRIAL DEPRESSIONS.

In the course of my remarks in this House on the silver question in August last, I had occasion to present my views concerning the true cause of our regularly recurring industrial depressions. I then attempted to show that those depressions were due to the periodical absorption by the owners of land throughout the civilized world of so great a share of the results of productive effort as to render production unprofitable to labor and capital, and to cause production to cease until ground rents should fall to the economic line; thus, for another season, giving labor and capital a chance to engage in production at a living rate of wages and profit.

I attempted to show at that time that these industrial depressions could not be due to temporary or local causes, because they existed before any of the temporary causes to which they have been variously attributed had any existence. They have always extended over the entire civilized world, while the temporary causes to which they have been attributed have always been local. They occur with a regularity that indicates a permanent and general cause, alternately compressing and relaxing our industrial and commercial system, making times good and bad by periods. Natural conditions are as favorable in the bad periods as they are in the good, indicating that industrial depressions are not due to natural causes, but have their source in conditions created by man, and existing throughout the whole period during which industrial depressions have existed, and existing in all countries to which industrial depressions have extended.

There is only one general artificial condition at all capable of bringing about industrial depressions that has existed in all countries to which they have extended and throughout the whole period during which the world has been afflicted with industrial depressions. That cause is the private monopoly of land, the only source from which labor and capital can produce wealth; the only foundation upon which industry and commerce can prosecute the production and exchange of wealth. This monopoly control of the natural resources and of the exclusive means of wealth production, has enabled the monopolists to absolutely control production and to exact from labor and capital everywhere a share in the distribution of the wealth which labor and capital have produced, measured and limited only by the avarice of the monopolists themselves.

With this power in the hands of the land-owning class, with no limit to its exaction of ground rents and royalties from industry, save its own avarice, there is a constant temptation and tendency on the part of the owners of land to take a larger share of the results of industry and commerce than labor and capital can possibly afford to pay, thus making production and exchange unprofitable to labor and capital and causing production and exchange to cease for the time being.

To illustrate this pressure of ground rent against production, let us suppose that a given piece of land, no matter whether it be for agriculture, or pasture, or manufactures, or commerce, has

a productive capacity of 12; that the cost of capital used in the production is 4, and the cost of labor 4, leaving a margin of 4 over the cost of production.

This margin the landlord (or the community) may take, without in any way interfering with production. Taking the margin leaves the cost of production unimpaired. But suppose that the landlord, in order to make his land "pay decent interest on its value," should demand five parts, instead of four, as rent. What effect would that arbitrary increase of rent have upon labor and capital?

It would immediately make production unprofitable to them, notwithstanding the fact that the location would naturally yield a large margin over the cost of production. The landlords occupying the controlling position, capital and labor can do nothing but submit (and fight among themselves) until the landlord exactions become unbearable, and then production ceases until either a reduction of ground rents or an increase in the natural margin of production, resulting from inventions or other causes, enables labor and capital to resume production at a profit.

The checking of production by this pressure at one point lessens the demand for production at other points, until finally the whole network of our industrial and commercial system becomes paralyzed—involving in an "industrial depression." This is the true cause of industrial depressions.

Every check given to industry lowers its margin of production, and ground rent—which is properly the margin of production only—should fall with that margin, but it does not so fall. It rises with every tide of prosperity and it follows prosperity to its highest point, but it does not fall when prosperity ceases. It continues its exactions until labor and capital have become practically bankrupt, and then it falls only to give the victims of land monopoly another chance to provide themselves with means to pay further tribute.

The single tax, in its unlimited application, would take for public use the exact margin of production, taking a share of production small enough to leave labor and capital their full rewards, but large enough to make monopoly at all times unprofitable.

This is the true cure for industrial depressions. Some day it will be universally adopted and then these periodical blights will cease to afflict our civilization.

FORMER DEPRESSIONS.

What I have said of the course and cause of industrial depressions is equally true of this country and of every other country in which our system of land tenure prevails. They have afflicted the people of England for a longer period and more intensely than they have the people of our country. There, as well as here, the torture of these depressions to the suffering masses is intensified by the patent fact that the natural resources provided by the Creator for the satisfaction of all the wants which afflict them are lying, unused, around them in measureless profusion.

We are now in the midst of one of those crushing depressions. We have, I hope, passed its crisis. It has brought millions in this heaven-favored land to miseries and sufferings such as barbarians never know, except in years of famine, but which some fault in our existing civilization intensifies with every advance that we make in material progress. Every such depression increases the number and proportion of landless people and enormously increases the concentration of land ownership. A million of homes will pass away from their occupants to the ownership of the landed class during this depression in this country alone. Nearly all of the other small homes in our country will pass under the fatal shadow of irredeemable mortgages, the burden of which will grow until the crisis of another depression will bring fresh foreclosure and transform their owners into tenants of the landed class.

These conditions and this tendency are not new. The depression, finding its culmination about the year 1877, was most graphically described by Henry George in *Progress and Poverty*. How well his statement of the conditions then existing would apply to the present time. Let me read his summary:

From all parts of the civilized world come complaints of industrial depression; of labor condemned to involuntary idleness; of capital massed and wasting; of pecuniary distrust among business men; of want and suffering and anxiety among the working classes. All the dull, deadening pain, all the keen maddening anguish that to the great masses of men are involved in the words "hard times" afflict the world to-day. This state of things, common to communities differing so widely in situation, in political institutions, in fiscal and financial systems, in density of population, and in social organization can hardly be accounted for by local causes.

There is distress where large standing armies are maintained, and there is also distress where the standing armies are nominal; there is distress where protective tariffs stupidly and wastefully hamper trade, but there is also distress where trade is nearly free; there is distress where autocratic government yet prevails, but there is also distress where political power is wholly in the hands of the people; in countries where paper is money and in countries where gold and silver are the only currency. Evidently beneath all such things as these we must infer a common cause.

Again, after fully developing and reviewing the cause of industrial depressions, he says:

Whether in the present drifts of opinion and taste there are as yet any indications of retrogression it is not necessary to inquire; but there are many things about which there can be no dispute, which go to show that our civilization has reached a critical period, and that, unless a new start is made in the direction of social equality, the nineteenth century may to the future mark its climax. These industrial depressions, which cause as much waste and suffering as famine or wars, are like the twinges and shocks which precede paralysis. Everywhere is it evident that the tendency to inequality, which is the necessary result of material progress where land is monopolized, can not go much further without carrying our civilization into that downward path which is so easy to enter and so hard to abandon.

Everywhere the increasing intensity of the struggle to live, the increasing necessity for straining every nerve to prevent being thrown down and trodden under foot in the scramble for wealth, is draining the forces which gain and maintain improvement. In every civilized country pauperism, crime, insanity, and suicides are increasing. In every civilized country the diseases are increasing which come from overstrained nerves, from insufficient nourishment, from squalid lodgings, from unwholesome and monotonous occupations, from the premature labor of children, from the tasks and crimes which poverty imposes upon women. In every highly civilized country the expectation of life, which gradually rose for several centuries and which seems to have culminated about the first quarter of this century, appears to be now diminishing.

Thomas Carlyle, writing of one of the industrial depressions of his time in England, said:

Descend where you will into the lower class, in town or country, by what avenue you will, by factory inquiries, by agricultural inquiries, by revenue returns, by mining-laborer committees, by opening your own eyes and looking, the same sorrowful result discloses itself. You have to admit that the working body of this rich English nation has sunk, or is fast sinking into a state to which, all sides of it considered, there was never any parallel.

Two millions of laborers sit in enforced idleness, in a kind of horrid enchantment. In silence; for, alas! What word is to be said. An earth all lying around, crying, "Come and till me, come and reap me;" yet here they sit enchanted. The sun shines and the earth calls, but by the governing powers and impotences of this England they are forbidden to obey. There is something that reminds me of Dante's hell in the look of all this.

Oh, what a waste is there of noble, and thrice noble, national virtues; peasant-idealisms, heroisms, valiant manful habits—soul of a nation's worth—which all the metal of Potosi can not purchase back.

LABOR EXCLUDED FROM LAND.

These are the conditions to which land monopoly periodically brings the people of the civilized world. I say land monopoly without hesitation or equivocation, because, as a distinguished writer recently said in speaking of the evidences that land monopoly is the cause of industrial depressions, "It is too indisputable to be doubtful now to any one." The evidences of its baleful influence are patent to all observers, even the most casual. They are spread around us in our homes and in our travels.

