

paying to the patentee a moderate royalty fixed by the government.

This makes a simple, feasible and easily understood plan of fighting those trusts, which is admirably adapted to political action.

Henry George compared the trust problem to a lot of little robbers, in a row, each taking his toll, with the land owner as the big robber at the end of the line, who took all that the little robbers left, and therefore recommended that we first attack the big robber, the private ownership of land. This is sound advice for propaganda, but it is unwise politically. Our politics are controlled by the trusts, the little robbers, who have perfected a powerful organization to that end. The land robbers have no organization, no lobbies, and no political power. But as long as the powerful organization of the little robbers control our politics we will be represented in Congress and state legislatures and in executive offices by men who will not allow the land question, or any other similar question, to be acted upon, or even discussed.

Our job then is to get into public life men who will be willing to at least consider and discuss the land question. The easiest way to do this is not to run a Single Tax party, or to try to publicly commit candidates to the Single Tax; but rather to induce an existing party, or a new party, and its candidates, to adopt the plan of attacking the principal trusts of the country by the measures to restore competition which I have suggested. Any candidate elected to office upon that platform would be entirely beyond the control of the trusts, and would at least be open minded, and probably sympathetic towards our ultimate remedy. In the meantime the proposition that a trust must not be allowed to own all the raw material necessary to supply a market, brings the whole land question into discussion, exactly as the political proposition to limit slavery to the slave states compelled the discussion of the question of the morality and expediency of slavery everywhere.

## In An Inspired Moment

THE burden of municipal taxation should be so shifted as to put the weight of land taxation upon the unearned rise in the value of land itself rather than upon the improvements.

—THEODORE ROOSEVELT in the *Century* for October, 1913.

ALL the country needs is a new and sincere thought in politics, coherently, distinctly, and boldly uttered by men who are sure of their ground. *The power of men like Henry George seems to me to mean that*; and why should not men who have sane purposes avail themselves of this thirst and enthusiasm for better, higher, more hopeful purposes in politics than either of the moribund parties can give."

—WOODROW WILSON.

## What Henry George Proposed

HAVING found the economic answer to the riddle of the Sphinx—"Why does poverty persist with progress?"—having found it rooted in land monopoly (whether feudalistic, or capitalistic in form would make no essential difference), Henry George's "Progress and Poverty" proposes the obvious remedy. It is to abolish land monopoly.

But as a practical proposal, abolition of land monopoly would have been altogether too vague. Few there are who would not assent cordially to it in the abstract, yet assail it uncompromisingly in almost any particular application. So "Progress and Poverty" stated the remedy in particular form. Whenever society has advanced very far beyond primitive conditions the institution of private ownership of land gives advantages to land-*owning* interests and imposes corresponding disadvantages upon land-*using* interests. Therefore whenever advanced social conditions exist, as in our civilization they do, private monopoly of land and private ownership of land are virtually the same. "Land monopoly" is the indefinite abstract term for what "land ownership" definitely expresses. Accordingly "Progress and Poverty" proposed to make land common property.

There was nothing novel in this proposal. From the day of Roman Cornelia's "jewels" down to Henry George's time, from the revolt of Moses in Egypt to the experiments of Owen in the United States, the doctrine of communism in land had been advocated in varied settings and practiced in numerous utopian ways. But this ancient remedy for involuntary poverty, this fundamental suggestion for an orderly social state, is discussed and defended in "Progress and Poverty" with unexampled thoroughness. Its expediency, its efficacy, its conformity to the natural laws of social life, its harmony with the moral law of justice, are there disclosed with a brilliancy of rhetoric, a richness of diction, a novelty and charm of style, a power of popular appeal, a cogency of argument, an abundance of apt illustration, and a resistless marshalling of the facts that count, which surpass every effort ever before brought to the service of the old doctrine that society must in some way make land common property.

But the way? Secondary though this problem is, the long history of disappointing colony experiments in land communism prove it to be vital. So the secondary problem too is discussed in "Progress and Poverty," and its solution demonstrated.

The result is a practical method for making land common property in effect, without assumption of titles, or revolutionary disturbance, or a risk of reaction, or any extension of the functions of government, or any dubious and dangerous experimentation. To quote from the volume itself,\*

\*"Progress and Poverty," book viii, chapter ii.

it seemed to its author that "we should satisfy the law of justice, we should meet all economic requirements, by at one stroke abolishing all private titles, declaring all land public property, and letting it out to the highest bidders in lots to suit, under such conditions as would sacredly guard the private right to improvements." Henry George thought that we should thereby "secure, in a more complex state of society, the same equality of rights that in a ruder state were secured by equal partitions of the soil." He believed that by thus "giving the use of the land to whoever could procure the most from it, we should secure the greatest production." And he held this leasing method to be "perfectly feasible."

