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And this is Russia! At one end of the social scale, an autocrat whose merest whim is law to uncounted millions, surrounded by unimaginable pomp and splendor, and lavishing the revenues of provinces upon an army of rapacious favorites; at the other end, a fettered convict dying in exile a death self-inflicted to escape the torture of an inhuman punishment! What but assassination, regicide, and Nihilism, is the natural out-

come of such a state of things? An acute observer has truly remarked that "there is one thing the human race has in Christendom apparently got beyond, and that is submission to absolutely arbitrary power." The Nihilists, he adds, can not be suppressed by "simple brute force; and their success in killing the Czar will undoubtedly make them readier than ever to oppose ferocity to cruelty."

TAXATION OF LAND VALUES.

I DESIRE to reply to some objections made in the Editor's Table of the last number of this journal to the proposal of substituting a tax upon land values for all the taxes now imposed, and making this tax, as near as may be, equal to rent.

In meeting these objections, which are such as seem to arise in many minds when the idea of concentrating all taxation upon land values is first presented, something at least may be done toward calling attention to a measure which I am confident will show itself more and more pregnant with good the more fully and carefully it is considered. But it is not possible in a brief article to treat fully a subject which involves so many important principles, and to exhibit in their whole force the reasons which urge to this great reform.

All the objections made by the editor of the "Journal" spring evidently from the impression that taxation upon land values must fall upon the user of land. If this were so, there would be some ground for expecting from the simple measure I propose the dire results which he so vividly portrays. But this, I submit, is not so. On the contrary, to whoever will consider the matter, nothing will be more certain than that taxes upon land values (or, to use the politico-economic term, rent) do not and can not fall upon the user of land.

This is conceded by all economists. However much they may dispute as to other things, there is no dispute upon this point. Whatever flimsy reasons they may have deemed it expedient to give why the tax on rent should not be more resorted to, they all admit that the taxation of rent merely diminishes the profits of the land-owner, can not be shifted on the user of land, can not add to prices, or check production. Not to multiply authorities, it will be sufficient to quote John Stuart Mill. He says (section 2, Chapter III, Book V, "Principles of Political Economy"):

"A tax on rent falls wholly on the landlord. There are no means by which he can shift the burden upon any one else. It does not affect the value or price of agricultural produce, for this is determined by the cost of production in the most unfavorable circumstances, and in those circumstances, as we have so often demonstrated, no rent is paid. A tax on rent, therefore, has no effect other than its obvious one. It merely takes so much from the landlord and transfers it to the state."

The reason of this will be clear to every one who has grasped the accepted theory of rent—that theory to which the name of Ricardo has been given, and which, as John Stuart Mill says, has but to be understood to be proved. And it will be clear to every one who will consider a moment, even if he has never before thought of the cause and nature of rent. The rent of land represents a return to ownership over and above the return to use—it is a premium paid for permission to use. To take, in taxation, any part or the whole of this premium, in no way affects the incentive to use or the return to use; in no way diminishes the amount of land there is to use, or makes it more difficult to obtain it for use. Thus there is no way in which a tax upon rent or land values can fall upon the user. Whatever the state may demand of this premium simply diminishes the net amount which ownership gets as rent, or the price which it can demand as purchase-money, which is, of course, rent capitalized. The owner of land can no more throw upon the user of land a tax upon the value of land than he can throw upon him the payment of a personal debt.

Here, for instance, is a piece of land that has a value—let it be where it may. Its rent, or value, is the highest price that any one will give for it. Now, if a tax be levied on that rent or value, this in no wise adds to the willingness of any one to pay more for it than before; nor does it in any way add to the ability of the owner to demand more. To suppose, in fact, that such a tax could be thrown by land-owners upon tenants

is to suppose that the owners of land do not now get for their land all it will bring ; is to suppose that, simply because they want to, they can put up prices as they please.

