

## **LAND MONOPOLY AND THE LABOR QUESTION.**

The Honorable James G. Maguire

In the House of Representatives, Friday and Saturday, October 13 and 14, 1893.

The House having under consideration the bill (H. R. 3687) to amend an act entitled "An Act to prohibit the coming of Chinese persons into the United States," approved May 5, 1892,

Mr. MAGUIRE said:

The gentleman from Massachusetts [Mr. Morse] scouted the idea that ninety thousand or one hundred thousand Chinamen in this great country could be a source of any real hardship to the country, or any menace to our institutions, social, political, or industrial, and as one basis for his statement in that behalf he called attention to the magnificent, boundless, inexhaustible, natural resources of this country. Our natural resources are indeed measureless and inexhaustible, and if they were open to the people of this country on fair and equal terms — on the terms on which the great Creator gave them to mankind — the gentleman's argument on that phase of the question would be sound.

But these natural resources, without access to which labor can produce no wealth at all, are not open to the people. They are monopolized. Chinese labor would not and could not oppress American labor if our lands were free, but, as it is, land monopoly and cheap imported labor are the upper and the nether millstones, between which American labor is being ground into serfdom and pauperism, as I will presently explain. The natural resources of the Pacific coast, the natural resources of our entire country, are the private property of a few individuals.

This great country, which we are pleased to call ours, belongs, by legal title, to a few landlords whose number and proportion to the whole people are annually growing less.

Every cheapening of labor, by any means, increases the market value of the land and the rent rolls of its owners; thus, by a double process, widening the gulf between the landless poor and our growing landed aristocracy. American labor, driven from the natural sources of independent self-employment, is forced to enter the labor markets of cities and towns and compete for employment with the cheapest labor that is there offered for sale.

Mr. MORSE. Who is responsible for that condition?

Mr. MAGUIRE. The people are responsible, because they have the power to correct the evil and do not exercise that power; but it is to be hoped that the people will ere long relieve themselves of that responsibility.

The monopoly of the natural earth and its God-given resources is the colossal crime of modern civilization, beside which all other oppressions of the poor are insignificant. Land is the exclusive source of human subsistence. All wealth, all means of physical subsistence, are extracted by labor from the natural earth. Indeed, man is a land animal in every sense. His food, his clothing, his shelter, his very body, all come from the land and all to the land return again. He must live upon the land and from the land, if he lives at all. Even the sailor and the aeronaut are not exempt from these conditions of human existence, for the decks trodden by the one and the bars and ropes which support the other are of land.

The right to life, which we all regard as sacred and inalienable, cannot be more sacred than the right of access to the exclusive means by which life can be supported. "You take my life when you do take the means whereby I live."

Yet, in this land of unexampled and unparalleled political liberty, a few men own and control the only source from which the masses of the people can draw their subsistence.

Those few have, therefore, the unnatural power to dictate the terms upon which the masses of the people of this country can live — to fix the terms upon which they may have access to the natural resources that the Creator made necessary to the support of their lives. The Creator not only made and freely gave those resources as a common heritage to all his children for their support and sustenance, but he is constantly from day to day replenishing and improving them by the operation of his natural laws.

The creative power, by its changing seasons, by its sunlight and its rains, and its drifting winds, by its processes of decay in the vegetable and the animal world, is ever building up and replenishing the elements of the land that yield subsistence for mankind.

The unquestioned legal right of our landed class to entirely exclude their fellow-citizens from the lands of our country involves the power to inflict all oppressions less than such exclusion.

We have, therefore, under the forms of the greatest political freedom, a land system which creates an absolute despotism, under which the land-owning classes are lords of the industries, the liberties, and even the lives of their landless fellow-citizens.

It is in connection with this institution and this condition that we must consider the question of Chinese immigration. To consider the question abstractly is not to consider it at all. Upon the abstract question of human rights we are practically agreed.

HOW LABOR IS DEGRADED.

The condition of land monopoly prevailing in this country tends to fix the wages of all labor according to the standard of living of the lowest class of laborers seeking employment in the country.

American labor is no longer free, because its natural opportunities for self-employment, although they are measureless and inexhaustible, as the gentleman from Massachusetts [Mr. Morse] has said, are closed against it by monopoly. It can no longer escape from an unsatisfactory labor market, but, in spite of the fact that wages bear no relation whatever to the value of labor, it must bid for employment against the cheapest labor that is offered there.