A few years ago I had occasion to travel through the beautiful and fertile region lying between San Luis Obispo and Soledad, in California. That region includes the fertile valley of Santa Marguerita, embracing some 54,000 acres of tillable soil, well watered, and rich and fertile as any land on the face of the earth. It is owned by a very excellent citizen of California, who has always used it as a cattle ranch, because that simple pastoral use involves less care and labor than any higher use to which it might be put, and yields an ample revenue for all the requirements of the proprietor, while the constant enhancement of the value of the land, with the growth of population, industry, and enterprise in California, is a source of great and gratifying enrichment to him.

It was inhabited at that time by half a dozen cattle-drivers whose only agricultural use of the land consisted in the cultivation of between five and ten acres for orchard and garden purposes for domestic use. That valley alone, if put to its highest productive use, is capable of supporting in comfort from five to ten thousand people in the agricultural, mechanical, and commercial pursuits, which its highest practical use would involve. Yet with the exception of the few cultivated acres which I have mentioned, no human hand had ever been permitted to call forth the treasures which its elements potentially contain. It lay open and uncultivated just as it came from the hand of the Creator.

In the course of the long and lonesome journey from its southern to its northern boundary, we met five immigrant wagons, each containing an American family, husband, wife, and children, some of them more than one family, all looking for land on which to settle and build up independent American homes. Through that treasure-house of God's bounty, with weary limbs and aching hearts they were obliged to move on, hoping against hope that somewhere in that almost uninhabited country they would find land, free from the dominion of private monopoly, whereon to establish their homes and industries, and to rear their families in virtue and patriotism, under the protection of our Constitution and the sacred principles of freedom and equality symbolized by the flag of our country.

Yet, I venture to say that, like the fate of millions of others, their weary struggle was in vain, and that, with means exhausted and hopes blasted, they were finally obliged to seek the labor markets of the cities of California and there, in competition with the army of the unemployed, seek for a chance to divide with them the insufficient employment for which they were struggling. As I looked upon that striking example of the monopoly

that our land system encourages and the home seeking, made hopeless and fruitless by that monopoly of natural resources, I thought of Duganne's poem on—

"THE ACRES AND THE HANDS."

"The earth is the Lord's and the fullness thereof,"
Said God's most holy word.

The water hath fish and the land hath flesh,
And the air hath many a bird;
And the soil is teeming o'er all the earth,
And the earth has numberless lands;
Yet millions of hands want acres—
While millions of acres want hands.

Sunlight and breezes and glad some flowers,
Are over the earth spread wide;
And the good God gave these gifts to men—
To men who on earth abide.
Yet thousands are toiling in poisonous gloom,
And shackled with iron bands—
While millions of hands want acres,
And millions of acres want hands.

'Tis a glaring lie on the face of day,
This robbery of men's rights!
'Tis a lie that the word of the Lord disowns,
'Tis a curse that burns and blights!
And 'twill burn and blight till the people rise
And swear, while they break their bands—
That the hands shall henceforth have acres
And the acres henceforth have hands.

I have cited the Santa Marguerita ranch case, first, because it is a striking illustration of the results of our land system; and, secondly, because the scene that I witnessed there made a strong impression upon my mind. But, in greater or less degree, the same system is producing the same results in every section of the American Union, and in every other country in the civilized world. These results are not confined to rural lands; they are more strikingly true of city lands, suited for manufactures and commerce and for residence purposes, that are held for speculative purposes, under the inducements to speculation afforded by our laws.

CONGESTION OF LABOR MARKETS.

The tendency of our present land system to drive laborers from agricultural and other rural employments into the cities, and the tendency of inventions and other improvements in the arts of wealth production to displace labor in the industrial centers, bring about a condition of constant congestion in the labor markets, and produce an intensity of competition there that forces the wages of labor always towards the lowest point at which laborers can live and work, thus increasing the power of monopoly over labor; increasing the share of production going to monopoly, and decreasing the share going to labor, regardless of the increase in the value of labor which comes with the advance of material progress. Whatever lessens the labor-cost of using land productively increases the market value and the rental of land, thus by a double process widening the gulf between the rich and the poor, and gradually making the condition of the laboring classes more hopeless and helpless as material progress advances.

The time has come when labor must be set free from the trammels and oppression of monopoly. What it needs more than all else is opportunity for the immediate redistribution of the displaced labor to productive employments. Every laborer leaving the labor market and going out upon the land would not only diminish the pressure of competition at the labor center, but would create a new center of industry, however small, calling for other labor, not only in that new productive industry, but in supplying that industry with its implements, tools, shelter, food, and clothing. Labor, after all, is the thing that creates demand for labor.

Capital is not in any true sense the employer of labor. Capital occupies an intermediate position between the laborers who want supplies and the laborers who make the supplies to satisfy the wants of the others. The wages fund theory has been absolutely and finally exploded. Capital would not employ labor in production if there were not demands coming from other producers to be satisfied. The farmer wants shoes, and the shoemaker wants bread. If the farmer should employ the shoemaker to make shoes for his family and should agree to furnish the shoemaker with bread in exchange for the shoes, no man would say that capital was employing the labor either of the farmer or the shoemaker.

So, if the farmer goes to a storekeeper to sell his wheat, taking shoes in exchange for it, while the shoemaker furnishes the storekeeper with shoes to be sold to the farmer and takes wheat in payment for his shoes, the relation between the shoemaker and the farmer is not changed. They still really employ each other, but instead of employing each other directly they do so through a middleman, who makes a profit out of both of them, yielding presumably full value to both for that profit. But the storekeeper would not employ the shoemaker to make shoes for

his trade if there were not consumers of shoes ready to purchase them from him, nor would he buy wheat from the farmer if he had no customers willing to purchase wheat for their immediate or ultimate consumption.

So, if the shoemaker finds a sufficient demand for shoes to justify him in starting a factory, his workmen are employed really by the people who ultimately wear the shoes that they make. He becomes a mere intermediary, and the number of workmen whom he will employ and the wages that he will pay do not depend upon the amount of capital that he has nor the amount of capital that he is willing to devote to production, but they depend entirely upon the demand for shoes among those who ultimately wear them and the ability of such persons to pay for shoes.

Labor is therefore interested, not in limiting production but in extending it; not in narrowing the field of labor and seeking to control the so-called "wages fund," but in increasing in every possible way the opportunities of labor to engage in productive employments, and in checking the present tendency to congestion in the labor markets, by opening natural opportunities to surplus labor on better terms than they can now be had.

I have spoken of the interest of labor in opening up the natural resources of the earth, as if labor alone were concerned in it. In truth, however, all mankind have the same interest in the extension of labor's opportunities that laborers have. In the last analysis the interest of labor is the interest of all mankind, because the only possible way to elevate the superstructure of our social system is to elevate the lowest strata of its foundation. Labor is the indispensable and universal foundation of our social system. Its degradation is the degradation of the whole system, and its elevation is the elevation of all.

EFFECT OF THE SINGLE TAX ON LAND MONOPOLY.

Dr. Edward McGlynn, when asked for a brief statement, showing the purpose of the single-tax movement, wrote this reply: "To make room at the father's table for all his children." I have often thought of the true simplicity and completeness of that laconic statement. The natural resources of this earth are indeed the bountiful supplies of the father's table for all his children. The trouble that we see in the world, which is manifested by the superabundant wealth of the few and the grinding poverty of the many, is due to the fact that the father's table, with its bounteous supplies, has been seized upon by the few to the exclusion of the many; and that the many, in order to get access to the supplies which the father has provided in abundance for all, are obliged to work their lives away in paying tribute to the few who have appropriated the table and its supplies.

Under the artificial system created by the grasping of the whole bounty by a few of those for whom God intended it, many of the masses are constantly left in such a position that they can not produce enough to pay the tribute exacted by the monopolists, and they must suffer exclusion from the table while their necessities are oppressing and crushing their lives.

Cicero very happily compared this world with its resources to a theater furnished by the Creator for the entertainment and instruction of all his children, and in which he provided a seat for every child who should come into the world. He compared the monopolists of the earth to guests at the theater, who, coming first and finding the chairs vacant, have appropriated not only the seats required for their own use, but all of the seats, and are compelling their brethren to pay tribute to them for the use of the seats that the Creator freely provided for all.

