

## SINGLE TAX IN A NUT SHELL

[ *For the Review* ]

By **BENJ. F. LINDAS**

Before discussing the fundamental principles of a proposed reform it is first necessary to thoroughly understand the problem which the proposed reform seeks to solve. And such a problem to really enter the minds and grip the hearts of men must be a real problem, a universal problem, a problem that is dependent upon the operation of natural laws, the discovery of which laws will suggest the proper solution.

What is the problem to be solved by Single Tax?

It is the problem of human life; it is the question of securing the necessary food, and clothing, and shelter to sustain life; it is the question of how far the rights of the State extend over the property of private individuals, and as to what species of property a private individual can justly claim title; it is the question as to what constitutes morality, and the underlying principles of true religion; it is the question of human life and human progress.

To be more specific, the problem narrows down to this query:

Why is it that with all the vast improvements in the arts and sciences, in the production of everything necessary to satisfy human desires, in the almost unbelievable increase in wealth, millions of human beings live on the border-land of starvation from the cradle to the grave? Why is it that in every nation under the sun, in every civilization that has ever existed, in every city, town and country—Christian as well as pagan, in moral communities as well as in those gilded with unspeakable vice, the greater the progress the more pronounced the poverty, the greater the increase in the wealth of the few, the greater the number of those who can barely secure enough to keep starvation from the door?

Truly has it been said that this is the riddle of the ages which not to be solved means that this boasted civilization of ours, like those that have gone before—Egypt, Babylon, Greece, Rome—will decay and fall a prey to the invisible foe that is gnawing at its very vitals.

Several preliminary questions remain to be considered:

Has there been and is there to-day, poverty following progress? Has there been and is there to-day that increasing misery coincident with increasing wealth? Does the prophecy of Goldsmith still hold true?

"Ill fares the land to hastening ills a prey,  
Where wealth accumulates and men decay."

If these things are true, are we sure that they are the result of the violation of natural laws, socially or individually?

To determine the first question we need more than the testimony of our own eyes, although this alone, no matter how limited our range of observation may be, is enough to suggest the problem. But we need a wider view, and the best way to secure it is from the accumulated evidence contained in the accounts and reports of those who have made the question a study, and who have been in a position to know the real facts. At the present time probably no information is more complete and reliable than that contained in the report of the United States Industrial Commission. What are some of the things disclosed by this report? In the first place, the Commission secured detailed information regarding the daily and weekly earnings of almost seven hundred thousand employees in all classes in our basic manufacturing industries, and mining, and information regarding the income and living conditions of 15,726 families in all parts of the country. It was found by the Commission that two-thirds of these families earn less than \$750.00 a year; one-third less than \$500 a year, in an average family of five. Elaborate studies made in widely separated sections have shown that the very least upon which a family of five can live in anything approaching decency, is \$700 a year. The report adds, "Other facts collected in this investigation show conclusively that a very large proportion of these families did not live in either decency or comfort." It is further shown by this report that the babies of those fathers who earn \$10 a week die at the appalling rate of 256 per 1000; the babies of those who earn \$25 a week at the rate of only 84 per 1000; that in six of the large cities from 12 to 20 per cent. of all the children are noticeably underfed and ill-nourished; that 75% of the children quit school before reaching the seventh grade. These things are true not only in the overcrowded factory cities and in the weltering metropolis, but out in the open in the midst of inexhaustible natural resources. The report reads further:

"The condition of the agricultural laborers cannot be dismissed without referring to the huge estates operated by managers, with hired labor, on what may properly be called a "factory system." The conditions upon such estates are deplorable, not only on account of the low wages paid, about 80 cents a day, but even more because these estates, embracing within their boundaries entire counties and towns, are a law unto themselves, and the absolute dictators of the lives, the liberties and happiness of their employees. It is industrial feudalism in an extreme form. Such estates are as a rule the property of absentee landlords, who are for the most part millionaires, resident in the eastern States or in Europe."

