

Labor's Burden and How to Remove It

NOTHING marks the time in which we are living more strongly than the ever increasing volume of social discontent. This is caused mainly by the terrible inequality in the distribution of wealth. On the one hand, we see a small number of persons in the enjoyment of enormous incomes, which they have done little or nothing to earn; on the other, the workers, who produce the wealth, receive, individually and collectively, far less than the value of their labor. In addition to this, there exists a vast army of the permanently unemployed, who are eager to work, even at wages lower than the real value of their labor, and are denied opportunity. The result is low wages, grinding poverty, with the accompanying evils of preventable disease, vice and crime.

What is the cause of this condition? Our aggregate resources are boundless; and labor, if free to produce, can easily increase the present output of wealth to the extent of providing comfort for all, according to the highest possible standard of living. The evil must lie in some fundamental condition which prevents labor from producing freely, and which distributes the product of labor unequally and unjustly. Every man is entitled to receive from society the full equivalent of the services he renders to society, and no more. Riches as such do not necessarily imply theft or exploitation; but unearned riches, derived from the power to compel tribute by the mere fact of ownership, do so. If you and I pick berries in a field, where the supply is abundant and open freely to all, I do not rob or injure you, if I, by greater skill or speed in picking, by greater industry and persistence, by closer concentration and by not stopping to eat part of the berries I have picked, am able to pick six baskets a day to your five. You still have all that you produced, and are no worse off because I was able to produce more, and receive the natural reward of the qualities which enable me to do so. But if I claim ownership of the pasture, and add each day to my six baskets one of your five as tribute paid me by you for allowing you to pick berries at all, that extra portion of my gain is at your expense, and places you at a permanent handicap in competition with me; since I always receive all that I produce and one basket over, while you receive one basket less than you produce. And the more fully all the berry pastures are monopolized, the larger proportion of your product I can demand, and force you to surrender to me, before allowing you to produce at all.

Since all wealth comes from the land and is produced by labor, what is true of berry pastures is true of all natural opportunities. Where these are all controlled by tribute-gatherers, labor finds the same conditions, no matter which way it turns. Rent, which is the price paid for access to natural opportunities, tends to increase, until it absorbs all that labor produces above what is barely necessary to maintain life. Wages, which are the reward of labor for its exertions, naturally consist of the whole product of labor,

but are forced by land monopoly down lower and lower, to the point of bare subsistence. It is not capital which robs labor, since capital itself is only stored up labor, and has to pay tribute to land just as much as does labor which is applied directly to the land. All the capital in the country amounts to hardly a twentieth part of the value of the bare land. If money, tools and machinery were rained down from heaven in a limitless supply, they would be of no use without the right to work with them on the land and to apply them to the materials which are taken out of the land; and the landowner could still demand his own price for the allowance of this right. When the use of machinery, labor-saving inventions, thrift, sobriety, scientific knowledge, division of labor and efficiency increase the ability to produce wealth, rent rises in such a degree as to absorb all the advantage for the landowner, leaving labor just as badly off as ever. When the capitalist seems to reap the benefit, it is because he is not only a capitalist but also a land monopolist. The capitalist who is not also a monopolist is forced to keep wages down by competition of other capitalists, who are carrying on industry under the same forced conditions that he is; and neither he nor they make anything out of low wages. In fact, where wages are high, interest, which represents the average return to capital, is also high; where wages are low, interest is low. The normal return to capital represents simply the equivalent of its share in increasing the productivity of labor, and is therefore not secured at the expense of labor. It is what is left over, after labor is fully paid. Hence it is not capital which robs labor.