The tendency and the end of such competition in an over-crowded labor market where there is still an army of unemployed laborers, after all demands for labor have been supplied, is to reduce all wages to the line at which the unemployed surplus, facing the alternative of beggary and starvation, are willing to work.

I have seen the whole problem of labor's degradation worked out in practical life before my own eyes. Thirty years ago, sir, labor in California was comparatively free, because land was comparatively free there. Labor was then paid according to its production and not according to the lowest standard of living prevailing among the laborers as now. It was then worth what it produced and it was paid accordingly.

Laborers being then free to go upon the virgin soil and build their homes and establish their own industries, and being able there to comfortably feed and clothe their families and to educate their children in the standard branches of useful learning, were not obliged to remain in the labor market when it offered less favorable conditions. Then California was labor's "Promised Land." Then California was the last rampart from which the boasted and really glorious "standard of American labor" has been permitted to float.

Then there were in our land no tramps, few paupers, and no surplus labor in enforced idleness.

Then sparseness of population and the consequent lack of social advantages imposed the only hardships that were known. What wonder that those who knew the freedom and the happiness of those conditions yearn for their return!

I saw the change of social conditions come. I saw the shadow of land monopoly steal over and encompass our Golden State. I saw a few hundred men become the absolute owners and masters of her great natural resources, that were manifestly intended by their Creator to furnish homes and subsistence to 40,000,000 people. I saw an empire of her best and richest land pass by act of Congress under the dominion of a single, soulless corporation. I saw the gates of natural independence in home and industry closed against American labor.

I saw labor driven from its lucrative and independent retreats in the mountains and valleys into the markets of the cities and towns, there to be sold as a commodity at prices fixed by the laws of trade.

I saw the wages of American labor changed from the value of its product down to the price fixed by the alternative of pauperism, while the wealth-producing power of labor was increased, on the average, in all departments of industry, elevenfold.

I saw the beneficiaries of monopoly manipulating the labor market to keep the price of labor down. I saw them importing, in tens of thousands, the coolies of China, not for the benefit of the Chinamen, as Eastern philanthropists persist in believing, but for the double purpose of bearing the labor market, by maintaining a surplus and of teaching American laborers to live on the rations of Asiatic slavery. These beneficiaries, let me say to the gentleman from Kentucky [Mr. McCreary], are the Californians whose brass bands and streaming banners heralded the dawn of Asiatic slavery on the Pacific coast in the ratification of the Burlingame treaty; and they, sir, would again furnish bands and banners to celebrate the resumption of their slave traffic if the Geary act were repealed.

In the great State of California, whose natural resources are confessedly capable of supporting 40,000,000 people, I saw the horrors that are supposed to result only from overpopulation, prevailing with a population of only 1,000,000.

I saw the millionaire and the tramp, contemporaneous menaces to our civilization, arise out of these conditions.

I saw the millionaire, without productive effort on his part, become a multi-millionaire, upon the tribute commanded by his purchased and granted privileges; and I saw the army of pauperism growing as he grew, and growing because of the conditions that made him grow — recruited by thousands from the ranks of unemployed labor — a ghastly procession of vice and crime, and rags and filth, and torment and despair, drifting listlessly, as "flotsam and jetsam" on the tide of our civilization, to whatever goal a just God may deem suitable at the close of their earthly hell.

These are the results as I have seen them on the Pacific coast, of land monopoly, supplemented by the importation of Chinese slaves. These are the conditions which we seek to mitigate by the enforcement of the Geary act.

The picture that I have drawn is no "distorted vision," no "distempered dream," but a stern tragedy in real life enacted in the open light of day. An awful tragedy on which the curtain rose within my memory, and upon the last act of which — the final triumph of humanity over monopoly — I hope to see the curtain fall within my lifetime.

DECLINE AND FALL OF ROME.

These results of land monopoly are not (excepting the Chinese slavery phase) peculiar to California or the West.

They prevail throughout the civilized world, wherever our land system prevails; but in the older sections of our country the change from free conditions antedates the earliest recollections of the generation now upon the stage of public life, and the Chinese phase of our Western problem has no parallel east of the Rocky Mountains.

But it has a striking parallel in the history of the decline and fall of the civilization and power of ancient Rome.

