

difference between the mentalities of men which is popularly supposed. He acted according to this belief. It was always pleasurable to him to talk to men whom he casually met, and he gladly improved every such opportunity. He liked particularly to talk with street car conductors, which in old horse-car days was easier than it is at present. All men engaged in manual labor were interesting to him, and all such men he met in the most natural manner possible. He never affected the attitude of a superior person. Very early in life, the poverty incident to all large cities, interested him, until it began to tug at him for solution. Why was it, that the larger the city, the larger the slum? Why was it that with plenty of unused land within the city limits the tenement houses reared their horrid heads? Was this a natural condition, or was it not rather an artificial condition produced by man, and if indeed it was artificial, then it was surely remediable. On this he pondered, and pondered, and finally by slow approaches reached the conclusion expounded in *Progress and Poverty*. His was a receptive soul awaiting the call that was to set it in responsive vibration; and when the call finally laid its imperative voice upon him, it found him ready and eager.

California no longer looks askance at him. She values him now as one of her most precious jewels. He is in very truth her own, for he came to her when a boy, and remained with her until his final message was delivered. She can proudly say that probably more people to-day are familiar with the name of Henry George than they are with that of any other man. He experienced all kinds of life within her borders, and he often went an-hungered; but his heart kept beating, his mind kept working, and his courage kept burning, until at last he stood on the mountain top of Truth with the breezes of heaven singing anthems of glory around him.

LAND REFORM IN GERMANY.

(For the Review)

By DR. W. SCHRAMEIER.

Concluded.)

PROGRESS OF THE LAND REFORM MOVEMENT IN GERMANY.

What kind of influence has the Kiaochow Land Ordinance had on the efforts of land reformers in Germany, beyond its importance to our colonial possessions? If, on the one hand, it was the demonstration that the doctrines of Henry George can be realized in our own times, it was on the other hand the means which opened entirely new avenues of thought. Public landed property in the hands of States or of municipalities, right of expropriation for public purposes, leasehold law, taxation of site values, direct and indirect increment taxation, obligation to build on urban land,—all these measures stimulated emulation and further development at home. If we follow up the

publications of the League within the last few years, we find a very brisk discussion of all these questions combined with practical experiments aiming at their realization.

THE CANAL PROBLEM.

A tremendous success has attended the agitation of the League in connection with the scheme of the Prussian Government to extend the network of waterways. Roused to action by the unsatisfactory occurrences at the construction of the Teltow Ships Canal, which was built at the expense of the district, and gave rise to wild speculations in land and undue forcing of prices, the League placed itself at the head of a movement inaugurated to avoid similar conditions.

It is remarkable that the essence of the Kiaochow system is, in many quarters, not fully appreciated yet in its full importance as a land reform measure in Germany. Foreigners have been quicker in this regard. Poultney Bigelow stated at the seventh congress of geographers at Berlin in 1899: "Kiaochow deserves, in a very high degree, the widest attention of the general public. Here, for the first time, the principles of land values taxation are applied in practice. And the much opposed doctrines have been brought into operation under the jurisdiction and authority of the German Empire. This fact has an importance that cannot yet be appreciated. In the whole world—in America, in Australia, in England, and wherever the doctrines of Henry George are understood—the development of this colony is watched with the keenest interest." Already Josef Walton, M. P., who visited the colony in 1899, declared it desirable that the system be adopted also for English colonies, wherever the formation of new towns takes place. None less worthy than our English fellow-worker, Verinder, asked the question: "Why wait for new situations if a good thing is to be created?" The conditions obtaining at Kiaochow repeat themselves everywhere. "What passed there," I said in my own report in the *Land Reformers' Annual*, "happens day by day in every colony, in exactly the same manner, in every industrial place at home, in every town in which the modern evolution of industry moves."

But the confinement to formations of towns evinces a want of understanding of the problem. In this regard the well known Professor of Laws, von Stengel, states in the *Land Reformers' Annual* for 1908, page 65: "It has to be admitted that the principles underlying the land ordinance of Kiaochow, be it with some alterations, ought to be adopted for all colonies. The question is, that if the leasehold system can not, for any reason, be applied, the Government reserves a suitable share of the increment in value, which, on re-selling, is realized in land originally bought from the Government, and which is not due to any exertion on the part of the owner, a different quota to be levied for urban and agrarian land. Furthermore, a reasonable land tax should be introduced, not proportionate to the rent, but to the capital of the selling value of the land, and finally a reasonable obligation to utilize the land should be stipulated. Above all, it is necessary that the colonial land policy be

carried out on fixed, clearly defined principles which duly keep in view the interests of the commonwealth. It is notorious that, with the one exception of Kiaochow, this has not been sufficiently considered. Particularly the so-called concession policy, which in spite of all criticisms, has been stubbornly adhered to by the colonial administration, has proved an utter failure."

