

If Mr. Nielson is not a Single Taxer he knows how to state its principles in language sufficiently satisfying:

"Owing to the increase of the world's population and to the fact that this population has an unalienable birthright in the land of the country in which they live, this land must be made to produce its full quota so that the people will be provided with the necessities and some of the luxuries of life. Anyone, therefore, who keeps land locked up out of production, or who puts the land he holds to uses inferior to its latent qualifications for production, taking its situation into consideration, is an enemy not only to his country but to the whole of the people therein."

If anyone thinks the principle of the Single Tax is not growing let him contrast the reports of tax commissions of a dozen years ago with those of the last two or three years. The change is wonderful.

SINGLE TAX IN A NUT SHELL

(For the Review)

By BENJ. F. LINDAS

(Continued)

We have discussed the relationship between labor and capital. We have examined the laws which determine the amount of the product of labor which go to the three elements of production—land, labor and capital. We have seen that throughout the entire civilized world there has been a constant increase in material wealth. We have discovered that in spite of this unexampled increase in the necessities of life that the vast majority of our fellow-men live just on the border-line of poverty. Before suggesting what we consider to be the proper remedy for these unnatural conditions, we have one further inquiry: What has been the effect of material progress upon the distribution of wealth?

The chief elements in all material progress may be summed up as follows:

- (1) Increase in population.
- (2) Improvements in the arts of production and exchange.
- (3) Improvements in knowledge, education, government, manners and morals of the people.

Now why is it that as the productive power of the people increases from these causes a greater and greater portion of the increased production flows into the hands of the landowner in the form of rent?

We have discovered that rent is caused by compelling labor to have recourse to land of less productiveness than that of the best land in use, and that the difference between the yield of one land and the other is the measure

of the amount that can be claimed as rent by the owner of the land. As population increases and land of less productiveness is constantly being brought into use the natural tendency is for the rent of the better land to constantly increase. This does not mean, however, that with land used naturally and systematically, the amount secured by labor for a given expenditure of labor force is necessarily lessened by resort to poorer land, for the increase of population that forces resort to the poorer land, also increases the productiveness of the labor exerted on the poorer land, and, on account of the division of labor which increased population makes possible, as much can be produced from the poorer land as was formerly produced from the better land. Rent will rise, but the amount of actual product secured by the laborer will, in proportion to the number of people employed, be in no wise lessened.

This is not the only way in which increase in population causes increase of rent. Rent also arises from the increased capacity that increased population gives to certain land. Certain land may become the center of a great population; a hub around which the life of a great community revolves; a place where the arts and sciences are so centralized that land has an artificial capacity for the production of things—a capacity that would not otherwise adhere to it. This increased capacity, caused by the increased and centralization of the increased population, has the same effect as reducing the margin of cultivation, an increase in the proportion of the product caused by the bringing out of these new capacities of land, that goes to the landowner in the form of rent.

There is a method by which rent increases without resort to land of lower productiveness. The withholding of the best land from use, countless acres of it, in city, town and country, creates an artificial scarcity, and thus enables the holders of it to gamble on the possibility of the increased rent which can be secured when an increase in the capabilities of humanity makes the payment of the increased and speculative rent possible.

Improvements in the arts of production and exchange also result in increase of rent. One of the greatest of these improvements is the many labor-saving devices. How is it that these devices, instead of adding to the wealth of the workers, increase the amount going to the owner of the land? The effect of all labor-saving machines is to increase the production of wealth. For the production of wealth, even with these machines, two things are still needed—land and labor. Labor-saving improvements result, therefore, in an extension of the demand for land. The primary effect is to increase the power of labor; the secondary effect is to extend cultivation, and where this lowers the margin of cultivation, to increase rent. Where land is entirely appropriated, as in the United States and England, and in fact in nearly every one of the so-called civilized nations of the world, the ultimate effect of labor-saving devices is to increase rent without increasing either wages or interest. As Henry George says:

"Wealth in all its forms being the product of labor applied to land, or the products of land, any increase in the power of labor, the demand for wealth being unsatisfied, will be utilized in procuring more wealth, and thus increase the demand for land."

Considered in the light of their effect upon the production of wealth, improvements in the art of government, in manners and morals, act in exactly the same way as labor-saving devices—they make possible the greater production of wealth. Cities that are the model of purity and economy; cities whose taxes are the lowest, like Washington, for instance, one-half of whose expenses are paid by the national government, simply have higher land values, and no higher wages or interest. All the vast improvements in the art of government have not increased the returns to labor, in proportion to the amount taken by the private landlord as rent. Every improvement of this kind is reflected mainly by increased land values.