Either illustration happily fits the situation, and the purpose of the single-tax movement may be aptly said to be to compel the monopolists of the Father's table and its supplies to relinquish all but the portion which they require for use, or to compel the early guests at the theater to let go of all of the seats which they are not using. It is not intended to place any man at a disadvantage, with respect to any other man, but it is intended to absolutely and forever take away the monopoly powers of those who now hold more than their share of the Creator's bounty. It is not intended to equalize wealth among men. Wealth is the stored-up product which labor has already produced from the natural earth. The single-tax men hold and recognize private property in that form of wealth to be a sacred thing. They give to it a sacredness that the present laws do not give to it, and they have no purpose or intention of interfering with its present distribution in any way.

Much of it has been very unjustly obtained by its present possessors, but in a world-wide sense that wealth is of very little importance, because it would satisfy the wants of the people of the earth for only a few days, while the natural sources from which it was produced are the reliance of mankind, for all future ages, for sustenance and comfort. All future wealth must be produced from those sources, and its distribution among the people will depend upon the freedom or the monopoly of those sources.

OPPORTUNITIES—NOT WEALTH—SHOULD BE EQUAL.

What we seek to bring about is not an equal distribution of wealth, but an equal distribution of the opportunities for producing wealth. An equal distribution of wealth would accomplish very little good, and the same methods which have caused the present unequal distribution would very speedily reproduce the inequality and, in the double transition, much wealth and energy would be wasted. If, on the other hand, the natural opportunities for producing wealth be opened upon equal terms to all mankind, labor will be free to produce what it needs, and thrift can be relied upon to preserve what it requires labor to produce. When the Creator placed man upon the earth He gave him the raw materials of all wealth, freely and bountifully stored up in the earth, but he made labor the condition of their procurement, and he made labor free to procure them at will. This was nature's plan for human happiness, and it is better than any plan that human ingenuity has ever sought to substitute for it.

With natural resources free, the lowest condition of labor would be the kind of living which labor could independently produce from the earth. All laborers would have that sort of living as the lowest possible condition to which they could be reduced. Then the ingenuity and inventiveness of man would be brought into natural play in combining and subdividing labor, so as to increase the wealth-producing power of labor, and to their great enterprises, either individual or cooperative, labor would be drawn by the offer of better terms and conditions than it could secure by independent self-employment.

It would be no longer driven into these great enterprises by the pressure or the fear of want, nor would it ever be compelled to accept the wages of slavery because of the presence of slaves competing for employment in the market. With the means of independent self-employment open to labor, employers, in order to get labor, would be obliged to offer not merely the same returns that the independent employment would afford, but such superior advantages, both in wages and conditions, as would induce the self-employing laborer to give up his personal independence so far as to take employment from another man.

Then every inventor and every captain of industry would become, as they should be, real benefactors of mankind, whose skill and enterprise would tend to lighten the burdens and increase the comforts of mankind. Then production would be free and trade would be free. No man would have any share in the distribution of wealth who did not share in its production; then no man would sit as a toll-gatherer at the gate of another's industry, but each would take in distribution exactly according to his share in production.

The individual laborer would get a share exactly corresponding to his contribution to production. Capital would get the share necessary to replenish it, and to yield the value of its use, measured by the demand for capital.

The margin of production, which is now the share of the non-producer, would go to the entire community for the general benefit of all. This would be just, because the margin of production results in all cases from the presence, enterprise, and virtues of the whole community, except in so far as it represents the value of great natural deposits, such as coal, iron, gold, silver, copper, lead, petroleum, quicksilver, and the like under the earth, and forests over the earth, and these deposits and the forests were prepared and stored by the Creator for the general common use of all mankind. It is right that their value should be given to the whole people whenever private individuals extract them from the earth. That value, of course, will largely but not wholly depend upon the same elements that make up the margin of production in other cases, namely, the presence, industry, enterprise, and virtues of the whole people.

It is the purpose under the single-tax system to appropriate to public use the entire margin of production of all lands, and thus to cut off the unearned increment, to secure which land is now monopolized. By the "unearned increment" I mean that value which in every growing community attaches to land and increases with the growth of the community, whether the land be used or not used, and which now goes to enrich the private owners of land, although it is produced not by them, but by the whole community from year to year. The market value of land represents in capitalized form these two elements: First, the present rental value of land, and, secondly, the prospective future enhancement of that rental value.

By taking for public use the entire present rental value of all land, whether used or unused, with the declared purpose of taking for all time in the future for public uses all of that rental value as fast as it shall accrue, no inducement would be left for speculation in land. On the contrary, the ownership of idle land would become a burden and expense which no sensible man would assume or bear. Such land would be either improved for use at once or it would be abandoned, so that any man who might desire to use it would be free to do so without any first charge

whatever, and subject only to the payment from year to year of its economic rental value, as such economic rental value might arise. The owners of improved lands would continue to lease them, paying over to the people in the form of taxes the entire rental value of the ground and retaining to themselves that portion of the rent representing the improvements; the improvements and the income derived from them being free from all burdens of taxation.

TAXES ON LAND VALUES CAN NOT BE SHIFTED.

The single-tax system being a substitute for all other forms of taxation, direct and indirect, would relieve from taxation all improvements upon land and all personal property of every kind; it would do away with all poll taxes and all license taxes for the conduct of business, and would do away with all taxes on commerce, on goods, and on the consumption of wealth. Such taxes can always be shifted, and are always shifted, in the course of exchange from the person paying to the consumer, upon whom they are finally saddled.

Whatever tax or burden of any kind is imposed upon any form of wealth produced by labor or upon the income therefrom is shifted to the borrower or user. Now, it is argued by analogy that the single tax on land values will also be shifted from the owner to the user of land, and that ground rents will increase in proportion to the tax burden imposed upon land values. Hence it is said that except in so far as the single-tax system will simplify and cheapen the assessment and collection of taxes it will afford no benefit to the landless classes, because what they will gain by exemptions from taxes on their personal property and upon their consumption they will lose by the increase of ground rents.

If this were true it would be a very serious objection to the single-tax system, and would entirely destroy the most important economic advantages which we expect to flow from it. But it is not true, and there is no analogy between the effects of taxation upon land values and the effects of taxation falling upon wealth produced by labor. The reason that taxes laid upon production, or upon wealth produced by labor, can always be shifted is that such a tax burdens production and constitutes one of the expenses of production, which must be paid out of the price charged for the product, or production of that commodity will be checked. With the checking of production the supply of the commodity will be limited in the market, and by the operation of the law of supply and demand the supply being diminished, the price will increase until it covers the tax.

If land were produced by human labor the heavy taxation of land values would tend to discourage the production of land until the price of land would rise sufficiently to cover the tax; but no man is engaged in producing land. It is a natural product, and its natural supply remains unchanged, regardless of the taxes levied upon it. But taxation has a direct effect upon the available supply of land in the market. The heavy taxation of land values forces land into the market at whatever prices can be obtained for it, thus increasing the available supply to purchasers and renters and, by the same law of supply and demand, reducing the rent and the selling price instead of increasing them.

Another effect of the single tax would be the exemption of houses from taxation, and this exemption would tend to encourage men to invest their capital in the building of houses, thus tending to increase the supply of houses and to further decrease the renting price by increasing the competition for tenants among the owners of houses. To illustrate both of these propositions, I need only refer to the vacant lots held idle for speculative purposes in the thickly settled portions of all great cities. The owners can now afford to pay taxes upon these idle lots, because their average annual increase in value is very much greater than the amount of taxes paid.

It is therefore a profitable speculation to pay the taxes on such lots and keep them out of use. Besides, if the owners of the lots should build houses on them now, the people would compel them to pay a penalty of about 2 per cent per annum upon the value of the houses, whether in use or idle, thus making the investment in such improvements less profitable, considering the risk of fire and other dangers, than an investment in land or in untaxed Government bonds. But suppose that the buildings to be erected on such lots should be untaxed, then at once an investment in such buildings, all other conditions remaining the same, would be 2 per cent more profitable than it is at present, and capital would be attracted to building. The great importance of that exemption of 2 per cent appears in the fact that net interest is only 2½ per cent.