What keeps wages down and oppresses the laborer, is lack of equal opportunity. If there are ten men seeking work, and only nine jobs to be had, one man must be left out. Rather than starve, he is forced to offer his services at less than their fair value, and less than what the men employed are receiving. This must be accepted by the employer, as he is forced by competition to buy labor as cheaply as he can. That throws one of the other men out of his job; and to get it back, he must offer to work for lower wages; and so it goes on in an endless circle, until wages are down as low as possible, down to the point of bare subsistence. The whole fight of labor organizations is to resist by collective bargaining and the threat of tying up industry by strikes and boycotts the full working out of this tendency. Even by these costly methods, they succeed only in raising wages to a slight extent above the minimum, and must keep fighting to hold what they have gained. Never do they even approach a scale of wages representing the full product of labor, which is the just and natural share of the laborer. Such is the condition as it actually exists, the lack of opportunity to work always keeping a large number of men out of jobs, and keeping wages down, with a constant tendency to go lower still.

Suppose, on the other hand, that there are ten jobs, and only nine men seeking work. In order that industry may be effectively carried on, the full complement of ten men

must be secured at any price. This produces just the opposite effect to the former condition. It forces wages steadily up, since the tenth man needed must be attracted by the offer of wages fully equal to what he can obtain by working for himself independently; and the same full wage to each of the other men, to hold them all at work. The result of this is the rise of wages to the full value of the product of labor. It cannot go higher, because then nothing would remain for the return to capital; and industry would have to cease; nor should it go higher; for it represents complete justice.

The whole labor problem, then, can be solved only by opening up to labor such complete opportunities that no man need be out of a job; that if employment in the labor market is not open to him, he can employ himself, and get all that his labor is worth. The only way to bring this about is by destroying land monopoly, which is simply a form of slavery. The system of chattel slavery was nothing but the ownership of labor. The master could compel obedience by the crack of the whip. The owner of the earth is also the owner of labor, because he is able to compel obedience by the threat of starvation. It makes no difference to a man whether he is bound and food in abundance strewn freely about just outside his reach, or whether he is free, and the food locked up where he cannot get access to it. He starves in either case. Access to land means opportunity to produce. Land is in its nature as free as air, and no more the property of individuals to the exclusion of others than the air we breathe. It is only custom which has given us a different feeling about it, so that we tolerate landlords, but would regard landlords as a monstrosity. With freedom of the land, nobody could enslave labor.

This does not mean that it is desirable to confiscate land. Private property in land, while not a natural right, has developed as a necessary social concession, in order to give stability to production, and thereby to encourage the development of industry; and its continuance is called for on the same grounds. But this means only private property in land for purposes of production. When ownership of land is used, not to produce, but to compel tribute from others, the social compact is abused; and the good is turned to evil. Yet to withdraw the privilege because of the abuse would mean to destroy all incentive to produce, and to force a return to primitive methods of production, which would involve a collapse of civilization itself. Neither is it practical for the government to determine exactly how far the individual is making the proper use of his land, and to control him accordingly by an endless amount of oversight and dictation. All that is necessary is to require that each person enjoying the privilege of owning land shall pay to the whole people what the use of his particular portion of land is worth from year to year. In other words, rent should become social property. What labor and capital draw from land by their exertions, and thus turn into wealth, justly belongs to them, in proportion to the contribution of each; but the rent of the land, which simply stands for the superior opportunity of one location over another having

less of what is called land value, belongs only to its producer, which is society itself. Without the existence of a population, land, however useful, would command no value, any more than the air. It is the presence of the people and the sum of their individual and collective activities, which give land its value. Land in the centre of a large city is worth more than land in the outskirts, simply because by virtue of its location, labor and capital expended on it will be able to derive larger returns than they would on the land less favorably situated. This value is a perfectly natural product, and not arbitrary in any way. If the use of the land were put up each year at auction, the highest profitable bid would represent the actual rental value. If the city should move away, the value would disappear.