Macaulay tells us that "in the brave days of old," when Rome was mistress of the world; when to be a citizen of Rome was esteemed the proudest privilege of manhood, her "lands were fairly portioned" among her citizens. In the period of her decline and fall the lands had become the property of a few great landlords who employed slaves to work them. The landless citizens, thus excluded from the poor privilege of working as laborers upon the lands which once their fathers owned, drifted helplessly to the cities and towns, and there, in the helplessness of enforced idleness, they sank into pauperism and vice. Their debased suffrage became mere merchandise in the market, thus extending instead of controlling the powers of the monopolists. The soldiers of Rome became supplicants for alms, and their children hereditary paupers. The outer form of her official life alone preserved the semblance of Rome's departed glory. Then Rome fell, and, over the sepulchre of her once splendid civilization, her epitaph was written: "*Latifundia perdidere Italiam*" ("Great estates ruined Italy").

Shall history be permitted to repeat itself? Shall the lords of our land be permitted to work it with slave labor? Shall they be permitted to exclude our brethren, and our fellow-citizens from the poor privilege of earning their living as hired laborers upon the land in which, by natural right, they have an equal interest with the landlords themselves?

Shall they be permitted for their private gain to bring upon our country the curse that shattered the Empire of Rome? Shall they be permitted to turn our civilization backward, and make the ages of its development droop again?

No; this is our country, this is our civilization. Their preservation is our first, and our highest duty, and is the truest friendship to mankind.

We of the West do not yield to the people of New England in love of humanity. As a native son of New England I glory in her devotion to the cause of liberty and civilization. Our warfare is not against the unfortunate Chinamen. We would rather help them than hurt them.

We are struggling to preserve our own people from the hell of slavery that yawns beneath them. That accomplished, we will, in proportion to our numbers and our means, match every dollar and every effort that New England will contribute for the enlightenment and civilization of the Chinese, and for the betterment of their moral and social condition. Until American labor shall be made free we demand that it be protected from the competition of slavery. The emancipation of our own labor is the only just alternative for the exclusion and deportation of the Chinese. This brings me to the discussion of that alternative — the emancipation of labor.

#### HOW TO MAKE LABOR FREE.

The gentleman from Massachusetts [Mr. Morse] asked: "Who is responsible" for the condition of land monopoly prevailing in this country, and I answered that the people were responsible, because they have the power to correct the evil and do not exercise that power.

The question is pertinent and important, because if the greatest evil of Chinese immigration results from faults in our land system, it may well be asked why we do not cure those faults and let the Chinese remain.

The gentleman's question, touching as it does the very heart of the great social conflict now agitating the civilized world, deserves a more complete and a more detailed answer.

The remedy which I propose for the evil of land monopoly is simple, just, practical and unquestionably sufficient. It is this: To appropriate to public use, by taxation, for the support of our Federal, State, and municipal governments, the entire rental value of all land, irrespective of improvements, and to abolish all other taxes.

Would that be just? If it would not be just it would not be expedient. I hold that no permanent good ever resulted from an act of injustice. "Never yet did men or nations prosper finally in wrong." Entertaining these views and believing with Daniel Webster that "Justice, sir, is the great interest of man on earth," I am fully convinced, after mature deliberation, that the remedy is not only just in itself, but that it embodies the only means by which justice can be permanently and universally established among men.

Land is the common heritage of all mankind. It was freely given by the Creator, with all of its elements and all of its powers, for the equal use and sustenance of all mankind. It was not given to any one generation, nor to any class or classes in any generation, but equally to all mankind, from the first child of nature to the last human creature who shall inhabit the earth.

Land is the common heritage of every child of God — not as the heir of his natural father, not according to the possessions or the will of his natural father, whose right to land perishes with his own life — but as the direct heir of the

Universal Father, from whom the right to life, to liberty, to air, to sunlight, are likewise directly inherited.

The true province of government is to regulate the use of this heritage by its citizens while preserving to each his equal right therein.

Why do men monopolize land?

To cure the evil of land monopoly the motive for it must be clearly understood in order that the incentive may be intelligently removed. Is the motive self-aggrandizement, or is it malicious, or is it mercenary? Our common experience is alone necessary to determine the question.

The motive is almost wholly mercenary. The desire for power over other men has its influence, but it is purely incidental.

Profit, either present or prospective, is practically the sole inducement to land monopoly. That profit is yielded either in present groundrent or future enhancement of the land value.