Let us suppose that the owner of one of these lots, who now pays a tax of \$1,000 per annum, should be compelled to pay to the public something near the annual rental value of the lot—say about \$4,000 per annum, and that he would pay no more taxes if he had a building like that of the Washington Loan and Trust Company upon it—how long do you suppose he would keep the

land idle and pay a tax upon it equal to its entire rental value? It would, of course, be as good for use as it is as present, but it would not be as good an investment for speculation as it is at present.

The increased burden of taxation upon the monopoly privilege of holding the lot would make it absolutely necessary to use the lot in such manner as to make it yield the amount of the tax, or to improve and lease it in order that the owner might be saved from the irreparable loss that would be involved in paying taxes upon it while holding it in idleness. Improvement and use would save him from burden, but the prospective increase of values would not enable him as now to reap a golden harvest by keeping it in idleness.

It is needless to multiply examples, for the effect which the single tax would have upon the particular lot in the case supposed, it would have upon all land—rural and urban—which is now subject to private ownership. Now, if the taxation of land values only would have a tendency, as I have shown, to encourage and to compel the erection of houses upon all vacant lots in cities, and the productive use of rural lands, thus vastly increasing the available supply of houses and holdings for sale and to let, does it not follow, with the clearness of demonstration, that the resulting competition among landlords to secure tenants and purchasers would compel them to reduce instead of increasing their rents and their prices?

How, then, can they shift the taxes upon their tenants? It would be utterly impossible for them to do so. Land rent is fixed by a law entirely independent of taxation. It is fixed by the value of the land for use, and no amount of taxation can increase that value. If you should build two stores exactly alike in all of their appointments, one at Arlington and the other on the north side of Pennsylvania avenue between Twelfth and Thirteenth streets, you could get one hundred times as much rent for the latter as you could get for the former, not because of the difference in taxes upon the respective places, but because of the superior commercial advantages of the latter location.

To impose the same tax on the Arlington store that would fall on the Pennsylvania avenue store would not improve the value of the Arlington store for use. It would not in the least tend to equalize the commercial advantages of the two locations, and the rent of the Arlington store could not be increased to cover the tax. So with rural lands. The tax could not be added either to the rent or to the product, for substantially the same reasons that I have already given in discussing its effects upon urban lands. But it is not necessary to discuss this phase of the question at greater length. All political economists, from Adam Smith to Henry George, are agreed that taxes laid upon land values can not be shifted.

Adam Smith, in his *Wealth of Nations* (book 5, chapter 2, part 2, article 1), says:

A tax upon ground rents would not raise the rents of houses; it would fall altogether upon the owner of the land, who acts always as a monopolist and exacts the greatest rent which can be got for the use of his ground. * * *

Whether the tax was to be advanced by the inhabitant or the owner of the ground would be of little importance. The more the inhabitant was obliged to pay for the tax the less he would incline to pay for the ground, so that the final payment of the tax would fall altogether upon the owner of the ground rent.

J. B. Say, the great French economist, in his work on *Political Economy* (volume 2, book 3, chapter 8, section 2), says:

An acre of vineyard or corn land will only produce a given quantity of grain or wine, whatever be the rates of taxation, which may take the one-half or three-quarters of the net produce, or rent as it is called, and yet the land be tilled for the remaining one-half or one-quarter. The rent, that is to say the portion assigned to the proprietor, will be reduced, and that is all. The reason will be manifest to anyone who considers that in the case supposed, the land continues to raise and supply the market with the same amount of produce as before; while, on the other hand, the motives in which the demand originated remain just as they were.

If, then, the intensity of supply and demand must both remain the same in spite of any increase or diminution of the ratio of direct taxation upon the land, the price of the product supplies will likewise remain unchanged, and nothing but a change of price can saddle the consumer with any portion whatsoever of that taxation.

John Stuart Mill, in his *Principles of Economy* (book 5, chapter 3, section 2), states his conclusion on this subject in the following language:

A tax on rent falls wholly on the landlord. There are no means by which he can shift the burden upon anyone else. It does not affect the value or price of agricultural produce, for this is determined by the cost of production in the most unfavorable circumstances, and in those circumstances, as we have so often demonstrated, no rent is paid. A tax on rent, therefore, has no effect, other than its obvious one. It merely takes so much from the landlord and transfers it to the state.

It thus appears, I think conclusively, that a tax upon the value of land falls always directly and finally upon the owner, and that with the exception of poll taxes, it is the only tax which can not be shifted to the shoulders of the poor.

WOULD THE SINGLE TAX BE JUST?

Having shown that the single tax would equalize the natural opportunities of all men, by giving them access on equal terms to nature's storehouse of material resources, and having shown

that the single tax upon land values would fall and finally rest upon the owner of the land, it becomes highly important to inquire if such a tax would be just? If it would not be just I do not hesitate to say that it would not be expedient.

Never yet did men or nations prosper finally in wrong.

If it can not be satisfactorily shown that it would be just, the proposed reform should be unhesitatingly and perpetually rejected. It is to be sincerely hoped that no scheme of social or political reformation shall ever find lodgment in the hearts or institutions of the American people which is not firmly based upon the eternal and immutable principles of justice. To this high test we submit our theory,

And poise the cause in justice' equal scales,
Whose beam stands sure, whose rightful cause prevails.

I shall not here repeat the argument which I made to show that of natural right the earth is, and ever has been, and must ever remain, the equal common heritage of all mankind; but proceeding from that premise, I will deal with the only other serious question which the controversy involves, namely, what regard are we morally bound to have for rights, contrary to natural justice, that have become vested under the sanction of our laws? It may well be that no human law can ever justly give any sort of title or vested right as against an inalienable natural right. But I shall not rest upon that position.

Prof. Sturtevant, in his excellent work on Economics, justifies the expulsion of the Indians from the lands of North America upon the following grounds:

We can not admit in the first place that these savages ever did own the soil. They never did that which alone creates ownership. They never made any modification of the land by labor expended on it which fitted it to be an instrument of production. They roamed over it like herds of buffalo, and lived on spontaneous products just as the wild beasts did. But by so doing neither the buffalo nor the savage acquired ownership, the latter no more than the former. He who gathers blackberries or shoots deer upon a piece of ground does not thereby become the owner of it.

No one owns a tree of the forest because on a single year, or for many successive years, he gathered the nuts that grew on it. The European settlers of North America took possession of no capabilities of production which the labor of those savage tribes had created. As those savages retired before them they had exactly the same labor to perform which they would have had if there had never been any human inhabitants on the continent before them. In this respect the case was exactly the same that it would have been if wild beasts and not men had retired before them. What they took possession of everywhere was the work of the Creator and not the work of man.

Herbert Spencer, in *Social Statics* (chapter 9), says:

It may by and by be perceived that equity utters dictates to which we have not yet listened, and men may then learn that to deprive others of their right to the use of the earth is to commit a crime inferior only in wickedness to the crime of taking away their lives or personal liberties.

John Stuart Mill, in his *Political Economy* (book 2, chapter 2), declares that land considered apart from improvements—
never was and never can be a proper subject of private ownership. . . . When the sacredness of property is talked of it should always be remembered that such sacredness does not belong in the same degree to landed property. No man made the land. It is the original inheritance of the whole species. Its appropriation is wholly a question of general expediency. When private property in land is not expedient it is unjust.

Sir William Blackstone, in his *Commentaries on the Laws of England* (Book 2, chapter 1), says:

The earth is the general property of all mankind from the immediate gift of the Creator. . . . Thus the ground was in common, and no part of it was the permanent property of any man in particular. . . . Thus, also, a vine or other tree might be said to be in common, as all men were equally entitled to its produce; and yet any private individual might gain the sole property of the fruit which he has gathered for his own repast. . . . Accurately and strictly speaking, there is no foundation in nature or in natural law why a set of words upon parchment should convey the dominion of land. . . . It is well if the masses of mankind will obey the laws when made, without scrutinizing too nicely into the reasons for making them.

Hon. William E. Gladstone, speaking of proposed restrictions on the vested rights of the landowners, says:

Those persons who possess large portions of the earth's space are not altogether in the same position as the possessors of mere personality. Personality does not impose limitations on the action and the industry of man, and on the well-being of the community, as possession of land does, and therefore I freely own that compulsory expropriation is admissible and even sound in principle.

James Anthony Froude, on the same subject, says:

Land is not, and can not be, property in the sense that movable things are property. Every human being born into this planet must live upon the land, if he live at all. The land in any country is really the property of the nation which occupies it.