By the example of the English Protectorate of North Nigeria it is shown that the principles of the Kiaochow Land Ordinance are capable of varied application. The fundamental article in the first Ordinance of North Nigeria in 1900 runs as follows: "No person other than a native of the protectorate shall, either directly or indirectly, acquire any interest in, or right over land within Northern Nigeria from a native without the consent in writing of the High Commission first had and obtained." And the Kiaochow Ordinance of 1898 stipulates: "Previous to each transfer of landed property among the villagers, the consent of the Colonial Governor has to be obtained; every transfer of property or lease of property to other persons but the inhabitants of the same village or members of the same family are prohibited." On comparing these two, it is at once obvious where the work has to set in. The masterly legislation for North-Nigeria which is due to the efforts of our English land reform friends, overturns the harmless phraseology of some German theorists, who for colonies of a non-urban character conclude that the utilization of land should be left entirely free. England has been the first country to intentionally draw the consequences of land reform for the colonies on a large scale.

On the 20th of February, 1901, the League petitioned the Prussian Diet, to protect the shores of the new ship-canal against artificial enhancement by speculators. This petition had 94,000 signatures, and 20,000 pamphlets were distributed, among them Pohlman's "Die vergessene Grundrente" (The neglected Groundrent), and Latscha's "Nationale Wohnungsfuersorge" (National Housing.) In a report the League addressed the following words to the Government: "The Prussian Government is facing here a very serious question. We land reformers know that every organic reform can not be achieved but with patient, plodding work, proceeding step by step. We can afford to bear the reproach from the radicals that we greatly esteem the smaller reforms also. There are occasions when small things become petty, but there are opportunities which must be grasped in a wide spirit, and which call for measures on a large scale. Such an opportunity is doubtless offered by the opening and utilization of 'Virgin Land,' the treatment of land in connection with which there can be no question of vested rights in the conventional sense. Furthermore, the Prussian Government, in stating the motives for the large expenditure caused by the construction of ship canals, has pointed to the increase of our population. If they want to bring a boon to their children and preserve them from the fate which results from the tenement-barracks of our large cities and the handicaps of our industry, on account of the prices of land artificially enhanced, they have only to muster sufficient courage to take sweeping measures necessary to create such conditions

alongside the canals which ensure free development of manufacturing districts and the possibilities of cheap houses for workmen. If the Prussian Government were to proclaim these intentions, and were to demand the means for their execution, they would have the unanimous support of the Diet." The Government demanded at the time 16 Million Marks for extended purchases of land on the Rhine-Weser Ship Canal; the Prussian Diet granted, in June 1907, not only this amount but some millions in excess thereof, and it was expressly stated that further larger amounts would be granted, if they were required for the shores of the Canal.

EXPROPRIATION.

The law passed contained a passage which may become of importance to the entire future question of expropriation. It is stated thus: "The State is vested with the right of expropriating such land, the acquisition of which is required for public purposes, contemplated in the interest of the common weal in connection with the enterprise. This right of expropriation has to be availed of prior to the 1st of July, 1909. It is not to apply beyond 1 Kilometer on either side of the canal." "How far the State has actually availed itself of the right of expropriation is a matter of secondary importance, as far as the principle is concerned," said Professor Ortman in a lecture at the congress of the League in 1911. "It is of great value that the existent law has, in an important case, with great clearness of purpose, taken up the principle of expropriating zones, inasmuch as it takes in adjacent land, not immediately used, but the comprisal of which may eventually contribute to the success of the enterprise, and which is thus of public interest." This result has to be credited to the League of Land Reformers.

MUNICIPAL REFORMS.

The preceding illustrates the efforts of the League of Land Reformers to move the State Governments to take up energetic action against private land speculation in connection with public enterprise. At the same time they directed their energies to the system of municipal taxation, of town extension and of the development of suburbs. With the rapid increase in the population of Germany the Housing question in towns has become one of the most urgent and intricate problems. Land being indispensable for housing, and being available in limited extension, every speculation in land causes a rise in price, which finds expression in increased rents; higher rents again are tantamount to increased labor or a lower standard of living, or both. It is the merit of Henry George to have demonstrated that the speculative increase in land values has the tendency to force labor and capital below the level of normal productivity. The fight of the League for a just valuation of land aroused the fierce opposition of capitalism, particularly of the large banking concerns which control nearly all the land in the suburbs necessary for town extension. The colony of Kiaochow is proof of the social possibilities a town would have if the municipality instead of the banks were in control of the

outskirts, and thus could influence prices for building land; this example, however, demonstrates that the mere possession of the land will of itself not suffice. Possession must go hand in hand with the proper disposal of the land. The difficult part of the problem is to find measures which ensure, for ever, to the common weal that part of the increment values which is due to the development of the locality, and the expenditure of public money.