Taking rent for social purposes would have many results, besides being in itself absolutely just. It would stimulate production at once, by taxing land into use, especially since this one source of revenue would pay all the expenses of government, as has been fully determined by close investigation, and would therefore make it possible and necessary to abolish all other taxes, which lay a burden on industry by increasing the cost of the products of labor. The owner of the land could not make money by renting the bare land to others, since all the rent would be taken from him by the government, and would go into the public treasury. He could earn money from his land only by himself using it as a laborer or as a working capitalist. If he did not wish to do this, he would have to give his land up, as it would be a constant expense to him, with no return. This would bring the selling price of land down to almost nothing, and enable anybody to obtain desirable land for use, subject only to the condition of paying the annual rent to society. This condition, without any arbitrary restriction on the amount of land any person might hold, would itself prevent any person from taking more land than he could use to advantage, and would leave plenty for everybody. There is no danger of not having enough to go around, when it is realized that Belgium, in days of peace, even without living under a very good industrial or social system, was able to maintain nearly 600 persons to the square mile, and was no worse off than the average country under similar economic conditions; while the United States has only a trifle over 30 persons to the square mile. This country alone has land of the best sort enough to support in comfort several times the present population of the whole world.

This freeing of the land would free labor to the fullest extent, by offering ample opportunities to all. There would be no unemployment, where each man could produce for himself, if he wished. It would not be necessary that all workingmen or a tenth of them should actually be qualified or inclined to work on the land. The proportion of them able and ready to do so would be more than enough to force up wages for all in every industry; while the return to capital would be regulated in the same manner, since capital would then flow freely to those industries which offered its full return, and away from those which did not. Capital and labor are partners, not natural enemies; and

the rights of both depend alike on the overthrow of monopoly. The reform which has been explained, which is known as the Single Tax, would destroy land monopoly, which is the source of all other monopolies and of the burden under which labor is suffering.

BOOK NOTICES

*THE OLD FREEDOM

This work by Francis Neilson is an examination of the problems of Labor and Capital which have received additional importance by reason of the great war and the period of reconstruction through which we are passing, and to which the changed attitude of some of the financial and industrial leaders has given increased interest.

The title of the work is deliberately chosen, since Mr. Neilson argues that freedom was the condition of old, and that abuses of privilege grew up with the loss of these conditions or abridgement of laws and customs under which the economic equality of the subject had been formerly recognized. There is enough color in this theory to give it strong warrant. Mr. Neilson quotes in support of it Green's "History of the English People" and Freeman's "Growth of the English Constitution," and Thorold Rogers.

Undoubtedly, equal opportunity was the great principle of early English liberty. It has taken nearly a thousand years to reduce the English laborer to slavery.

Mr. Neilson's work is a strong plea for the Single Tax. "Natural rights," he says, "must be restored if we are not to share Europe's fate. It is the only positive reply to be made to all who favor compulsion—Socialists and Tories alike. By restoring natural rights we shall reset the old foundations and rebuild the best of our institutions, so that America may again open her gates to all who love liberty."

We commend this work, and desire to express our gratification that Mr. Neilson has returned to those literary labors for the great cause which have made his name favorably known on two continents.

A NOTABLE PAMPHLET BY JACKSON H. RALSTON

A scholarly "Study and Report for the American Federation of Labor on Judicial Control over Legislation as to Constitutional Questions," by Hon. Jackson H. Ralston, is a valuable pamphlet of 80 pages. The following from page 49 will interest Single Taxers:

"Finally it was the opinion of Judge Gibson that it remained—with the people, in whom full and absolute sovereign power resides, to correct abuses in legislation, by instructing their representatives to repeal the obnoxious act. What is wanting to plenary power in the government is reserved by the people for their own immediate use; and to redress an infringement of their rights in this respect would seem to be an accessory of the power thus reserved."

Later in life (in 1845), when Justice Gibson had become the chief justice of his court, the foregoing opinion having been quoted, it is fair to say that he remarked that he had 'changed that opinion for two reasons. The late convention, by their silence, sanctioned the pretensions of the court to deal freely with the acts of the legislature; and from experience of the necessity of the case.' (Norris v. Clymer, 2 Penna. Reports, p. 281.)