Prof. Newman, on the same subject, says:

To make away into mercenary hands, as an article of trade, the whole solid area on which a nation lives, is astonishing as an idea of statesmanship.

Alfred Russell Wallace, the great English scientist, says:

So long as a man can be evicted and banished from the local community at the will of the landlord there can be no independence and no possible freedom or self-government worthy of the name. . . . By recognizing private property in land, the State has set up in its midst a number of petty lords more powerful than any government, and whose decrees, whatever injustice they may do or whatever misery bring to British subjects, no court of law or equity is able to reverse.

Hon. William Brodrick, M. P., speaking of English landlordism, says:

The landlord of the parish, or district, is invested with an authority over its inhabitants which neither the Saxon chief nor the Norman lord in the

fullness of his power ever had the right of exercising: for the means of living, and the very right of the people to life itself, are equally under the control of those who are the exclusive owners of the land, which the Creator freely gave for the equal use and sustenance of all and without which no human being can possibly live.

Replying to the suggestion that any attempt to regulate ground rents, or to limit the conditions of tenancy as fixed by the landlords, would be an invasion of their vested rights, Mr. Brodrick said:

No man can have a vested right in the misfortunes and woes of his country.

No man has ever presented any basis or justification for the same exclusive private property in land that men have and of natural right ought to have in the products of labor.

No statesman, lawyer, philosopher, or theologian has ever presented any argument worthy of the name in justification of such absolute private ownership. It is contrary to natural justice; it is contrary to the condition on which the earth was given to man by the Creator; it is destructive to the last degree of justice and equal rights among men, and it is destructive of the liberties and happiness of the great masses of the people; reducing them, as it has done, to a condition of industrial slavery which keeps them continually face to face with the menace of pauperism, regardless of their ability and willingness to live by labor upon the conditions fixed by the Creator.

No attempt has ever been made to justify the exclusive private ownership of unused and unimproved land. Every defense of the private ownership of land is based upon the moral right resulting from its improvement and its actual use. The assertion of a vested right in land upon which no improvements have been made has no moral support of any kind which its defenders have ever been able to suggest. It is asserted that private property in land was established for the purpose of encouraging the permanent improvement of land and the care and productive use of land by the occupant, and that it is well adapted and essential to those purposes.

ESSENTIAL ELEMENTS OF PRIVATE PROPERTY IN LAND.

These elements of private property in land we concede to be essential to the permanent improvement, care, and use of land, and therefore essential to the well-being and stability of human society, namely, permanency of tenure, security of improvements, and security in the full fruits of whatever productive effort is applied to the land or exerted upon the land. All of these elements are fully secured under the single tax system, and would thereby be more perfectly secured than under the present system. The other element that now attaches to private property in land is the right of the private owner to appropriate to his own use the unearned increment which results to the land from the presence, industry, and enterprise of the population of the community in which it is situated.

This element, the only one against which the single-tax system is aimed, does not encourage the owner to improve or care for or use the land productively; it encourages him to abandon all industrial pursuits and to endeavor to live upon the toll which his mere ownership enables him to levy upon those who use his land productively; and it encourages men to seek wealth and power, not by producing wealth, but by securing a monopoly control of the sources of wealth production and by taking advantage of the everincreasing value which the growth of population gives to the land of which they secure control.

The only valid purpose of private property in land from the standpoint of public utility is therefore not accomplished by it. That purpose is actually subverted by it. That being true the violation of the natural rights of mankind involved in the establishment of individual private ownership of land has not the slightest foundation of social utility or expediency to sustain it.

Again, the rental value of land is, as I have shown, the result of the presence, industry, and enterprise of the whole people of each community in which it appears. It is produced as an indirect result of the general enterprise and industry of the community.

The community has, therefore, a moral right to appropriate it to public use, because the community has produced it. The universally recognized law of private property has its foundation in each man's ownership of himself. Every man is of natural right the owner of himself and of his mental and physical powers. As a consequence of that ownership of himself, he has a natural right of ownership in everything that he produces by the voluntary exercise of those mental and physical powers. The things that he produces are his, because he has produced them; because their forms of utility would not have existed but for his productive effort, and it is no hardship to any other man in the world to be deprived of that which would not have existed at all but for the labor of him who produced it.

If the labor of a dozen men indistinguishably contributes to the production of anything of value it belongs, by the same law, not to any one of them, but to the whole dozen. So, if a value be produced by the indistinguishable labor of a community of one

hundred thousand or a million people it belongs, by the same law of natural right, to all, and not to any individual, or to any number less than the whole. Therefore the rental value of land belongs to the community which produces and maintains it by the same natural right which gives to each individual man the wealth which his labor entirely produces.

NO QUESTION OF VESTED RIGHTS.

But it is said that under the sanction of our laws men have invested their wealth in the ownership of land for the purpose of securing, as their return, this unearned increment which the community creates, and that it would, therefore, be unjust to deprive them of that unearned increment, or the margin of production, by any new law operating either directly or indirectly to that end. The complete answer to that proposition is that every foot of land now in private ownership was acquired by private owners, subject to the acknowledged and well-known reserved right and power of the people, through their several governments, to take its rental value, or any part or portion of its rental value, that to them might seem expedient, by taxation, for public uses at any time.

The speculator in land has always invested, and now invests, his money in land upon the assumption that the people will not deem it expedient to exercise that reserved right until he shall have made his expected profit out of his investment. If the people shall in the meantime choose to exercise that reserved right, the exercise of which is absolutely and solely in the discretion of the people, his speculation fails, simply and solely because he has miscalculated the purpose or future action of the people with respect to the enforcement of their acknowledged right.

There is really no question, in this proposed reform, concerning vested rights; because no man has, or ever had, any vested right to have his lands exempted from taxation, nor to have any limit set to the percentage of its value which may be collected for public uses. His right is simply that he shall be treated like all other landowners in the same taxation district. In view of this reserved right of the people at any time to practically nationalize the lands of this country, by the exercise of the power of taxation, it may be truly said that the lands of this country under the statute laws, as well as by natural right, have always been the common property, as well as the common heritage, of the whole people.

COMPARISON OF HARDSHIPS.

It is asserted that the complete establishment of the single tax would work a great hardship to several thousands of well-meaning people, who have, in good faith, invested their means in landed property, in order to secure an income sufficient to maintain themselves and families in such comfort as would result from the investment of the same means in productive enterprises, and that they would be placed at an unfair disadvantage with respect to those who have invested the same means, for the same purpose, in such productive enterprises.

No great social transition, from a condition of injustice to a condition of justice, can be made without imposing hardship, and often unmerited hardship, on those who, in accommodating themselves to the unjust condition, have become its beneficiaries. But the hardship that would result from this proposed transition is absolutely unworthy of consideration when compared with the infinite hardship which the great continuing wrong of land monopoly inflicts upon the great masses of the people who are now deprived of the independent means of subsistence for which the Creator made and gave the land.

The suffering caused by the present land system in a single hour will outweigh a hundred fold all the hardships that would ever result from the proposed change to all the people who would be affected by it.

NO ACCRUED VALUE.

Another claim which, although unsound, is deserving of serious notice, principally because it once received the solemn sanction of so great and wise and just a man as John Stuart Mill, namely, that while the people are unquestionably entitled to all future enhancement of the rental value of land, the private owners are entitled to appropriate at present and for the future the accrued rental value; that is to say, that private owners should be allowed for all time to take for their private use a portion of the rental value of their lands equal to the full rental value of those lands at the time that the people determine to take the accruing increment for public use.

But this position has since been demonstrated to be utterly without foundation. There is no such thing as an accrued rental value attaching to land, save and except that which has been already collected or is already due to the present owner, and of that we propose to take no accounting. But the future rental value of land all over the United States will result not from what the people have done in the past, but entirely from what the people shall hereafter do. If the people of the United States

should withdraw from its lands entirely, without any probability of returning, and there being no probability of other people coming to inhabit the country, rental values and market values of land would disappear with the people, and the lands would be as worthless to the landlords in 1895 as they were in 1495.