As Scott Nearing states it: "Strictly speaking the vast, the almost overwhelming body of American wage-earners earn no income at all. They receive a wage which provides bare family up-keep; depreciation, interest, and dividends which business men demand as a right, they do not receive at all. For 1910 the gross receipts for the U. S. Steel corporation were in round numbers seven hundred and three million dollars, net earnings one

hundred and fifty million dollars, net income eighty-seven million dollars, surplus net income thirty-six million dollars, total surplus one hundred and five million dollars. Take the family of a well-to-do working man receiving eight to nine hundred dollars a year. Gross receipts \$846—operating expenses estimated \$804. This leaves a gross income of \$42 a year for depreciation, to pay interest, to lay up for a rainy day. The man who marries and brings a family into the world on the present wage-scale runs as great a risk as any man can conceive."

But that is not all, for even those who are fairly well-off are affected by these conditions. They cannot help but realize that they are also hanging on the brink. They can see the abyss into which a false step may hurl them at any moment. A careless act in business, an accident that lessens your earning power, a spell of sickness, a thousand and one hidden dangers may strip you at any moment and send you whirling helplessly in the maelstrom. We can't hide these fears; they are present in the mad rush for wealth; in the studied selfishness of the age; in the pinching economies that rob life of its pleasures; in all the little acts that show humanity intent on saving each individual, regardless of the effect upon its fellows.

This is the problem—the world-wide problem—the ever present problem. How is it to be solved? Is it to be solved by individual righteousness and individual morality, or must it be solved by social righteousness and social morality.

Individual morality does not necessarily mean social justice. A community may rigorously observe the common dictates of personal purity and yet have restricted opportunities, degrading poverty and superfluous wealth. Individual salvation is not enough. It has been tried for thousands of years, and not only has it not resulted in the Kingdom of God on earth, but it has furnished the possessors of special privilege one of the strongest weapons to fight the demand for social justice. Once convince the people that the observance of a set of religious rules and dogmas is the only necessary preliminary to future bliss, and you have erected a tremendous obstacle in the path of real progress. As Louis Wallis so aptly states it:

"The antagonism between the claim of individual morality and social righteousness becomes more pronounced as we move onward. Discussion grows more vigorous and heated; but still the majority are not certain about the nature of the issue. Let us take a simple and homely illustration: You are on a crowded car, hanging to a strap; and as the car jerks along a fellow-passenger accidentally steps on your shoe. Your first and most natural tendency is to blame him personally. He is careless; and he ought to be more thoughtful and considerate. But on second thought you know that his conduct with reference to you is determined, in part at least, by defective social arrangements. It is possibly true that, with more care, he might not have interfered with your comfort. Nevertheless you know that there is

another problem here. No matter how careful everybody in the car is, the trouble will never be set right until the external, physical relations between the passengers have been reformed, and they will have room and a chance to be decent.

“Carry this figure over into civilization as a whole. We are all journeying through life on a conveyance known as the earth. Those who believe in personal salvation as the only remedy for the ills of mankind exhort their fellow-passengers to be careful, kind, considerate, righteous, moral and just. According to this view of the world the problem is entirely spiritual and internal. The remedy of all the evils of society is to be found in the betterment of the individual. But, on the other hand, the social reformer calls attention to external conditions and laws which profoundly affect the relations of people to each other, and which hamper and restrict them in their effort to be just.”

This problem must be solved. The human race cannot forever live in this deadening uncertainty. It would be better for men to take their chances in the open without law or order, and fight like savages for the right to exist, than to see their children, and wives and friends wither, sicken and die, while their labor fattens the proud, bejewelled aristocrat who has never soiled his hands with honest toil. It would be better to live in subjection to some absolute monarch who would remove the fear of want, than to live in a make-believe Republic where freedom is only a name. Most of all, however, it is better for men to live on equal terms with each other, reaping what they sow, receiving the honest return of their toil, paying tribute to no one but the nation of which they are a part, living in conscious security that old age can bring no terrors, and confident that in the years to come new generations can live and love and enjoy all the happiness that is the ordained and God-given right of every human being.

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In an enquiry into the laws of political economy, the first step to be undertaken is to discover the real relation between labor and capital. We want to know what is meant by wages; what is meant by capital; who are entitled to a return of the product in the form of wages, who are entitled to a return of the product in the form of interest. We want to know, also, where and how this product is secured that is to be divided. Most of all we want to discover why it is that the share that goes to labor in the form of wages tends to a minimum, regardless of the continued increase in the productive power of those engaged in production.