MUNICIPAL LAND ACQUISITION.

The efforts of the League gave impetus to a more active land policy in the municipalities. Several municipalities have begun of late years to acquire large tracts; others have created a special land purchase fund in order to have the necessary means at hand whenever required to forestall private speculation in town expansion. The axiom of the land reformers is: Neither State nor Municipality should unconditionally surrender an inch of land to private speculation; it should further take all feasible means to increase its holdings of land. The land reformers can really not be blamed if this idea has not yet taken root in all quarters. But cases like the sale of the "Tempelhofer Feld," the large drilling ground of the Berlin garrison, will scarcely recur again unchecked. There are reasons to think that the Government will not occasion a repetition of the outcry which came from all sections of the populace. When the scheme became known, Dr. Neuhaus wrote: "One is really sometimes inclined to believe that there is no more central leadership over the various ministries when it is observed how the Forestry Department by its sales of forests, and the Military Department by its sales of land, do a splendid business for their individual offices, but which in their entirety prove very expensive indeed to the State. What an enormous price is paid for these results, if the loss in people's health and defensive force is considered. How political animosity is incensed by this defacement in the surroundings of the Empire's Capital and by the reckless destruction of natural sport and recreation grounds."

MORTGAGES.

The enormous speculation in land is considerably facilitated and fostered by the Mortgage Banks. The action of the League is thus directed against these as well, and in truth against all the public institutions connected with mortgage affairs; the juridical formalism of which, as is generally admitted, legalizes the grossest injustices and has produced the worst monstrosities. Eschwege's excellent pamphlet, "Privilegiertes Spekulantentum" (Privileged Jobbery), which is directed against the privileged treatment of mortgage bonds issued by the mortgage banks and which has been distributed by the League in many thousands of copies, has had the result that a motion for further privileges in favor of mortgage bonds was rejected in 1899 by the Reichstag.

The mortgage reduces land to a commodity easy to sell. Mortgages facilitate acquisition with comparatively small means and this increases the

number of those who can engage in land speculation. Pohlman has set himself to the task to point out again and again the dangerous sides of our mortgage system, and how they have been allowed to form, favored by the institution of the Public Land Registers. His aims are: Closing the land registers against private entries, restriction of the mortgage rights to the State or Municipality and the introduction of irredeemable amortisation mortgages; finally, restriction of the right of forced sales, in case of rural landed property, to the State, Parishes or Co-operative Societies, the latter with the intention of protecting personal credit. The accuracy of the postulates advanced by this distinguished expert has been corroborated by the researches of Dr. Weyermanns, "*Zur Geschichte des Immobiliarkreditwesens in Preussen*" (The History of the Credit on Real Estate in Prussia). He proves that the increased indebtedness of real estate is due to artificial influences, which have turned the natural evolution upside down. The knowledge of the development furnishes the guiding points for an improvement on existing conditions.

Land reform without reform of things connected with mortgages is, in Germany, impossible. Here lies the fundamental difference in the method which recommends itself for Germany, and that in other countries where such indebtedness and such possibilities of indebtedness are unknown. This shows that, notwithstanding the aims of the land reformers being identical, the means to attain them must vary with the different historical development. The cry, "Land Reform," would be lost like the voice of the preacher in the desert, if it were not simultaneously shown how to go about it, how to stir the conscience of the people, and how to influence the opinions of the responsible leaders and the legislative bodies. And I believe the success attained by the German movement must be largely attributed to the unfaltering instinct which has recognized the weak points in the conditions connected with real estate in Germany, and which has made this the object of their efforts.

MORTGAGES AND BUILDING TRADE.

Weyermanns' book has given a further brilliant justification of the League's action on the question concerning workmen engaged in the building trade. The difficulty here rests in the fact that according to German law, land and building are treated as one. A mortgage registered on a site, is not secured by the land only, but inseparately also by any buildings constructed or to be constructed. This state of affairs was often taken advantage of, to the disadvantage of third parties. The building plots are sold at excessively high prices to building contractors of small means. The purchase money is registered as a first charge on the unimproved land. The sellers can hardly lose much; if the buildings erected are coming to a forced sale, the proceeds of land and buildings first serve to satisfy the mortgage. The land speculator is generally satisfied in full, the tradesmen often receive nothing. A new law has recently been passed under which a mortgage for building moneys is granted, subject to the condition that these moneys have actually been

spent on the building. Only to the extent that this condition has been fulfilled shall the precedence be admitted in the future. This protection of building claims may eventually be introduced by municipal and parish regulations.