So, if the people remaining here should entirely abandon all productive industries and become as shiftless and industrially worthless as the Indians who preceded them, the value of all land in this country would fall to nothing. If land is to have value in any community in the United States hereafter, that value must result from the future industry and enterprise of the people, and not from what they have done in the past. Of course, improvements upon land and present facilities for its use have their influence in connection with the presence of population in making and maintaining present and future land values. But without the presence, industry, and enterprise of the people, land values must absolutely perish, regardless of all that has been done heretofore.

The people's right to appropriate the rental value of lands to public uses, therefore, extends to the whole rental value of the bare ground, and public expediency requires that it shall all be taken, to the end that the natural opportunities of the whole people may be preserved in absolute equality, and that the monopoly of these resources may not be encouraged by allowing any part of the unearned increment of land to reward private speculators for such monopoly.

IS THE SINGLE TAX INEXPEDIENT?

I have already stated that certain elements of the present system of private property in land are essential to the substantial and permanent improvement of land, for the best uses to which it can be put, and for the highest development of the means and arts of wealth production. These elements are permanency of tenure, security of improvements, and security to the occupant in the fruits of his productive labor. All of these elements are perfectly secured and sacredly guarded under the single-tax system. We propose no change in the present forms of private ownership of land.

We simply divert the margin of production—that is to say, the excess which production yields, at any given place, over the cost of production—from the private individuals who now appropriate it, without consideration, to the use and benefit of the whole people, who do produce it. It is said that this will discourage extensive improvement of land for its highest productive use. Fortunately we are able to demonstrate that it will not have such an effect. In the heart of the city of Chicago there are two blocks of land, owned by the city, and used by private individuals, who have erected their own improvements upon the land. They pay into the city treasury of Chicago the full rental value of the ground, just as they would pay it under the single-tax system.

Some of the private buildings on that land are among the finest in the city of Chicago: One of them is "The Rookery," an eleven-story office building, built of steel, granite, and pressed brick, at an expense of about \$3,000,000; another is McVicker's Theater, well known to most people who have visited Chicago; another is the Tribune building. The other buildings on the blocks in question, while not so fine as those that I have mentioned, yet compare favorably with other buildings of the same age in Chicago or in any other city. No difficulty is experienced. The tenure of the private occupants has no limit, and the sole condition of tenure is the payment of the rental value of the ground to the city, that rental value being ascertained and fixed by methods not unlike those which would be adopted for the assessment of the single tax.

If the single-tax system were in operation, however, the city and State taxes now falling upon the Rookery building and upon all of the furniture and fixtures and stock contained in its offices and stores would be remitted, and other occupants of lands of like character would be encouraged to improve the city and increase the business facilities and accommodations of its inhabitants by constructing similar buildings, which, with their fixtures, furniture, goods, and businesses, would be free from all tax burdens.

SINGLE TAX AND THE FARMERS.

It is said that the single tax would fall with undue severity upon the farmers of this country, because, in proportion to the value and returns of their industries, they occupy more land than other producers. If it were true that the single tax would seriously burden the farmers, who are already overburdened by direct and indirect taxation beyond endurance, it would be a serious objection to our proposition. But it must be borne in mind that the single tax is not a tax on land, according to area, but is a tax on land values, and therefore it would not be paid by the owners of the land in proportion to the area occupied or cultivated by them, but in proportion to the market value or rental value of their respective holdings.

A few days ago a lot of land was sold in the city of New York at the rate of \$5,000,000 per acre, and it is said that in New York and also in Chicago there is land which is held in the market at the rate of \$10,000,000 per acre. A few years ago a lot of land was sold in London at a rate which per acre would bring over \$14,000,000. These are the great centers of commerce and industry, and land values are highest at these points, growing gradually less as the rural districts are approached, and finally, in locations isolated from the centers of trade, shading to almost nothing.

Just as the rental value falls as you approach the rural districts, so will the single tax become light as you approach the farming districts, where land values are smallest. One acre of the land sold as I have stated, in the city of New York, would pay as much taxes, under the single tax system, as 1,000 farms of 100 acres each, worth on the average \$50 per acre. The proportion of taxes now paid by farmers upon their lands and improvements and personal property and indirect taxes upon their clothing, farming utensils, etc., is very much greater, with respect to city property, than it would be under the single-tax system.

Under the present system the speculators in unimproved farm lands get the benefit of all that the working farmers do to build up the neighborhoods in which their lands lie, yet contribute nothing in personal service, and comparatively nothing in taxes, to either the public or private enterprises that build up the value of their lands. Under the single tax system the settlement of land would proceed by regular stages from the centers of industry and commerce. Every tract of land would have an improving and occupying owner, bearing his share of all common burdens and contributing to all public enterprises for the improvement of roads and the betterment of social and industrial conditions.

These and innumerable other advantages would come naturally to all farmers. But the census returns show that more than one-third of the farmers of the United States are now tenants, and that the transformation from occupying owners to tenant farmers is going on more rapidly than ever before in the history of the country. Surely they have nothing to fear from a system that would bring to them the advantages of which I have spoken and which would place the entire burden of taxation upon the margin of production which they now pay as rent to private owners.

Again, farm laborers are not to be overlooked in considering the effect of the proposed reform upon the interests of our farming population. To the farm laborers the single tax would open up unlimited opportunities for securing homes and farms, and for the independent prosecution of the industry in which they are now engaged in menial capacities. It would be a boon to them greater than any that has been offered to their class in the whole history of the world. The whole system of farm labor would be changed immediately. The farm laborers would become occupying owners on a small scale. They would work for the larger farmers at such times as their labor might be required, and instead of wasting their minds and energies during periods of idleness, as they do under the present system, they would devote such periods to the cultivation and improvement of their little farms and homes.

All ground rent in country and city would fall to the economic line and remain at the economic line, leaving to labor and capital always the full share of production necessary to make it profitable to those active factors. Production and exchange would go on uninterruptedly. Periods of industrial depression would pass into history and would cease to afflict mankind. The distinctions between dominant and servient classes, that are now so alarmingly growing in this country in spite of our theoretical political equality, would disappear like the shadow of a distempered dream, and a great commonwealth of free and independent American citizens would spring up, filled with a new sense of individual liberty; rooted to the soil of our country, and correspondingly devoted to our institutions; supporting and sharing her educational institutions; burning with the same high spirit of patriotism with which the independence of their homes inspired the yeomanry that were once the glory and the pride of England; their lives, their property, their sacred honor, at all times religiously pledged to the institutions of our country and to our country's flag, which would then most truly be the emblem of liberty, equality, justice; of independence in home and industry secured to all beneath its folds.

ALL CITIZENS SHOULD OWN LAND.

The decline of patriotism in recent years has been deplored, and it is deplorable, but it has a cause. Men love the institutions to which they are attached and of which they are substantially and efficiently a part; they love the country which secures to them liberty, equality, and justice, and independence in home and in industry. Just in proportion as the people are rooted to the soil, are free to engage in productive labor for the satisfaction of their wants, and are secure in the enjoyment of

the fruits of their labor, their patriotism increases, even to intensity; and just in proportion to their severance from the soil, to the closing of natural opportunities against them, and to the power of classes to despoil them of the fruits of their labor, do they become unpatriotic and cease to sympathize with the institutions of the country which make them tenants in their home lives and slaves in their industries.

What constitutes this country? What is it that makes up the country that we call ours? Is it not the natural resources, the fruitful lands, the mineral deposits, the stores of coal and petroleum, the forests, and all the raw materials provided by nature for development, by labor, into forms of utility? These constitute our country, and the owners of those resources are the owners of our country. They are the dominant class, and all others are here but by their sufferance on the terms fixed by their arbitrary will, yielding tribute to them, as owners of our country, for the privilege of dwelling and laboring within its borders.

The power of eviction carries with it all lesser power of control. The monopoly of the earth upon which we live and from which we must draw our subsistence gives a power to the monopolists over the landless involving life and death. There can be no such thing as political or social equality between the landed and the landless classes. The landless class must ever be the industrial slaves of those who own the natural resources, and they can be freed only by the destruction of land monopoly. The multiplication of landowners will never improve the condition of the landless class, because it simply increases the number of petty tyrants whom the landless classes must support, as the price of their privilege of using the land.

The small landlord whose ground rent affords him a bare living is the most exacting and merciless of all landlords. This has been the experience of Ireland and of all Europe, and it is an experience with which the people of America are becoming rapidly and sadly familiar. To reestablish the political and social equality necessary to the perpetuation of our form of government we must extend land ownership to all. All citizens must be equal owners of the country and of all its natural resources. Then, and never until then, can the poor man say in truth, "This is my country." This condition the single tax, when carried into full operation, will accomplish. This condition the single tax will forever maintain.