We shall now consider the terms in political economy, and what they mean.

In the first place, all real production results in wealth, and wealth consists of natural products that have been moved, combined, separated, or in other

ways modified by human exertion to fit them for the gratification of human desires.

How is this wealth produced in modern times?

By the combination of land, labor and capital.

Land means all natural materials, forces and opportunities. It is what is freely supplied by nature, and, of course, can never be classed as capital.

Labor is simply all human exertion, whether with the hand or with the brain; whether in the counting-house, in the factory or on the farm.

Capital is simply that portion of the wealth that has been produced, and that is now being used in the production of more wealth. It includes all tools whether simple or complex; everything in fact that aids labor in its production of wealth from the land. Stocks or bonds or landed estates are not wealth.

Rent is the price that we pay the owner, so called, of the land for the opportunity of using the natural resources that have been freely supplied by nature.

Wages is what we pay to labor for its share in the production of wealth.

Interest is what we allow the owner of capital as his share of the product, to which he is honestly entitled because of the increased production caused by the use of his real capital.

In answer to the question as to why it is that wages tend to fall to a point that barely supplies the laborer with the necessaries of life, while wealth is being piled up everywhere in incalculable amounts, the old political economy had two answers:

1. There is a certain amount of capital devoted to the employment of labor. The amount of laborers who are to be employed is constantly increasing, and, therefore, the amount to be given to each laborer naturally tends to fall lower and lower, as the numbers of divisions increase into which this fund is to be divided.

2. There is a law of diminishing returns, and the number of people to be supported increases faster than the food supply; that as population increases it is impossible for food and clothing to be produced to keep pace with it, and the result is that many must fall victims of this mis-arrangement of nature. All nature, they say, is in constant warfare; of the thousands of seeds scattered only a few take root; of the millions of living beings that crowd the earth only a few survive because there has been no provision made for the support of the others.

Are either of these theories correct? Most certainly not!

1. There is no fund devoted by capital for the employment of labor. Go into any community where laborers are walking the streets in idleness, and in that same community there will be a vast accumulation of capital seeking investment at the lowest possible rates. Go into a new country where every

man can secure employment at the highest possible wage, and you will find scarcely any capital at all. Plenty of capital and starvation wages; lack of capital and high wages—isn't this a direct contradiction of the theory to start with?

2. The fact of the matter is, that instead of wages being drawn from capital they are, in reality, drawn from the product of the very labor for which they are paid. When capital in the sense of money is unknown, we hire a man to work for us and when the work has been completed we give him part of the product. To-day when we hire a man we pay him in money, but that is nothing but a draft on the wealth that he has already created. Labor always precedes wages. The man who works for himself gets his wages in the thing that he produces. The man who works for another works under a contract of exchange; during the time he is earning his wages he is advancing capital to his employer; when he gets his wages the exchange is completed. This being so, that each laborer really creates the very fund from which his labor is drawn, it must follow that wages cannot be diminished by an increase in the number of laborers. On the contrary, the efficiency of labor, by permitting a division of labor, is greatly increased by the increase of laborers and the more the laborers, other things being equal, the higher the wages should be.

When we say that capital is not necessary for the payment of wages, or for the support of the laborer during production, we do not mean to infer that capital has no legitimate function, for it has. Capital does enable labor to employ itself in more effective ways; it does enable labor to better avail itself of the productive forces of nature; it does permit a division of labor that results in a great increase of wealth. Capital, therefore, may limit the form of industry, or the productiveness of industry, but it can never limit industry. The only limit to industry is denial of access to the natural resources of the earth. Capital does not supply the material that labor works into wealth—the materials are supplied by nature. Capital does not advance wages—wages are part of the produce of his labor obtained by the laborer. Capital does not maintain laborers during the progress of the work—laborers being maintained by their own labor.

As capital is not an absolute necessity for the maintenance of human life and as land is, doesn't the fact that so many people are unable to exist in decency or healthfulness naturally imply that the basic disorder must be in relation to the basic element of all production and all wealth, the land?

Do the productive powers of the land, or nature, tend to diminish with the increasing drafts made upon it by the increase of population?

(TO BE CONTINUED)

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ANY system of government that promotes regimentation destroys the efficiency of the individual—JAMES BELLANGEE.