In these struggles it was the President of the league, Freese, who, with never failing discrimination, devoted himself to the accomplishment of the postulates advanced by the League. Finally he was in a position to write in the Annual for Land Reform: "The Land Reform Movement has achieved a great success. The Reichstag on the 5th of May, 1909, has unanimously passed the law for the protection of building claims. On the 8th of June the law was published. For the land reformers who, with a petition to the Secretary of State of the Imperial Court of Law in 1891 had undertaken the first step, it was not so much the assistance given to those in the building trade; the intention was not merely to protect the workmen against unbearable losses, the question was to go to the bottom of these things and to show that only a thorough change in the principles of our law concerning mortgages can afford redress. We had not alone to take into account the utmost resistance of the land speculators who had in the past been favored by the law, who from our first appearance deluged the newspapers with their communications, together with the other extraordinary difficulties arising from the subject itself, but also with many of the very same workmen who were to be protected, because they either considered the fight hopeless, or allowed themselves to be influenced by the selfish counsels of the land speculators."

COALS AND KALI.

On the same line with these efforts against land speculation, was the action of the land reformers against the monopolies of Coal and Kali deposits, and of running waters, as far as utilized for the production of electric currents. The fact that the Prussian Government recently joined the Coal Syndicate for a period of three years, has forced the League into strong opposition. In Prussia we have free right of mining. This has led to the practice that privileges granted by the State are treated as commodities and objects of speculation, which accumulate more and more in the control of powerful rings, excluding free competition. Only a few years ago, the first legal regulations were introduced against the squandering of natural deposits. The question is now, to interpret these laws in such a manner as to render abuses impossible. As excessive demands on the part of the land reformers would jeopardize the whole work, Pohlman, in his pamphlet, "*Bergbaufreiheit und Staatsinteresse*," formulates the points of interest to land reformers thus: If it is demanded that everybody should have his share in the natural deposits, it is, of course, not meant thereby that, in the sense of 'Free Mining,' everybody should go and claim possession of these deposits for himself, just as little as the term 'Common Property' for railways entitles him to appropriate, say the funnel of a locomotive as private property; but the postulate is: Mining should be done by those who are best capable of doing it, and doing it in the most

rational manner; they shall be entitled to full remuneration for this service done on behalf of the Commonwealth, but the latter is to have the following inviolable claims, viz:

¶ (1) That the coal deposits, entrusted to the miners, must be mined and not kept back for selfish motives.

(2) That every fellow-countryman is entitled to the delivery of coal if he is prepared to pay the stipulated price (*Lieferungszwang*).

(3) That they retain a share in the mining rent, i. e. the law must prevent their disappearance in the way of capitalisation, and that their revenue be used for relieving other burdens of taxation.

Whether the State shall eventually undertake the mining, depends entirely on the question whether the above three postulates can be accomplished or not. Above all we endeavour to obtain not the appearance but the essence; for a bad governmental management may be much less in conformity with land reform than a good private one working under the necessary guarantees for the protecting of public interests."

AIM AND OBJECT.

From the foregoing it is clear that during the last few years one part of the land reformers' activity has been concentrated on the problem which may be condensed in the question, what are the legal forms guaranteeing a social utilization of public land, and what reforms are desirable? All over Germany experiments have been made, chiefly on the part of the municipalities and communities, with various legal forms as set forth by the land reformers, and they wait for further development. Everywhere new problems present themselves; the idea of utilizing the land for the Commonwealth is trying to find means and new forms of application; these present themselves in abundance, and experience generally spells success. Before the leasehold system had been defined and fixed in German law, it had already been applied in Kiaochow in a form which ensured its use in the service of Commonwealth. Prof. Sohm declares that this legal form was drawn from "beneath the bench" by the land reformers. Its practical application has been recommended by statesmen like Earl Posadowsky; he was bent on doing all he could to prevent the surrender of any land owned by the Empire to private speculation. In his last speech as Secretary of State he was able to point out that a beginning with leasehold had been made with 520,000 square meters of public land. Men like Dr. Erman, Sohm, Zitelmann and Pohlman deserve special credit for the scientific elaboration of this special legal form.

UTILIZATION OF PUBLIC LAND.