NATURE'S PROVISION FOR PUBLIC REVENUE.

It seems to me that the single tax is nature's own provision for the revenues required by the social organizations which spring from the natural gregariousness of men. It is God's fore-ordained revenue system.

Heretofore there has been no scientific system of taxation in the civilized world, because taxation has always been regarded as an arbitrary method of meeting the needs of purely arbitrary and artificial human organizations. Taxation has had no scientific basis because society has not been recognized as the outgrowth of natural laws, but as the mere creature of human contract, to which men were driven, not by any natural law of association, but by the wants and fears which they experienced in isolation.

Human association being regarded as purely arbitrary, it has not occurred to the statesman that there could be any natural provision for the payment of its necessary expenses; and so arbitrary methods of meeting those expenses have been constantly resorted to. They have never given satisfaction, and they have been changed with every recurring opportunity for legislation from the establishment of human governments to the present time. They have been repeatedly changed, but one arbitrary system has always been substituted for another, and they have all failed, equally, to give satisfaction.

The single-tax system has a scientific basis. It rests upon the idea that the Creator has made mankind gregarious; that men come together in societies in obedience to that natural law of gregariousness; that the organization of men in societies and communities gives rise to the necessity for public revenue for general common uses, and that the unearned increment of the land upon which each community is established, which grows with the growth of population, and as the result of the presence, industry, and enterprise of the whole people; attaching to the locality on which the community is established; growing in exact proportion to the growth of the community's need for public revenue; growing by virtue of and as the immediate effect of the same laws which produced the necessity for public revenue, is nature's own provision for meeting the requirements of the community for such revenue.

This is in exact accordance with what we know of the universal co relation of natural laws throughout the entire universe. The law of natural compensations is so universal that scientists have unhesitatingly asserted that wherever a want is created by the operation of natural laws the means of satisfying that want are produced by the operation of the same laws. So uni-

versal is that law that wherever a poisonous serpent crawls we are told that a plant grows near which is an antidote for the poison of his bite; that wherever the nettle grows, the nettled-weed is at hand to deaden its sting.

To the student of nature, therefore, it is only necessary to show that human society is formed in accordance with a natural law of gregariousness, and that the necessity for public revenue arises out of such gregariousness, and the immediate conclusion with him follows that the operation of the same natural law must have produced a means of satisfying that want which, if resorted to, will not impose any burden upon individual men. We find the facts to correspond with the law, thus declared as the result of universal experience in the study of nature.

I remember when the first settlers went into the rich and fertile valley of the Salinas River in California. The land was public and open to settlement. The first settlers naturally sought out the richest and most fertile soil. It had no market value then, because equally good land was lying all around open to settlement. Soon the community numbered twenty to thirty families. Then came a general merchandise store to furnish them with their groceries, clothing, farming utensils, and the like. The storekeeper became the purchaser of the farm products and arranged for their shipment to the consuming markets. The farmers hauled their products to the store and returned with their supplies.

This made the store their common trading center. It was located on ground far less productive, from an agricultural standpoint, than the average land in the valley, but it was better situated as a trading point, because it lay in a direct line between the farming land and the landing place of the vessels plying between that section of country and the metropolis of San Francisco. When the blacksmith came to establish his shop he naturally located at this trading point as the place most convenient to his customers and most advantageous to his business. Then a common school was established by general consent at the trading center.

At this point in the development of the community, the necessity arose for a small amount of public revenue, for the building of a schoolhouse, the payment of the school teacher, and the graveling of the roadway constituting the main street of the village, over which the wagons of the entire community were regularly driven at least once a week. But with the experience of that need for public revenue, there came, as a result of the presence of that small population, a general desire for land situated near the trading center, and such land was worth a small premium over equally good land situated at a greater distance from the center. The population of the community grew. Its need for public revenue grew with its growth, and the value of the land, radiating from the center, grew in exact proportion to the increased demand for public revenue.

The appropriation of that land value to public use would have harmed no man, because the growth of the community made it worth the premium to any man who might use it. If it had been taken for public use, no tax of any kind need ever have been imposed upon the industries of the people for the purpose of meeting the requirements for public revenue. It was not taken for public use. Private owners appropriated it, as an unearned increment, and were thereby enriched at the expense of the community, which produced that increment, but failed to apply it to the public use.

What I observed in the growth of the town is exactly true of every other city, town, hamlet, and school district in the land. The city of San Francisco, with its 325,000 inhabitants, has a greater need of public revenue than has the town of Castroville, but that greater need of revenue is exactly proportionate to its greater population. With the coming of the greater population of San Francisco, the rental value of the land of the peninsula of San Francisco has increased in exact proportion to the increase of its need for public revenue.

New York has a greater population, and a correspondingly greater need of public revenue, than San Francisco; but the rental value of its land is correspondingly greater than the rental value of the land of San Francisco. London has a greater and denser population than New York. Its need for public revenue is correspondingly greater than that of New York, but its land value has kept pace with its need for public revenue, and bears the same proportion to it that the rental value of the land of Castroville bears to the needs of Castroville for public revenue.

The land values of San Francisco, of New York, and of London have arisen as the result of the presence, industry, and enterprise of the whole people of each of those communities. Its appropriation to public use would at all times have satisfied all the needs of those cities for public revenue, while its appropriation by private monopolists, as an unearned increment, has not only imposed great tax burdens upon the people who produced the land values, but has also resulted in the encouragement of land speculation, the closing of the natural opportunities and re-

sources against industry and commerce, and in making labor and capital tributary to a nonproducing class.

We assert that the appropriation of land values to public use is the natural system of taxation—the natural means provided by the Creator for the satisfaction of social wants: that the right to appropriate the rental value of all lands to public use has been reserved by the people against every foot of land that has ever gone into private ownership; that it is not only just that it should be appropriated to public use, but that the failure to appropriate it is an injustice to every citizen who by reason of its private appropriation is compelled to bear the burden of any other form of taxation for the support of the government, and that it is an injustice to every citizen who by reason of the land monopoly that the private appropriation of this unearned increment of land encourages, is limited in his natural opportunities to establish an independent home or an independent industry.

SUMMARY.

The amendment which I have offered strikes out all of the sections of the amendment offered by the gentleman from Tennessee [Mr. McMILLIN], which provide for the levy and collection of a tax on incomes, and proposes to raise an equivalent amount of revenue by a direct tax on the value of land in the United States, apportioned to the States and Territories in proportion to their population.

The immediate purpose of my amendment is to provide a method better than the general income tax for \$31,000,000 to meet a portion of the deficiency expected to arise under the Wilson tariff bill. I have shown that the income tax, proposed by the gentlemen from Tennessee [Mr. McMILLIN], can nearly all be shifted from the immediate payers to the shoulders of the poor, or comparatively poor, who consume the products of the industries out of which the incomes arise, or who borrow the money upon which incomes, in the form of interest, are paid.

I have also shown that the greatest of all sources of income in this country is the unearned increment of land resulting to private owners from the presence, industry, and enterprise of the whole people, and that that form of income, equal to all other incomes from invested wealth combined, will escape taxation. I have shown that a tax on the value of land, exclusive and irrespective of improvements, will fall entirely upon the unearned increment of land; will burden only the margin of production and impose no burden whatever upon production; that it can not be shifted; that its tendency will be to make land speculation unprofitable; to discourage land monopoly, and to open up the natural resources of this great country to the citizens of the country on equal terms.

I have freely and frankly admitted that my amendment is intended only as an entering wedge, to be followed, as rapidly as opportunity will permit, by other legislation on the same line and principle, until the whole burden of taxation for national, State, county, and municipal purposes shall be removed from industry and commerce, and from consumption, and shall all be levied upon the rental value of land, irrespective of improvements—not upon the rent of land, for that would be a tax on the use of land, but upon the rental value, which includes the rental value of all land, whether used or unused.

I have shown that the complete establishment of that system of taxation would make it unprofitable for any man to own or hold land for any speculative purpose. That land would therefore be held only for the uses for which it is best fitted, and that unused land would be open to the people for settlement upon the sole condition that they should pay its economic rental value to the public whenever it should acquire such rental value.

