

They have been able to skim the cream, to absorb the choicest areas of natural wealth in the shape of mines, oil wells, railroads, immensely valuable land in cities, etc. Now, if people with money to invest should lose all faith in the big gambling joint in Wall street and buy such land on their own account, wouldn't there be industrial effects? That is an interesting question to consider, at any rate. The "System" does not develop new mines nor build new roads, nor create wealth at all. It only combines its little land monopolies in order to make big ones. The people, including in that term those with only brawn and brain and also those with opportunity, they create the wealth. The "System" absorbs it. If, as an immediate result of Lawson's campaign of education certain investors have been turned away from Wall street, as is apparently already the case, no doubt more money will flow into real estate in cities and into the lands of the Western country, for individual investment. Of course this in itself will not comfort the industrial reformer. He cannot get any great degree of joy out of the mere fact that "lambs" with a few thousands each to invest have had a scare and saved their wool for the present. But would there be no occasion to him for satisfaction with the education along economic as well as ethical lines which a people with the ballot would derive from all this financial shake-up?

THE EARTH AND THE FACTORY.

It has been objected to our recent editorials on the labor question, one on the earth as a "closed shop" (p. 339) and the other on the "jobless man" (p. 355), that workingmen need not only land, as implied by those editorials, but also machinery, which is an essential part of the prevailing factory system.

This is the essence of socialistic criticisms of the single tax. Conceding the primary necessity for land as an implement of production, socialists argue nevertheless that land alone, though it

were abundant and free wherever workingmen live and work, would not be enough to make the working class economically independent. The burden of their criticism is that the working class would remain a helpless subject of capitalistic exploitation unless the artificial as well as the natural implements of such production were freely accessible.

In genuine solicitude for the condition of the working class, the socialist does not go beyond the single taxer. It is quite as much the desire of the latter as of the former, or of any other earnest agitator for better adjustments of industry, that the working class shall not be exploited.

But the single taxer believes that the exploitation of labor results from monopoly of land. What he demands, therefore, as the fundamental industrial reform, an industrial reform that would make all other useful reforms easier, and without which other industrial reform is impossible or in the long run ineffective, is the eradication of land monopoly.

That the single tax view in this respect is the correct one, is evident upon reasonable observation and thought.

Why is it that the working classes can be subjected to industrial exploitation? They are not owned bodily, as the slaves were. They bargain in apparent freedom. To what alchemy, then, does the capitalist resort in order to exploit them.

Is it true, as socialists say, that the working classes submit to exploitation because they cannot work without machinery, and, having none of their own, must beg a capitalist on his own terms for permission to use his? Is their will thus overcome by their necessities? This is surely a lame explanation, for it fails to explain why the working classes are without machinery of their own.

Machinery is not an accumulation of the past. It is in the course of constant production, and is produced by the working class itself. Destroy all the machinery in the world to-day, and the working class, if left free to produce and trade, would soon replace it with better machinery. Why is it that the working classes have no ma-

chinery of their own when they themselves, considered as a whole, make all the machinery there is? The obvious answer is that the wages of labor are too low to enable workingmen to retain much if any proprietary interest in the machinery they produce. It is their poverty that makes them dependent, and therefore subject to exploitation.

But this obvious answer raises another question. Why are the working classes poor? why are the wages of labor low? Not because the working class is an idle class. The very terms put such a conclusion to the blush. Is it, then, because they do not produce more than their meager wages? But they do produce more; if they did not, there would be nothing for the leisure class. Wages are low and the working class poor because the working class does not get all it produces. Somehow, some way, its earnings are depleted by tribute.

This fact is expressed by socialists in their theory of "surplus value." They believe, that is, that the working class, considered as a whole, produces value in excess of what its members receive in wages.

With the intangible and elusive thing called "value," we need not quarrel. While value is neither food, nor clothing, nor machinery, nor anything else which satisfies human wants, the underlying idea of socialists is that it is a surplus of those things that the labor class as a whole produce—a surplus in the sense, that is to say, not of an excess over what the working class wants, but in the sense of an excess over what it gets.

With this underlying idea of surplus value the single taxers will agree. The labor of the working class as a whole does yield a surplus of consumable and usable things, including machinery; and this surplus is the tribute to which the earnings of the working classes are subjected and by which their wages are depleted.

A question still remains. What is it that diverts this surplus from those who produce it? That question is the crux of the economic controversy between socialists and single taxers.

Socialists attribute the diversion to "capitalism." But "cap-

italism" is an indefinite term. Since land has value which is capitalized, and machinery has value which is capitalized, it is customary to refer to ownership of either by the one term "capitalism." If there were slaves, they also would have a value for capitalization, and we should refer to their value by the same term. This is well enough for the mere commercial purpose of comparing valuable with nonvaluable things, or the more valuable with the less valuable. But it is viciously misleading when all the economic qualities of each is to be compared with those of the others.