The leasehold system has found its strongest application at Frankfort-on-Main, where the Burgomaster Adickes has achieved great things in the way of practical land reform. In Frankfort the leasehold right was not only granted to co-operative companies and public institutions, but to every citizen who desired it. It is essential with this form that either the State or the

Community is always the holder of the leasehold right, and that the profits will go, undiminished, to State or Community. In another town, Ulm, where 75 per cent. of the entire town area is owned by the municipality, Burgomaster von Wagner has arranged that in order not to surrender all land to individuals, that the land be sold, but reserved the right of pre-emption. Similar innovations have been introduced by Max Roemer at Opladen. The owner may cultivate the land, give it away or bequeath it, as he pleases, but the town has reserved the right to re-buy the land within 100 years at the original selling price. In that way the possibility of speculative raising of prices is excluded. It would have been consequent to combine the right of pre-emption with the right of re-buying. Should the owner be disposed to re-sell his land below the original price, the right of pre-emption could take place; should he wish to sell at a higher price, the right of re-buying is made use of. In that manner the public interest is protected. This suggestion was made by Dr. Spitta, of Bremen, in a report which offers much worthy of notice. "Selling contracts with simultaneous granting of the rights of re-buying and of pre-emption have, in the land policy of communities, a great future before them, especially in such places where the people using the land for dwelling purposes (chiefly semi-detached houses for one family only) are opposed to the leasehold system, because they have a strong desire to live on their own soil. The right of re-buying, in conjunction with the right of pre-emption for the community, meets the wishes of the people to acquire a home on their own soil, and at the same time guards the interests of the public, particularly where the increment of land is involved." The general introduction of this legal form is hampered by the difficulty of obtaining money from private capitalists on such houses; but efforts are made to remove these obstacles, and practical results are slowly coming into evidence. In still another legal form—the Rentengut (holding leased out by Government to German settlers, or more usually selling to them against payment of a fixed annual rent redeemable only with the consent of both the contracting parties)—the results are materially facilitated by the action of Government institutions.

LAND REFORM AND LEGISLATION.

It is of no less importance that all these experiences and results, as far as they are connected with the postulates of the land reformers in regard to the disposal of land on the part of the parishes and the State, began to have an effect on the transformation of legal principles in Germany. The Land Reformers' Annual in 1910 reprinted an inquiry instigated by the congress of lawyers (Juristentag) on the question how the existing laws could be amended in regard to housing. The inquiry comprised Communal Land Policy, Leaseholding, Mortgages, exactly those things the importance of which the unabated activity of the League had brought home to the people. Whatever may be the eventual position taken by the congress of lawyers in regard to the question, the document bears evidence to the fact that the revision of our legal status, in accordance with land reform principles, has been set going.

It will make further progress and will not be taken from the order of the day until the object has been attained. Some of the open questions are the right of expropriation by the State over building land not used for streets, the separation in the land registers of land and buildings erected thereon, the confinement of leaseholding to the Imperial and States Governments and parishes. If only these have been solved satisfactorily we shall have come considerably nearer to the achievement of our aims.

LAND REFORM AND TAXATION.

In line with the problem of developing the various legal forms of utilizing the land for the public benefit, stands the one uppermost in importance to land reformers, viz: the taxation of land values. The teaching of Henry George may be condensed in a few words thus: to abolish all taxation save that upon land values. That is the high aim, which the German land reformers are working for, and if they have not yet succeeded in removing old relics of taxation, their agitation has attained this much, that, not only in the parishes and individual states but also in the Empire, more and more recourse is had to the taxation of land values. A beginning has been made, but it is in the nature of the circumstances that here also progress must move slowly. In this regard the taxation of the capital value of land, not of its productiveness, ranks first. According to the Prussian Act of 23rd of April, 1906, the districts were entitled to base land and building taxes on capital value. As declared at the time, the Government, in promulgating this act, had acceded to a demand often expressed. The act was found to be deficient, inasmuch as improvements were treated as one with the land, whereas it is, of course, essential to levy a pure ground tax by taxing merely the capital values, and to encourage improvements and buildings as much as possible by exempting these from taxation. An important improvement in this respect was the Act concerning the declaration of communal taxes of 24th of July, 1906. Such a pure land tax has, for instance, been introduced at Königsberg, where 8% and 4%, respectively, are levied upon the land only, from land improved and unimproved alike. If the League of Land Reformers have, of late years, devoted their activity to other problems, this is because it may be said that the principle is now quite generally admitted to be right; in most parishes and districts it has already been accepted, and time will do the rest in this regard.

The above leading problem is supplemented by the Tax on the unearned increment (Wertzuwachsteuer). Every public improvement—the construction of tramways, bridges, schools, museums, the laying out of parks, and roads—is followed by enhanced values of the adjacent land. The increment thus accruing to the owners, without any effort on their part, attracts speculation in an increasing degree. Several municipalities have favored Betterment taxes and special taxes on site-values when not covered by permanent structures. The Increment Tax may be described as an impost falling on the advance in price of real estate, i. e., on the difference in price at which it was purchased and at which it was sold, less the value of improvements added during the

period it was held. A taxation of this increased value reduces the chances of speculation and contributes to its restriction. Thus an effectual taxation of the increment would tend to keep prices on normal levels, and cheap land facilitates cheap housing. Henry George in his *Social Problems* says: "To appropriate groundrent to public uses by means of taxation would permit the abolition of all the taxation which now presses so heavily upon labor and capital. It would utterly destroy land monopoly by making the holding of land unprofitable to any but the user. There would be no temptation to any one to hold land on expectation of future increase in its value when that increase was certain to be demanded in taxes."