The fact that all these elements of material progress result in an increase of rent for the land is not in itself an evil; the evil is that private individuals are permitted to appropriate it. The knowledge that every improvement means increased land values, especially in a great and growing country, gives the impression that this increase will keep up at an ever-accelerated pace, and the object of many is to secure land and hold it for a rise. Land thus becomes the tool of the speculator instead of the basic element in production. It does not make any difference whether the land is held by one million owners or by one, the result upon non-owners is the same. The price of this land is put at a prohibitive figure, and is held out of use until the increase in the wealth-producing power of the people, or their enforced economy, enables them to reach it.

The result is apparent upon every hand. Cities are scattered over twice the area needed and are dotted with shacks, an eye-sore to the artistic, and a drain upon the thrifty. The entire continent is built in this haphazard way, and you can travel for days through land covered with scrubby timber and weeds and tangled grasses, without finding an acre that could be used without first paying a large sum for the privilege of using it.

This tendency of land value to increase faster than the increased productive power of the people, is the one real and ever-present cause of recurring attacks of industrial paralysis. It is easy to see how it is brought about. Speculative increase of land values always results in the withdrawal of land from use, and consequent diminution in production. The stoppage of production at some point will show itself at other points, as all industry and commerce are inextricably interwoven. It cannot be the speculation in things produced by labor that causes these industrial paroxysms, because speculation in articles produced by labor, natural opportunities being open, would mean that other articles would soon be produced to interrupt and destroy the attempted speculation. The speculation to stop the activity of labor must be in

things not produced by labor, but things actually used by labor and necessary to labor, in the production of wealth—things of fixed quantity—in other words, it must be speculation in land.

The whole industrial pyramid rests upon the land. The occupations that have direct recourse to land are the basic and primary occupations. It is production in these lines that ultimately creates a demand for all others. The check in production to affect all others must be a check in this fundamental production. The only thing that can cause this check is to keep laborers from the land. The only thing that induces some men to keep labor from the land that it needs for production is the speculative advance of rent; the worst boycott known, the worst lock-out possible in civilization, yet the one that is always overlooked by our zealous legislatures—the lockout of labor and capital by the private owners of land.

Men landed upon the rock-bound coast of New England, in the dead of winter and among prowling savages, and yet they extracted sustenance for themselves and their families. Place men now in our modern Babylon, with wealth gathered in such quantities as to make a Midas green with envy, and they stand a good chance of ending their days in the poor house.

As was said in "Progress and Poverty:"

"This strange and unnatural spectacle of large numbers of willing men who cannot find employment is enough to suggest the true cause to whosoever can think consecutively. For though custom has dulled us to it, it is a strange and unnatural thing that men who wish to labor, in order to satisfy their wants, cannot find the opportunity—as, since labor is that which produces wealth, the man who seeks to exchange his labor for food and clothing, or any other form of wealth, is like one who proposes to give bullion for coin, or wheat for flour. We talk about the supply of labor and the demand for labor, but evidently these are only relative terms. The supply of labor is everywhere the same—two hands always come into the world with one mouth, twenty-one boys to every twenty girls; and the demand for labor must always exist as long as men want things which labor alone can procure. We talk about "want of work," but, evidently, it is not work that is short while want continues; evidently, the supply of labor cannot be too great, nor the demand for labor too small, when the people suffer for the lack of things that labor produces. The real trouble must be that the supply is somehow prevented from satisfying demand, that somewhere there is an obstacle which prevents labor from producing the things the laborers want."

Labor-saving devices, growth of population, improvements in the arts and morals and government, have, of course, nothing to do with the fact that labor is despoiled of its fair share of what it produces. The trouble is that we permit private individuals to capitalize increased production in the form of the rental value of the land. Destroy the possibility of individuals securing this rental value, and there will be no incentive to keep labor from the land.

What men can produce for themselves from the least productive land in use is the measure of what men can earn for themselves. What they can earn in addition to this, is the value added to the value of their individual labor, that comes to them by reason of the assistance of their fellows or by reason of the new capacities given to the soil by growth of population, improvements in the arts, etc.

This added value was not created by man's unaided efforts but by the community itself, and to the community it belongs.

Think of what could be done if the billions of dollars collected yearly in the form of ground-rents were turned into the public treasury. We could pension the old. We could provide for the weak and sick in such way that want would be unknown. We could make every city a model. We could even make socialism possible by providing a fund for the acquisition of the industries when in the course of time we might decide to secure them. We could guarantee everyone an education. We could inaugurate such a system of government that every nation would have to adopt it. For the first time in the history of the world we would actually strike the economic shackles from all men and make them really free.