Slaves are men; machinery is an artificial product which exists only as men make it and preserve it; and land is a natural object which exists regardless of men. These three classes of things are so radically different, each from both the others, that it is utterly impossible to reason about their essential characteristics and relations, if all or any two are included in a common term. It is like reasoning about numbers without distinguishing numerals.

To decide, then, that "capitalism" accounts for the surplus product of labor, is to decide nothing whatever as to the relative power over the working classes of land ownership and factory ownership. For land tenure might be the cause of the surplus, and the factory system have nothing to do with it; or the factory system might be the cause, and land tenure have nothing to do with it; or both together might be the cause. The whole controversy is left undecided when "capitalism" is regarded as the cause, if capitalism as to the natural element be not distinguished from capitalism as to the artificial product.

To explain intelligently the cause of the surplus product of labor these three things must be kept distinct: the workman, his natural environment (the earth), and his artificial implements. And when this is done, the truth becomes clear, that the surplus which the labor class produces and the leisure class gets, is attributable not to capitalism with reference to artificial implements, but to capitalism with reference to the earth.

Though artificial implements be capitalized, yet if liberty be maintained as to person and land, no divertible surplus would appear and no factory serfdom could result. If, however, it is the earth that is capitalized, a surplus product appears and factory serfdom follows.

The surplus would in that case increase faster than the increase of productive power; and, with increasing progress, poverty would deepen and the factory serf become a pitiable and familiar object.

Why?

The single taxer explains that the germ of the surplus product of labor is the rent or premium for scarce and superior parts of the earth. Capitalize this rent, and you create a disposition in progressive localities to buy land in the expectation that its premium-bearing qualities will increase; that is, that it will become more desirable, or more scarce, or both, and therefore more valuable.

This expectation is often disappointed in individual instances, more often perhaps than it is realized; but the general effect is the same. The forestalling of land makes land scarcer in the market and therefore more valuable. For if progress gives promise of continuing, expectations of the increasing capital value of land overleap the possibilities of actual progress. This simply means, what is patent to common observation, that under the spur of prosperity land values rise faster than progress advances.

Investors in land bring on a conflict of interests between land monopolizing and land using. This conflict, by lessening opportunities for work, checks effective demand for products; which further lessens opportunities for work, and thus puts a further check on effective demand. Meanwhile this process of action and reaction brings forth the "jobless man," and from that moment the surplus product increases. It keeps on increasing, in these circumstances, until nothing is left to workers on the lower levels of labor but a bare living of the poorest kind. The surplus product—not measured by land rent alone, but also and in much greater degree by tribute from the great body of workers whose wages are scaled

down and down by the underbidding of the "jobless man,"—steadily increases, and great prosperity and arrogance rise up in the midst of misery, dependence and factory serfdom.

The surplus product tends to absorb the whole product of labor above a bare living for the lower levels of workers. It is composed in part of economic rent of land, and in larger part of the so-called "capitalistic fleecings of labor," those fleecings which are possible when, and only when, the earth is a "closed shop."

The cause of it all is monopoly of land—the making of the earth a "closed shop." When and where land is monopolized, progress increases its value at the expense of the earnings of the working class.

It is not for lack of machinery, which the working class itself produces, that the working class is exploited by the owners of machinery; it is for lack of available free land to compete with valuable land and relieve the congested condition of the labor market.

An exemplification of this idea may be found in the greatest work of the great socialist, Karl Marx. In the 33d chapter of his book, "Capital," Marx refers to an incident narrated in Wakefield's "England and America," and says:

Mr. Peel, he moans, took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of \$250,000. Mr. Peel had the foresight to bring with him, besides, 3,000 persons of the working class, men, women and children. Once arrived at his destination, "Mr. Peel was left without a servant to make his bed or fetch him water from the river." Unhappy Mr. Peel, who provided for everything except the export of English modes of production to Swan River!

But what peculiarity of English modes of production was it that Mr. Peel had not exported to Swan River? He had exported \$250,000 worth of capital, and 3,000 people of the English wage-working class. Why, then, did he not use his capital to exploit the labor of those working people as he might have done in England? What was there lacking of English modes of production? Marx says there was lacking "the correlative" to the capitalist—"the

wage-worker, the other man, who is compelled to sell himself of his own free will." But there were 3,000 wage-workers there; why were they not compelled to sell themselves?

Every intelligent reader must anticipate the answer. There is but one and it is conclusive. It was because those wage-workers were now in the midst of free land. The one feature, the only feature of "English modes of production" which this Mr. Peel had not exported to Swan river, was land monopoly.