Age, with its attendant conservatism and advancement in power, seems to have caused the judge to deny the force of his own argument—a condition of mind which was later paralleled by Herbert Spencer who, in his youth, in writing 'Social Statics,' demonstrated to perfection the foundations upon which 'Progress and Poverty' was afterwards written by Henry George, and when his surroundings were changed and bent of mind affected by age so far repudiated the logic of his earlier writings that George was justified in his work 'The Perplexed Philosopher.'"

*The Old Freedom, by Francis Neilson. Clo. 170 pp. Price \$1.00. B. W. Huebsch, N. Y. City.

THE Minnesota Legislature of 1919, by C. J. Buell, a pamphlet of over 100 pages, is issued to inform the voters of the State as to the record of their Senators and Representatives. It serves a distinctly useful purpose, and shows care and more than usual ability in its preparation. Chapter IX on Taxation leaves little to be desired. It is written in short, crisp sentences, and should of itself make a very readable tract for wider distribution. Mr. Buell has done a work which should entitle him to the gratitude of his State, and his many friends will cordially recognize the value of a splendid and unselfish service.

CORRESPONDENCE

EDITOR SINGLE TAX REVIEW:

In answering Dr. C. J. Lavery as to why Single Tax would not increase the rent that a tenant would pay, I fear that, while your answer is perfectly clear to one who sees the truth, it may not be convincing to the student. I do not know that I can make it any clearer, but let us look at it a moment.

I think that question is an intelligent one and one that oftentimes envelopes the student in a maze until he really sees it. He knows that a tax upon goods increases their cost and therefore he is unable to see why a "tax on land" will not increase its cost.

In the first place he must be made to see that the Single Tax is in no conceivable sense a tax upon land. Once, when McKinley was sneering at Single Taxers, old Billy Radcliffe corrected his statement that we proposed to bring in the millenium by taxing land. Radcliffe said, "Not land, but land values, Major." McKinley asked, "Well, what's the difference between land and land values?" Billy answered at once, "The value, Major." There is the whole thing in a nutshell. The difference between land and land value is "the value."

It is true that a tax is represented in the price of everything upon which it is levied. Take 100 as a unit. Let that 100 represent wealth. Add a ten per cent. tax. The price is clearly 110. Let 100 represent land values. Add a ten per cent. tax. Instead of the "price" being 110 it is 90. Now why? Simply because in the one case the tax is upon wealth produced by human toil, as all wealth must be. In the other case the tax is levied upon privilege. In the first instance the tax increases the price. As the price is increased it operates as a deterrent upon the production of that thing. The market is more restricted and limited. There is less of the thing produced. In the other instance, the tax also operates as a deterrent—that is, upon land values. But, obviously, it cannot operate so upon land itself, since, regardless of the tax, there will still remain the same amount of land. In the one instance, it increases the price by checking production. In the other it decreases the price of land by burdening the privilege of holding it idle, and thereby in effect increases the supply. The natural law of supply and demand always controls.

Now, therefore, a tax upon improvements limits them; it restricts the supply, thereby increasing the price. (And let me remark that that part of rent paid for the use of a building is not truly rent, but legitimate interest upon capital invested. In most instances, however, the major portion of it is tribute to landed privilege.) On the other hand, by releasing improvements of taxes, enterprise is encouraged to produce more of them. As the burden of tax is increased upon land values, thereby depressing them, it operates to discourage investment in land, which in many instances must mean the release of it to those who will use it, which in effect is to increase the supply of land.

Obviously, to increase supply is to decrease price, and to limit supply is to increase price. Single Tax, by destroying the speculative value of land, would in effect increase the supply of land, reducing the rent of it. By releasing industry of the burden of taxation, it would increase the supply of wealth, thereby reducing the price of it to actual cost of production, including necessary margin for risk.

By the way, I am heartily with that portion of the Single Tax Party programme that confines our efforts to Single Tax alone. We have injured our cause, or at least prevented its growth, by compromises with socialistic superficialities. One who really sees the land question and understands the nature of taxation knows that there is absolutely no solution of economic injustice in government ownership, regulation,