What is groundrent, and why does land, the natural elements and qualities of which remain unchanged, continue to advance in value in all growing communities?

Who produces the rental value of land? What influence has Chinese slave labor upon groundrent?

Groundrent is the landlord's share of production. It is the tribute charged by the owner of the natural earth for allowing others to use it. Its measure is, referring to any given piece of land: "the excess of its product over that which the same application can secure from the least productive land in use."

In practice it may be generally stated that the rental value of any given piece of land is the difference between the average value of its product and the average cost (labor and capital) of production, for the period of the lease.

It is therefore manifest that whatever increases the value of the product, without increasing the cost of production, increases groundrent, as an increased demand for the product, resulting from increase of population or other cause, or an improvement in the quality of the product.

It is also manifest that whatever reduces the cost of production tends to increase groundrent, as: a reduction of the wages of labor, inventions of labor-saving machinery, and improvements in the methods of combining and subdividing labor.

Thus it is that, under our land system, every contribution to material progress, as well as every reduction in the wages of labor, attaches itself to the land and inures to the benefit of the landlords in increased groundrent.

For example, let us suppose that a given farm, or a shop or store site, which can be operated by one man, will yield a groundrent of \$150 per year, when the standard wages of the required labor are \$2 per day; if the wages of such labor be generally reduced to \$1.75 per day, the cost of productively using that land will be reduced about \$75 per year, and the amount of that reduction of cost can be added to the rent, unless, as another result of the reduction of wages the price of the product also goes down in the market.

Making an allowance of \$40 on account of the reduction in the price of the product (a very liberal allowance), we have a net saving of \$35 per year, which the landlord can add to his rent. This is the primary effect, only, of the reduction of wages upon the value of land. There is another effect equally important. A piece of land which will yield a certain amount of rent annually as a net income, is worth as an investment twenty times the amount of its annual rent.

Therefore, an addition of \$35 per annum to the rental value of the land in question would increase its market price \$700.

Thus, the reduction of 25 cents per day in the poor man's wages not only lessens his purchasing power to that extent, but actually adds \$700 to the price of the home which it is his life's ambition to secure.

This is the result which every reduction of wages brought about by Chinese competition has produced in California.

This is the result which, with greater or less intensity, is being produced by land monopoly everywhere.

The displacement of labor by labor-saving inventions drives the displaced laborers into the market to swell the army of the unemployed. The natural opportunities for the redistribution of the labor thus displaced being closed by monopoly, competition among laborers is intensified, wages reduced, and rent correspondingly increased.

This is the process which is enslaving labor and exalting landlordism everywhere.

#### PUBLIC ENTITLED TO ALL GROUNDRENT.

We have now seen, in brief outline at least, what groundrent is and how it arises. We have seen that it is an increment of value produced and imposed upon the natural earth by the presence, industry, enterprise, inventiveness, and virtues of the whole people of each community in which it arises.



We have seen that it absorbs all of the general advantages of the material progress of the whole people, that to the landlord it is in every sense an unearned increment to which as landlord he does not in any way contribute.

Merely permitting labor to use land productively is not a contribution to production, because the land, with all of its useful elements, was given to mankind by God, and would have been accessible to labor if the shadow of landlordism had never darkened the horizon of our civilization.

The landlord is not entitled to the rental value of his location, because he does not produce it.

The community is entitled to the rental value, because the community does produce it. Every value belongs of natural right to him whose labor or service produces it, and without whose labor or service it would not have existed. It is immaterial whether the value be produced by one person, or by ten persons, or by a million persons. It belongs to those who produce it — individually, if it be individually produced; collectively, if it be collectively produced.

The argument in favor of leaving the accrued rental value of land, that is, the unearned increment which has already attached to land, to the present owners, is based upon a mistake of fact. There is no such thing as an accrued rental value attaching to any land. All future rental values of land depend upon what the people will do in the future, and not at all upon what they have done in the past.

It is, therefore, just for the people who produce the rental value of land to take that value by taxation for their public uses.

This rule applies to all land whether it be owned by landlords, or by speculators, or by its immediate occupants.

The value which the public gives to the location should be paid to the public by the person who is in a position to control or appropriate that value.

As the landlords have confessedly no moral or legal right to compel the people to put forth the enterprise and industry necessary to produce and to maintain the rental value of their lands, they certainly can have no moral right to privately appropriate any of the direct or indirect results of such enterprise and industry as the people may voluntarily put forth.