I have shown that such a system of taxation would entirely destroy the power that monopolists now have to levy tribute on labor; that it would open up natural opportunities for the immediate redistribution of such labor as, in the advances of material progress, is displaced by inventions and by improvements in the arts of wealth production; that it would set labor free from the dominion that wealth now holds over it; that it would do away at once and forever with the surplus labor now congregated in industrial centers, in enforced idleness; that it would immediately and forever do away with the degrading competition which results from the constant pressure of the presence of the "army of the unemployed," whose necessities, and not the value of labor, measure the wages that all labor shall receive.

I have shown that this restoration of natural opportunities to labor would do away with the class distinctions and class domination that have already brought such wretched consequences to our country and that threaten its social and political destruction. I have shown that it would do away with industrial depressions by removing the power that the landed class now has to raise its ground rents so high as to make industry and commerce unprofitable to labor and capital. I have shown that it would make in this country the greatest and noblest commonwealth that has ever existed in the world; I have shown that it would give to

every citizen an equal stake in the country, an independent home, and unlimited opportunities for independent self-employment.

In a word, that it would make the citizens of this country equal sharers in the common heritage—the measureless and inexhaustible resources of this country. I have shown that as a mere fiscal reform it would afford the simplest, least burdensome, most inexpensive, and least inquisitorial system of taxation which the ingenuity of man has ever yet suggested; and I have shown that in addition to producing ample revenue for the needs of all our Government, it is also calculated to produce the highest and most desirable moral and material advantages to the whole people; that in addition to being the best system of raising revenue for public uses, it would be the most powerful of all conceivable agencies in establishing equality, liberty, and justice among all of our citizens.

The monopoly of land is a continuing wrong against mankind. It is not like the misappropriation of goods, a single wrong afflicting only the person against whom it is originally perpetrated. The monopoly of land afflicts the succeeding generations of the landless people just as severely as it does the people who were first despoiled. The monopoly of the land of Ireland works just as great a hardship on the present generation of the Irish people as the original appropriation inflicted upon the generation then living. This is because personal property is intended for the satisfaction of immediate wants, and the wrong of its misappropriation passes away when the time for its consummation has passed. But land is the source of subsistence for all generations, and its private monopoly wrongs and injures every generation against which it bears.

I do not expect the amendment which I have proposed to be adopted at this session of Congress. It is not offered with any such expectation, but its presentation and discussion marks a new era in the tax-reform movement. I know that many members of this House are already favorably disposed toward the single-tax system, but I know that most of those who favor it feel bound to support the income tax, as a step in the right direction, and that they will not vote for this or for any other measure as a substitute for the income tax. But I wish the world to know that there are even three or four men in the present Congress who are willing to stand up and be counted for the great principle of human rights, to which, in my judgment, a large share of the future belongs.

I shall, therefore, when the vote is taken, without any desire to delay proceedings, call for a division; and I hope that those who vote for the amendment may be granted the privilege of having their names recorded in the CONGRESSIONAL RECORD. I shall esteem that record as a roll of honor, though I know at this moment of but two other members who are willing to rise with me upon my call for a division. The present is not auspicious to those who judge of the value of a measure by the number of its supporters, but the eternal power of truth is our reliance, and the future is ours.

True thoughts have moved the world before,
And so they shall again.

Thought moves faster now than in the olden time, and the world is ever more and more inclining to be guided by reason.

Day unto day utters speech—be wise, oh, ye nations and hear,
What yesterday telleth to-day, to-day to the morrow will teach,
A change cometh over our sphere
And the old goeth down to decay;
A new light hath dawned on the darkness of yore,
And men shall be slaves and oppressors no more.

We have reason to congratulate ourselves upon what to you must seem an extremely small beginning for a great undertaking. But we see the truth as you will see it when you have devoted yourself to its study as we have done. We know that the true scientific basis of taxation is to be found in the sanctuary of eternal justice. We know that we are proceeding along the lines of natural law, and to establish the true relations between society and the individuals who compose it; between mankind and the bounties which the Creator has provided for human subsistence and comfort.

We have confidence in the ultimate triumph of right, in spite of all the powers that may oppose it. We who have been in this struggle from the beginning have observed the fermentation and purification of thought upon this question as you have not seen it. We are filled not merely with the zeal which accompanies every struggle for the right, but with the knowledge also that the leaven of thought on this great question is working among the people. And we know that regardless of what we may do, or fail to do hereafter, the brightest and bravest of mankind are ready to take up the gage of battle where we leave it and to carry it to the goal to which our efforts point. In this struggle the champions of natural justice can not win all of their battles, but they will continue their work through victory and defeat to final triumph. We do not now know who may be the future champions of this reform, but this we do know—

The strife begun shall never cease
Till all mankind are free.

Railroad Lands in Florida.

SPEECH

OF

HON. WILKINSON CALL,
OF FLORIDA.

IN THE SENATE OF THE UNITED STATES,

Friday, January 26, 1894.

The Senate having under consideration the resolutions submitted by Mr. CALL, concerning land grants in Florida—

Mr. CALL said:

Mr. PRESIDENT: There is no duty more important for the Senate to perform and none more essential to the preservation of the rights of the people in this form of government than for it to hold a proper restraint over the Executive Departments of the Government. It is true that the Departments of the Government are coordinate. That expression indicates that no one of them is supreme over the other. But in this body is vested the power of removing all executive officers and all judicial officers when a proper case is presented satisfying the judgment of two-thirds of this body. It is for us, therefore, to institute inquiry into every exercise of executive power, which in any way whatever interferes with the proper authority of the legislative department of the Government, especially when it is of such a nature that it is dangerous to the life of the Republic and in the interest of great corporations seeking the overthrow of the people's sovereignty.

My object in introducing these resolutions is to bring to the notice of the Senate and of its judicial committee what I regard as the most gross usurpation of authority on the part of one of the Executive Departments of the Government—the Interior Department.

I hold in my hand a map of the State of Florida, which contains a very small part of the territory of that State which has been passed unlawfully, in violation of the laws of the United States, into the possession of private individuals through railway and canal corporations owned by them, by which a tribute of twenty or thirty million dollars has been levied as the property of individuals upon the people of that State, in plain violation of both the letter and the spirit of the law. If this proposition is true, if it be a fact that, in violation of law and of all interpretations of law by any judicial tribunal, this has been done, it requires surely some attention on the part of the Congress of the United States.

In the sundry civil appropriation act for the year 1893, in the paragraph of the law appropriating money for the survey of the public lands lying within the limits of land grants made by Congress to aid in the construction of railroads and the selection therein of such lands as are granted thereby, is contained an appropriation of \$125,000, in these words:

To enable the Secretary of the Interior to carry out the provisions of section 1 of the act of March 3, 1887, entitled "An act to provide for the adjustment of land grants made by Congress in aid of the construction of railroads and for the forfeiture of unearned lands, and other purposes."

This clause of the act contains the following proviso:

Provided, That no part of this sum of money shall be used for any lands embraced in any grant to the State of Florida.

It would seem, Mr. President, that this language is so plain that there can be no possibility of doubt or misconception in regard to it. A school boy, it seems to me, could not fail to comprehend the full force and meaning of this simple provision of the law. Here is an appropriation for carrying into effect the provisions of an act of Congress for the adjustment of lands within the lines of railroad grants; here is a provision that no part of this sum of money shall be applied to any lands embraced in any grant to the State of Florida.

What was the purpose of this provision, Mr. President? Was it to enable these lands to be selected, adjusted, and approved, or was it to prevent them from being so selected, so adjusted, and so approved? Notwithstanding the provisions of this act, a Secretary of the Interior selected, adjusted, and approved the lands within the alleged railroad grant to the State of Florida, and, upon argument had before the present Secretary of the Interior, he affirmed the lawfulness of that action and did what his predecessor did not do; while this resolution was pending before this body he approved 2,000,000 acres under that act to a railroad company.

Mr. President, I affirm that it was in direct violation of and was in contempt of this act of Congress. What was the plea upon which it was done? That these lands were not selected and that none of them were surveyed with the money appropriated by this act. Suppose we were to grant that to be true—which was not true—what would have been the effect of such an interpretation? Is the Interior Department to deal in technicalities with the acts of Congress? Is it to say that though the spirit and purpose of the statute was to forbid the selection and approval of any land within