But he did not think it in all respects as good a method as the one he had to propose. To him it seemed that the restoration of the land itself "would involve a needless shock to present customs and habits of thought, which is to be avoided;" and "would involve a needless extension of governmental machinery, which is to be avoided." For "it is an axiom of statesmanship," he wrote, "which the successful founders of tyranny have understood and acted upon, that great changes can best be brought about under old forms;" and "we, who would free men, should heed the same truth."

He therefore proposed, not to confiscate land but "to confiscate\*rent."

Inasmuch as we already take some land rent in taxation, he proposed the slight administrative changes in our taxing methods that would be necessary to take it all in that way—thus leaving land-owning interests in possession, but taxed approximately the full amount of the ground rent they get or might get from land-using interests.

Yet the immediate practical proposal of "Progress and Poverty" fell short of that; it was merely to "abolish all taxation save that upon land values."

This, however, was a proposal to begin with, not to end with. To abolish all taxation save that upon land values is just, as a mere fiscal measure, and as a fiscal measure it is also sound scientifically. A just and expedient reform in taxation, it can be advocated and adopted simply as such without reference to its effect on land monopoly; and to the full extent of the formula, or in lesser degree, according to political opportunity and other circumstances. The rest would be only a matter of keeping on. In that character, then, "Progress and Poverty" puts the fiscal formula forth, and expounds and defends it.

\*This use of the word "confiscate" has afforded opportunity for some superficial criticism. Since the word has disagreeable connotations in common use, a better one for the purpose might possibly have been chosen. But it is doubtful if any other would have been as appropriate in denotation. This word comes from the same root as "fiscal," and alludes to public revenues. Its unpleasant significance is due to historical seizures of private property for public revenues unjustly, or by way of penalty. But Henry George's proposal is to turn ground rent regularly into the public treasury, not as a penalty nor an aggression, but because that is where ground rent justly belongs.

But in itself this formula, though so fully carried out as to take public revenues from land values alone, might in the long run be of no effect in abolishing involuntary poverty with social progress. Precisely as increase of population, industrial inventions, governmental efficiency and economy, and other modes of social progress tend to increase the wealth of land-owning interests without increasing that of land-using interests, so would land value taxation, if levied so lightly as to leave a large and widening margin between land value taxes and land values. Not at first, indeed, might it do so in fact; but the tendency would become manifest increasingly if land tax exactions were to remain far below ground rent possibilities.

While, then, "Progress and Poverty" proposes the substitution for all other taxation of a single tax on land values, advocating it on its merits as a tax reform, the author did not allow the book to stop with that proposal. His practical plan was designed to be progressive. It contemplates any step, however timid, for the reduction of taxes on industrial processes, and increasing them on land monopoly. But only as a beginning. This is but a means to an end, the end being the extreme of abolishing approximately all profit in land-owning as distinguished from land-using.

Since the taxation of land values "must necessarily be increased just as we abolish other taxes," says "Progress and Poverty," we set out practically with the proposal to "abolish all taxation save that upon land values," leaving the extension of the system to the future. For, the argument continues, "when the common right to land is so far appreciated that all taxes are abolished save those which fall upon rent, there is no danger of much more than is necessary to induce them to collect the public revenues, being left to individual landholders."

It was with reference to this initial proposal in practical statesmanship for recovery of "the land for the people," this proposal that "all taxation save that upon land values" be abolished, that the words Single Tax grew into use in the English-speaking world. In Great Britain the name is now nearly superseded by Taxation of Land Values. Neither name may bear a very rigid logical test, or close etymological inspection. The former came into vogue without design, and the latter gained strength from the quite peculiar relations of the British taxes to British land values. But names of social movements, like names of persons, are seldom very accurate in description. Nor need they be. Their function is not so much to describe, as conveniently to identify. Whatever be the name of a cause, it will be cherished affectionately by friends of the cause and be scorned by its enemies; and substitutions of names will not weaken the affection of the one nor turn the scorn of the other aside.

Be the name "Single Tax," then, or "Taxation of Land Values," it will serve well enough, as long as it "sticks" (which is the sole test of appropriateness in a name), just as other names have served and others may hereafter, to

distinguish that forward movement, "back to the land," for which "Progress and Poverty" maps out the way.

September, 1927

LOUIS F. POST.