As to improvements, the man who plants an orchard, or digs a ditch, or builds a house or a fence should pay no more taxes upon his orchard or his field or his lot than he would be required to pay if he had made no improvements whatever.

The value of the improvements belongs to the man who makes the improvements, by the same rule of right which awards the value of the location to the people who

produce it; and a wise concern for the public interest dictates the encouragement of improvements by exempting them from taxation, rather than the discouragement of improvements by placing any kind of burden upon them.

The man who builds a house or plants an orchard increases the means of satisfying human wants, and is a benefactor of mankind in spite of the fact that his motive may be purely selfish; while the man who keeps a foot of useful land out of use works a corresponding injury to mankind.

This expediency of raising all public revenues by a single tax on land values, as a substitute for all other forms of taxation, further appears in the fact that it would save nine-tenths of the expense and waste now involved in levying and collecting taxes upon personal property, upon imports, and upon business privileges, all of which taxes are regularly shifted from the primary payers to the ultimate consumers — falling principally upon the overburdened farmers and laborers of our country.

Besides it would require men to pay taxes according to the advantages which they receive from the community, and not according to their necessities, as now.

As such a tax would bear upon land according to its value, and not according to area, and as the value of farming land is very small, by comparison with the value of land used for commercial and other industrial purposes, the small farmers — the most heavily burdened class under our present system — would find the single tax less in volume and far less oppressive in method than the complex and accumulated burdens of the direct and indirect taxes which now fall upon them with notorious inequality.

A tax on land values is the only property tax that always falls with proportionate equality upon all owners and that cannot be shifted from the person paying it to the ultimate consumer or user. The reason that it cannot be shifted is that while a tax on any other kind of property tends to check its production, and thus, by the law of supply and demand, to increase its price sufficiently to cover the tax, a tax on land values forces idle land into the market, increasing the supply of land offered for sale or lease, and thus, by the same law of supply and demand, reducing, instead of increasing, the rent. Heavy taxation of houses increases the rent of houses by the amount of the tax, but heavy taxation of land values decreases the rent of land. All political economists are agreed on that proposition, and it needs no argument.

Such a change in our taxation laws would not be an impairment of any vested right of landowners, because the power and right of taxation, to the extent of taking the entire rental value, whenever the public good may seem to require it, has been absolutely reserved to our governments, national and State, against every foot of land that has ever passed into private ownership in this country.

#### EFFECTS OF THE SINGLE TAX.

The effect of such a system of taxation upon the monopoly of land in this country must be instantly apparent. It would at once make such monopoly unprofitable and wasteful to the monopolist. It would at once take away the only incentive that now exists for the monopoly of land. It would compel all landowners to use their land productively, or at once let it go to those who would so use it.

Every user of land could afford to pay the margin of production or economic rental value of his land in taxes; but no man, above the mental level of a fool, would pay taxes amounting to the economic rental value of his land for the mere purpose of monopolizing it.

It would put an end to land speculation and the train of evils that follow ever in its wake. It would put an end to the collection of speculative rent, to booms, and to industrial depressions.

It would encourage the productive use and improvement of lands by relieving them of all public burdens, while insuring permanency of tenure, security of improvements, and security in the fruits of all productive effort.

It would forever settle the conflict between capital and labor and, by improving the condition of labor, put an end to strikes and boycotts and lockouts.

It would make land freer to labor than it was in California forty years ago; freer than it was on the Atlantic seaboard two hundred years ago.

It would restore the once cherished dignity of American labor, and the grand individuality which was once the distinguishing characteristic of American citizenship.

As a relief to our overcrowded labor markets, it would be equal to the discovery of a new and free and fertile continent in the Pacific Ocean, and its advantages would be more permanent.

#### PHILOSOPHY OF HENRY GEORGE.

The people have not yet sufficiently learned that labor never can be free except where land is free.

Knowledge must ever precede right credence, and right credence must ever precede correct political action.

The people are reading and studying the philosophy of Henry George. Progress and Poverty, which a distinguished English writer has happily denominated "a glorious gospel of justice," is steadily and rapidly changing the credence of the world on the subject of land tenure.

It is the herald of the next great step in the order of social evolution.

It is a practical development of the principles of Jeffersonian Democracy. It is a justification of our Declaration of Independence. It is a vindication of "the ways of God to man."