The first experiment with increment taxation was made at Kiaochow. Not as a revenue expedient, but as a mere preventative against injurious land speculation, it there maintains itself. Its true purpose has been accomplished. No considerable collections have resulted from that source, nor are they likely to result, as long as the combination of increment taxation with ground values taxes, building obligation and the other devices connected with the disposal of land provide against violent increases in land values. The demand for land has always been amply satisfied; land has never been held back by the Colonial Government. The Colonial Government is not speculating in land. To acquire land beyond requirement has, economically, not been lucrative. Wherever there is no such perfect system of land taxation the increment tax would be an expedient in the sense of Henry George, inasmuch at least as there would be no temptation to any one to hold land in expectation of future increase in its value when that increase was certain to be demanded in taxes. The tax is thus a step on the road to general taxation of land values.

In recognition of the importance of the means for the purpose in view, the League of German Land Reformers has conducted its campaign for both the taxes on capital values as well as for increment taxes. While there was a general recourse to the tax on sale of property (*Umsatzsteuer*) based on the selling value of real estate and payable on the full value at every transfer consequent on sale, yet with its modification, the Increment duty, very slowly some modest experiments were made. The first German communities to adopt increment taxation were Frankfort on Main, in 1904, and Cologne, in 1905. A general outcry of indignation arose against the course of action in the two towns. Suddenly there was a change in the prevailing opinion. The tax as it were became the ideal of all the communities eager to discover new sources of revenue. On the 1st of April, 1909, not less than 259 German communities of all sizes with an aggregate of nearly 8 Million inhabitants had introduced the increment taxation. Some of the federate states followed the example. On the further development of this taxation objections were raised that this rich source of revenue should be placed at the disposal of the single communities. Added to this, the communal constitutions give, in many places, to house owners such a preponderance that they have it in their power to thwart any reasonable taxation disagreeable to them, much to the detriment

of a fair and equitable distribution. As early as 1905, Pohlman in an article appearing in the Land Reformers' Annual pointed out that, welcome as the proceeding of Frankfort and Cologne was, this kind of taxation ought to have been reserved to the legislation of the Federate States, or better still, of the Empire. For, as he says, the increment in land values is not due to the communities alone, but also to the States and, in a greater measure, to the Empire. This view was defended later on by Chief-Burgomaster Wilms in the Prussian Upper Chamber, and, with greatest closeness of argument by Professor A. Wagner, in 1908 in the land reformers' congress at Stuttgart. As he puts it, the enormous unearned increment, not due to any individual labor of the land owner, especially on town land, which almost exclusively serves to render the wealthy richer still, is the product of the labors of the whole German people since and owing to the foundation of the German Empire. The increment tax ought thus virtually to be an Imperial tax. True to the programme, the League started a tremendous agitation in favor of such imperial taxation. On April 11th, 1910, the Government Bill was submitted. Over 600,000 leaflets, 12,000 pamphlets and a great number of other publications were distributed, and about 800 meetings held in favor of the taxation of land values. Besides organizations with an aggregate of 730,000 members handed in petitions to the Reichstag advocating the tax. On the 1st of February, 1911, the bill was passed by the Reichstag. With the details, as the outcome of compromises, the League does not, of course, identify itself; the land reformers were satisfied that a start had been made, the truth dawning that the increment produced on land without any effort of the owner, and due entirely to the common exertion of all, belongs to the Commonwealth.

TAXATION OF LAND VALUES.

In order to ascertain this value Pohlman, in his publication "*Der Erste Schritt zu Gesunden Finanzen*" (The First Step Towards Sound Finances), places the valuation of all land by its selling value, less improvements, above everything. There can be no doubt that such a valuation of all land in Germany, which with the magnificent working of the cadastral offices, would offer no special difficulty, becomes necessary if real land reform is to be carried through. And if the League had the power to fix the stages marking the march of development, the order, in the opinion of Damaschke, would be thus: first, valuation of land, then taxation of land values, and finally increment taxation.

INCREMENT TAXATION THE MEANS NOT THE AIM.