## Carl Marfels

A RECENT visitor to this country is Carl Marfels who lives in a suburb of Heidelberg and is noted in Germany first as a famous maker and collector of watches. A book recently published in Germany incidentally describes him as a man of letters and an ardent social reformer. He was for many years vice president of the German Land Reform League.

He brings with him what the *Frankfurter Zeitung* describes as "a fairy-like collection of precious watches; old specimens in odd shapes, some of them of highly decorative charm, enamelled watches of Louis III period, some of them of highly decorative charm."

Mr. Marfels' greatest treasure is a famous Gothic clock which was owned by Duke Philip the Good, of Burgundy, made in 1430, and perhaps the oldest clock in the world. The timepiece is said to be a glorious specimen of Gothic art. A whole literature has been written around it. It is rated by connoisseurs as second only to the so-called Golden Horse of Old Oetting in Bavaria, a work of the same period which was established before the War, to be worth more than a million dollars.

There lies before us a little pamphlet of 16 pages by Carl Marfels published in Germany, *Die wahre Ursache der Arbeitslosigkeit und der Wirtschaftskrisen*. The True Cause of Unemployment and the Business Crisis.

Here is a translation of parts of this pamphlet. Mr. Marfels begins:

In the manifold discussions, in the press and in industrial society meetings, anent the current industrial crisis, I constantly miss any references to the paradoxical condition, that we have millions of part workers and unemployed, i.e. millions of people who wish to produce goods (subsistence products and other values), but who find no opportunities for employment, although they themselves and many others suffer poverty and destitution, for the want of just these products of labor. This fact is the more incomprehensible because labor means directly the production of wealth. This is true not only of those whose labor directly produces goods (materials, wealth) but also of the tradesmen and their employes, etc.

\* \* \* \* \*

I am also continually surprised by the argument that because stocks do not sell readily that the existing stagnation is due to overproduction. As if ever too much could be produced! Truly if all the necessities of life, clothing, underwear, shoes, watches and other objects of daily use could be produced by those who need them, there would be no overfilled stocks, but only empty shelves.

\* \* \* \* \*

The primary question, pushing aside all other problems, is therefore this: Why is it that millions of people anxious to work, cannot find employment, therefore no opportunity to produce the necessities of subsistence,

although they themselves and other millions of people suffer for want of these products, and although this latter class do not want these necessities gratis, but are willing to exchange the products of their own labor for them. In other words, why cannot demand and supply meet each other? And why is it that labor, which produces these values—and although its yield through technical progress has grown enormously—must be satisfied with remuneration which, compared with wheat (cereals) and other food stuffs, is much less than in the 15th century, and hardly suffices to keep alive.

All answers to the problem of the cause of industrial crises, that do not take this fundamental condition into consideration, cannot be accepted as a solution of the great economic problem under which all civilized countries suffer; and if the problem is not solved these countries will be driven to bolshevism and to chaos.

I will endeavor to give an answer to the suggested questions:

If we assume, for example, that a hundred people through shipwreck are stranded on an uninhabited but fruitful island, we will not for a moment doubt that they, although they saved nothing but their bare lives, will find means to subsist. Why would these helpless people, deprived of all the convenience of modern civilization, succeed in providing for their material wants, while their fellowmen in the midst of civilization fail in the same endeavor and often perish from want and woe?

The answer of necessity must be: Because on their island they have access to the fountain of life, mother earth, but lack this in cultivated lands. And why? Because the land has all been apportioned, because everywhere there is an owner who demands more from the willing worker than the land can produce.

Returning to the assumed island, it will afford us in camera a true picture of the progress which mankind at large has covered. When the shipwrecked recognize the advantage of labor division, one will hunt, another fish, a third will till the soil, the fourth produce the nets for the fisherman, the fifth will make clothing, etc., and each of them will participate equally in the products of the island. If a hare is harder to catch than a fish, then perhaps in trade three fishes must be given for a hare; or if the making of a piece of clothing take as much time and effort as the slaying of five wild ducks, that would be the rate of exchange.

If after a time one of the colonists realizes that by joint work of a number of the workers more production results can be obtained, and offers them the opportunity he will be able to engage them only if the remuneration exceeds what each individually has earned before. This will prove clearly that the worker, under natural conditions, cannot be exploited.

We will now go a step further. An ingenious individual constructs a machine which employing ten men produces a hundred-fold what the ten could produce individually. Can anyone believe that any one of these ten men would yield his independence unless he was offered more for his machine work than he could earn by his own endeavor? This proves also, that the workman under natural conditions, with access to the land, cannot be exploited by machinery, but that the machine must benefit him also, so that increased remuneration on the one hand, and reduced cost of machine made products on the other, will make increased purchase power possible.