To the citation of this and similar instances of single taxers, socialists object that as the conditions were primitive, land was the most important factor, but that in modern industrial conditions labor is so minutely specialized that the mechanism of production has become more important to the working class than land.

This objection that land is of minor importance to the laboring class in industrial conditions of great specialization, was anticipated by Henry George in his elaboration of the single tax philosophy. An extract from the first chapter of his "Progress and Poverty" indicates his point of view:

The fundamental truth, that in all economic reasoning must be firmly grasped, and never let go, is that society in its most highly developed form is but an elaboration of society in its rudest beginnings, and that principles obvious in the simpler relations of men are merely disguised and not abrogated or reversed by the more intricate relations that result from the division of labor and the use of complex tools and methods. The steam grist mill, with its complicated machinery exhibiting every diversity of motion, is simply what the rude stone mortar dug up from an ancient river bed was in its day—an instrument for grinding corn. And every man engaged in it, whether tossing wood into the furnace, running the engine, dressing stones, printing sacks or keeping books, is really devoting his labor to the same purpose that the prehistoric savage did when he used his mortar—the preparation of grain for human food. And so if we reduce to their lowest terms all the complex operations of modern production, we see that each individual who takes part in this infinitely subdivided and intricate network of production and exchange is really doing what the primeval man did when he climbed the trees

for fruit or followed the receding tide for shell-fish—endeavoring to obtain from nature by the exertion of his powers the satisfaction of his desires. If we keep this firmly in mind, if we look upon production as a whole—as the cooperation of all embraced in any of its great groups to satisfy the various desires of each, we plainly see that the reward each obtains for his exertions comes as truly and as directly from nature as the result of that exertion, as did that of the first man.

In that view of the matter, Raymond Robins's story of an actual experience in Nome, becomes most impressive as an exemplification of the power of land capitalism over human laborers, and the effectiveness of free land in producing economic freedom.

As Mr. Robins's story runs—in substance only, and not in its interesting details,—there had been a time in Nome when the lowest wages were eight and nine dollars a day, not at gold mining only but in all employments. But as mining opportunities came to be monopolized and population grew, wages fell until they were down to the minimum of subsistence, which for that place and time was three dollars a day. The "jobless man" had come. And then were seen in little at Nome all the phenomena of wealth and arrogance in the midst of poverty and dependence with which we are so familiar in the bigger world. The wages system in its direful sense was in full swing.

But on one memorable day a disemployed miner who could get no work either at mining or at anything else, for the labor market was glutted, despondently threw his pick into the tide-swept sand at the sea shore; and as he listlessly pulled it out he saw upon it the signs of gold. The sea shore was not far from Nome, and below tide water it was free ground. He worked that day on this rich beach, and of his earnings which were something like \$20, he got all. There was no surplus product. His labor was not fleeced.

The next day the word had gone around, and other claims on this sea shore were staked. But, unlike the land back of tide water, this land could not, under the law, be monopolized; every claimant had to use it himself or let some one else use it. And there was

plenty of it. As word of the wonderful discovery spread, the glut of the labor market ended and wages at Nome rose to \$12 and \$15 a day, which was about what a man could make washing the sands at the shore.

Now mark this: Only disemployed miners were obliged to go to the beach in order to get that till then unheard of rate of wages. Miners in other mines stayed where they were and had their wages raised. Clerks in stores and waiters in restaurants stayed where they were and had their wages raised. The free and profitable employment at the near-by sea shore absorbed "the surplus labor," as we call it, and employers, owners of machinery, were obliged to pay at least as much as could be washed from the sand, or lose their help. The economic condition had been reversed. Instead of 10 men and only 9 jobs, as before, there were only 9 men and 10 jobs. The earth at that point had ceased to be a "closed" shop and become an "open" shop, and the "jobless man" had consequently disappeared. The power of what in Nome corresponded to the "factory lord" in our larger society, was gone.

With that simple change of the relations of the working classes to the earth, the power of the "factory lord" would be gone everywhere, and to bring about that change is the object of the single taxer.

In his view, if taxes on industry were abolished and land "capitalism" were taxed by value ratio, not only would industrial exchanges be unimpeded and unclogged by taxes and taxing methods, but, just as with the golden sands of the sea beach at Nome, all unused land, near by as well as far off, would welcome the worker. Not merely the isolated worker would this land welcome, but workmen as a whole, as an industrial force. In these circumstances, as at Nome, all wages would rise to the full earnings of each worker. The only surplus product then would be the premiums on superior locations, and this would go into the common treasury.

No tree is so dead but the birds will sing in its branches.
—Ernest Crosby.