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I think we have established the fact that mankind is still oppressed by the specter of poverty, notwithstanding the fact that material wealth exists in greater abundance, in proportion to the population, than ever before in the history of the world. I think we have established the fact that growth of population, of itself, has nothing to do with poverty; that every addition to our population should mean another worker, who in conjunction with his fellows could produce more than he would ever need. Also, we have established the fact that it is not the niggardliness of nature that is the cause of this deepening distress in conjunction with the increase of material wealth, for the productive powers of the world are in their infancy. The real failure has been in the distribution of the wealth that has been produced. I believe, further, that we have shown that the man who labors does not get his just share for, strange to say, it is the real worker for whom yawns the hell of poverty. I think we have established the fact that the legitimate owner of capital, stored labor, does not for the use of his wealth that is used to assist in the production of more wealth receive an unjust share of the produce. Finally, we have shown that the private owner of land, by withholding productive land out of use, by speculating in natural opportunities, by capitalizing every increase in the productive power of all the people in the form of increased land values which have to be bolstered with oppressive ground rents, has absorbed the greater portion of the increased production that should go to the partnership of the man who labors and the man who assists the laborer in the production of the real wealth of the world.

We are now to consider the proper remedy. How can we divert this

golden stream from the landowner to the community to which it should flow? How can we open the land for the brain and the brawn and the manhood and the womanhood of the country? How are we to put an end to this never-ending fleecing of the toilers? How can we make progress general instead of special, and make "Progress and Plenty" take the place of "Progress and Poverty."

With this end in view several remedies have been proposed:

(1) It has been suggested that we need greater economy in government.

How could that avail to help the great bulk of the people? Lower taxes and less expenditure by the government, are the same things as increased production. Increased production in the past, from any cause, has always been reflected in higher land values. The results of greater economy in government and lower taxation would simply mean higher rents and a further lining of the pockets of the owners of the soil. The government pays half the expenses of the City of Washington. Who has received the benefit?

(2) Educate the workers! Teach them to be thrifty! Will this help them? Suppose all of us were saving—would that help? Has the ability to live on a few grains of rice a day aided the Chinese coolie? Would the ability of the American workingman to exist on a mere pittance mean greater returns to him? No; it would mean that he would have to live on this pittance in the future. To aid one or two by these methods is possible—to aid everyone is impossible.

(3) Would co-operation of the workingmen be a cure? Co-operation in the supply is simply a labor-saving device, the elimination of the middleman. Have other labor-saving devices helped the workers? Then why expect help from this? Haven't the increased production and savings brought about by other labor-saving machines simply been reflected in increased rent? What reason is there to suppose that the result will be any different if this labor-saving device be resorted to?

Co-operation in production can aid a few, but it cannot aid all? How can it aid all as long as the land is withheld from use, forcing a larger and larger army of men and women into the ranks of the unemployed to bid against the organized workers everywhere? Can labor, even if well-organized, withstand this competition forever? Has it at any time proved effective, except in skilled employments? Can it ever affect the great masses of the people?

As to the solution offered by Socialism, I can do no better than to repeat these few words from Henry George:

"The ideal of Socialism is grand and noble; and it is, I am convinced, possible of realization; but such a state of society cannot be manufactured—it must grow. Society is an organism, not a machine. It can live only by the individual life of its parts. And in the free and natural development of these parts will be secured the harmony of the whole. All that is necessary

in social regeneration is included in the motto of those Russian patriots sometimes called Nihilists—Land and Liberty."

Restriction of the amount of land that one may hold would not be a cure. After it was all appropriated there would still be some who would be without. Re-distribution of land would not be effective, because the very causes that make land concentrate in fewer hands now, would operate then in the same manner and with the same results.

The remedy must, of course, apply to the land. The remedy must strike at the root of landlordism, that flourishes by reason of the right to appropriate the earnings of those who have to use the soil. The remedy must also be with the current of the times; it must not be unjust or unreasonable; it must be natural; it must not be too difficult of accomplishment; it must be in accordance with the best thought of a society that has been thousands of years in the growing. Such a remedy we think we have found in Single Tax. Single Tax, which in few words, means to remedy the unequal and unjust distribution of the wealth of the world, by making common property of land. Not by confiscating the land; not by taking it from the present owners; not by disturbing land titles; not by purchasing it; not by the creation of thousands of government officials, who are to seize the holdings in the name of the government and make us all vassals of the State, but by making land values common property, by taxing into the public treasury for the use of all the people the rental value of all the land that is useful for society.

SOME QUESTIONS AND ANSWERS

(For the Review)

By **ALDEN T. AMES**

The following letter was addressed to me by the State Tax Commission of California. It will explain itself. I believe the questions and answers may be of interest to readers of the REVIEW:

"For the purpose of ascertaining general opinion regarding certain tax questions raised in California and in other States, and in order that the legislature at its next session may have the benefit of your ideas, we submit to you the following questions and respectfully urge that you give us your candid opinion regarding the same and your reasons therefor. We are sending these inquiries to a hundred representative people in each county. Your name will not be given publicity.

Thanking you for your favor and kindly co-operation, I am,
WILLIAM V. COWAN, Secretary."