The League of Land Reformers has never allowed the slightest doubt to exist, that the solving of the increment tax is not, and cannot be, the solving of the land reform problem. Only because it was instinctively felt that this tax was the beginning of a practice directly opposed to the legislation on taxation obtaining up to the present, did the land reformers consider it their duty to devote all their energies in its favor. With good reason the

basis of the social problem can be considered to be a problem of taxation. The correct taxation of the really unearned income, or, what is practically identical, of land values, is of far-reaching social effect. Relieving the earnings of direct taxation, it gradually leads to the establishment of equal rights for all to the national land, and by preventing private speculation to cheapen land and living. Beyond the increment tax the aim is taxation of pure land values, i. e. taxing the land at its capital value apart from improvements. Not confiscation nor nationalization, but the compelling of the Government to put the burden of taxes in an increasing degree on the unearned income and the monopolized land. This is, according to Friedlaender, one of the best judges and greatest admirers of Henry George in Germany, the real aim of "Single Tax." Max Hirsch, another admirer of Henry George, in "Democracy versus Socialism," puts it thus: "When by slow increment of justice, general conditions have gradually improved, such a gradual moral growth will take place as will ultimately enable men to live under conditions of absolute justice. For these reasons the sudden transformation of unequal rights into equal rights to land must, if possible, be avoided.

EXPANSION OF THE MOVEMENT.

With the tasks and the work the number of adherents and members of the league has steadily increased. The income amounted to the following figures, viz:

1897.....M	1257
1901.....M	7837
1905.....M	21895
1908.....M	33624
1909.....M	38834
1910.....M	54766
1911.....M	104000

The number of corporate members, communities and associations amounted: 1906, 256; 1908, 381; 1911, 583.

The number of personal members is, of course, subjected to great fluctuations, but has been increasing from year to year.

The committee consists of:—Presidents: H. E. Prof. Dr. Adolf Wagner, Berlin; Heinrich Freese, Berlin. Chairman: Adolf Damaschke, Berlin. Deputy Chairmen: Carl Marfels, Berlin; Adolf Pohlman, Detmold. Hon. Treasurer: Carl Zohlen, Berlin. Hon. Librarian: Dr. W. Schrameier, Berlin. Hon. Secretary: Dr. van der Leeden, Berlin. Foreign Corresponding member: Joseph Fels, London.

Careful attention is bestowed on lectures treating the various more important lines of land reform. Besides Damaschke and Pohlman we find the names of von Schwerin, Lubahn, Rueppel, Doehring, Grunder, Kuehner, Feucht, and others in the first ranks. The lectures are generally followed by a debate. Every year a general meeting is called when the Report and Balance Sheet is submitted, officers elected, and questions of the day discussed.

The most important subjects treated at the annual congresses embrace: Housing, Colonies, Rural Land Reform, Communal Policy, Mining, Taxation, Roads, Railways and Waterways. Among the referees we find, outside the Chairman's, the names of distinguished experts in matters of administration, Burgomaster Wilms (Posen), von Wagner (Ulm), Metzmacher (Langenfold), Sembritzki (Koenigsberg), Fuchs (Karlsruhe); of members of the Reichstag Dr. Jaeger, Potthoff, Behrens and others; of Professors of Universities Prof. Adolf Wagner (Berlin), Prof. Oertmann (Erlangen), Prof. Erman (Muenster), Prof. Schaer (Berlin), Prof. Rein, (Jena), Prof. Blume (Halle), Prof. Koeppe (Marburg), further, the names of Chairmen of industrial organizations and a long list of other leading public men: Freese, von Schwerin, Roemer, Admiral Dr. Boeters, Danneel, Victor, Marfels, Fluegel, Polenske, Neuhaus.

At the annual congress we had the good fortune to receive a good many foreign friends; the last congress was honored by the presence of the enthusiastic patron of the Single Tax Movement, Joseph Fels, who, high-minded as ever, promised the League a substantial contribution for the next few years. This promise, and the glowing convictions of this man, last year proved a strong stimulus to the development of the League.

WORKING OF THE LEAGUE.

As may be required, at least once a month, the Committee meets. Regular lectures on the leading principles of land reform are, in the course of the winter, delivered by Damaschke in a university college. They are well patronized. The large lecture room of 700 seats is, at times, insufficient for the audience. In addition to Berlin, such lectures are held in other large towns in Germany. Quite a new departure are certain lectures with practical demonstrations during the Easter week. These first took place in 1910. More than 300 hearers from all parts of Germany had assembled. One hundred and one new members joined the League on that occasion.

LITERATURE.

The most important means of instruction on the aims of the land reformers is offered by the literature of the League. The regular Journal *Bodenreform* (Land Reform) appears twice a month and is now in its 23rd volume. A comparison of the copies of 10 years ago with the present numbers furnishes evidence of the growth in size and contents. Each number gives a review of everything worth knowing concerning the movement. There are essays on the problem of land reform, clippings from the press, parliamentary speeches, articles on the topics of the day concerning the same, communications of a personal or inquiring description, a review on books received, and finally "a letterbox." Damaschke is the editor. The more scientific journal, *Jahrbuch der Bodenreform* (Annual of Land Reform), is in its 8th year. It contains researches and suggestions, articles on land reform, literature, and notes. On account of its comprehensive contents and of the excellent contributions it is indispensable to all those who want to inform themselves on the state

of land reform in Germany. The movement in other countries is also followed up by reports and special articles, and there is a reproduction of the more important documents relating to land reform.

Of books on land reform the following deserve special notice:

Damaschke's standard work *Die Bodenreform, Grundsatzliches und Geschichtliches zur Erkenntnis und Ueberwindung der Sozialen Not* (The Landreform, Fundamental and Historical Researches for the Knowledge and Overcoming of Social Misery), of which 6 editions have appeared.

Damaschke's *Geschichte der Nationaloekonomie, eine erste Einfuehrung* (History of Political Economy, a first introduction) of which 14,000 copies have been distributed.

Damaschke's *Die Aufgaben der Gemeindepolitik* (The Problems of Communal Politics), in 5 editions with 14,000 copies.

These publications are intended to carry the knowledge and understanding of Henry George's teachings to the masses of the people, and to furnish a comprehensive review of the movement, not only in Germany, but elsewhere. The *Land Values*, December 1911, called Damaschke's "Bodenreform" "An able historical statement of the land question, and of the present position of land reform in various countries. Fifty pages are devoted to Henry George and his work. The book is well up to date, for both the Land and Taxation Reform Memorial, and the recent Glasgow Conference are described and pointed to as proofs that the Taxation of Land Values holds a very prominent place in Great Britain. Damaschke is one of the most prominent of the popular authors in Germany." We must further mention here Freese's *Bodenreform* (Land Reform), a series of contributions to the League's periodical of the same title within the last 20 years.

Lubahn's *Zweck und Ziel der Bodenreform* (Intents and Purposes of Land Reform).

Pohlman's *Laienbreiver der Nationaloekonomie* (Layman's handbook on Political Economy).

Pohlman's *Bergbaufreiheit und Staatsinteressen* (Mining Privileges and State's Interests).

Pohlman's *Die Abloesbarkeit Laendlicher Schulden und Lasten* (Redeemability of Rural Debts and Burdens).

Pohlman's *Der erste Schritt zu Gesunden Finanzen* (First Step towards Sound Finances).

Pohlman knows exceedingly well to combine independence of thought with clearness of style and by drawing from the treasures of his experiences collected in a long and successful life, to avoid narrow and one-sided views. On Henry George we have excellent and exhaustive accounts. I should mention, too:

Friedlaender's *Die Vier Hauptrichtungen der Modernen Sozialen Bewegung* (The four cardinal lines of direction in the modern social movement).

Henry George's works have been translated into German and are distributed by the League. On the question of taxation in its relation to land reform

we have exhaustive researches by Prof. Ad. Wagner, Dr. Brunhaber, The Hon. Mr. Boldt, Prof. Koeppe, and others.

ALL OR NOTHING.

Parties who are not in close touch with the movement in Germany have not always formed a correct judgment, holding as inadequate our methods compared with the aim aspired to. It may be pointed out that the only consequential realization of Single Tax has been achieved in Germany, i. e. in Kiaochow—a complete application of Henry George's principles, though originated, it must be admitted, without the knowledge of Henry George and his doctrine. The circumstances given, it was easy to carry out the work on large lines. But such conditions are wanting in other places and there the question is, to first prepare the ground for greater things. "All or nothing" is no wise counsel for a movement making for practical results. Bismarck said of politics, that it is the art of the attainable, and the same may be applied to land reform in Germany. As long as the movement confined itself to proclaiming the "Pure Truth," it failed as a popular movement. Only since the movement took up a position with regard to actual questions of the day and treated them in their relation to land reform have we made for ourselves a position in public life. What is true of all social movements may be said to be true of land reforms: There is no single programme of action suitable to all countries, and methods must in each case be made to suit particular conditions. The masses of the people can only be interested by a sober policy based on realities of life, and then only for attainable aims. Each country requires special methods of propaganda. Whatever may have proved effectual in Germany, may be utterly unfit for other countries, on account of entirely different conditions, socially, economically, and politically. The League has passed through its experiences and through different phases before it attained success. The good results obtained in public life justify the course of action it has pursued. But the aims of the German League are the same as in all other countries, where land reform exists, i. e., the gradual abolition of all taxes except those on land values.

MR. JOSEPH FELS recently sent a copy of "Progress and Poverty" to the Archbishop of Canterbury, whose chaplain wrote back to say that the Archbishop was glad to have in such a handy form a book with which he had long been acquainted, and of which he had a well-thumbed copy on his shelves.

TO TAX houses is to make houses dear. To tax land values, on the other hand, is to make land cheap, not only for house building, but for shops, factories, warehouses, etc.