This is, of course, absurd. There would be no limit whatever to prices, did the fixing of them rest entirely with the seller. It might be a very nice world in which, if any one demanded more money of us, all we would have to do would be to demand that much more of some one else ! But clearly, to all men's knowledge, this is not, in these times, that sort of a world. To the price which will be given and received for anything, two wants or wills must concur—the want or will of the buyer, and the want or will of the seller. The one wants to give as little as he can, the other to get as much as he can, and the point at which the exchange will take place is the point where these two desires come to a balance or effect a compromise. In other words, price is determined by the equation of supply and demand. And evidently taxation can not affect price unless it affects the relative power of one or the other of the elements of this equation. The mere wish of the seller to get more, the mere desire of the buyer to pay less, can neither raise nor lower prices. Nothing will raise prices unless it either decreases supply or increases demand. Nothing will lower prices unless it either increases supply or decreases demand. Now, the taxation of land values, which is simply the taking by the state of a part of the premium which the land-owner can get for the permission to use land, neither increases the demand for land nor decreases the supply of land, and therefore can not increase the price which the land-owner can get from the user. Thus it is impossible for land-owners to throw such taxation upon land-users by raising rents. Other things being unaltered, rents would be no higher than before, while the selling price of land, which is determined by net rent, would be much diminished. Whoever purchased land outright would have to pay less to the seller, because he would thereafter be called on to pay more to the state.

But, while the taxation of land values can not raise rents, there is a way in which, especially in a country like this, where there is so much valuable land unused, it would, if heavily imposed, tend strongly to lower them. In all our cities and all through the country, there is much land which is not used, or not put to its best use, because it is held at high prices by men who do not want to or who can not use it themselves. Now, the effect of the taxation of land values would be to compel these men to seek tenants or purchasers. Land upon which there is no taxation even a poor man could easily hold for higher prices as long as he wanted to, for land eats no-

thing. But put heavy taxation upon it, and even a rich man will be driven to seek purchasers or tenants, and to get them he will have to put down his price rather than to put it up, for it is by asking less, not by asking more, that they who have anything they are forced to dispose of must seek customers. And, rather than continue to pay taxes upon land which yields nothing, he would be glad to give it away, or to let it revert to the state. Thus these dogs in the manger, who all over the country are withholding from those who would be glad to use it what they can not use themselves, would be forced to let go their grasp. To tax land values up to anywhere near their full amount would be to utterly destroy speculative values, and to diminish all rents into which this speculative element enters. And, how groundless it is to think that landlords who have tenants could shift a tax on land values upon their tenants, can be readily seen from the effect upon landlords who have no tenants. It is when tenants seek for land, not when landlords seek for tenants, that rent goes up.

But, before leaving this branch of the subject, it may be well to call attention to the fact that I have been speaking of a tax upon land values, not of a tax upon land. These are very different things, and I call attention to the difference, because a confusion of thought as to these taxes may lead to the assumption that a tax upon land values would fall on the user. While a tax upon land values could not fall upon the user, a tax upon land—that is to say, a tax upon all land of so much per acre or so much per foot—*would* fall upon the user, barring such effect as it might have on speculation. For this tax, falling equally upon all land, the poorest and least advantageously situated as fully as on the richest and best situated land, it would become a condition imposed upon the use of land, from which there could be no escape, and thus the owners of rentable land could add it to their rents. Its operation would be analogous to that of a tax upon a producible commodity, and it would in effect reduce the supply of land that could be used. But a tax upon rent or land values would not fall on all land ; it would fall only on valuable land, and upon that land in proportion to its value. It would thus not have to be paid upon the poorest land in use (which always determines rent), and so would not become a condition of use, or restrict the amount of land that could be profitably used, and so the land-owners on whom it fell could not shift it to the users of land. This distinction, as to nature and effects, between a tax on land and a tax on land values, it is necessary to bear in mind.

It is also necessary to bear in mind that the value of land is something totally distinct from

the value of improvements. It is a value which arises not from the exertion of any particular individual, but from the growth and progress of the community. A tax on land values, therefore, never lessens the reward of exertion or accumulation. It simply takes for the use of the whole community that value which the whole community creates.

Let us now turn to other forms of taxation. It is only necessary to say that, while it is true that a tax upon land values or rent does not fall upon the user, and does not thus distribute itself through the medium of increased prices, it *is* true that the greater number of taxes by which our public revenues are raised *do*. Thus taxes upon capital fall, not upon the owners of capital, but upon the users of capital, and are by them transferred to the consumers of whatever the capital is used to produce: thus, taxes upon buildings or building materials must ultimately be paid in increased building rents or prices by the occupiers of buildings; thus imposts upon production or duties upon imports must finally fall upon the consumers of the commodities. This fact is far from being popularly appreciated, for, if it were, the masses would never consent to the system by which the greater part of our revenues are raised. But, nevertheless, it is generally understood, and it is the apprehension of this that seems to lead by confusion of ideas to the notion that a tax on land values must add to rents. Since this is the case, it is unnecessary to go into details, and to show minutely what taxes do and what do not distribute themselves. The general principle is that before stated. A tax upon anything or upon the methods or means of production of anything, the price of which is kept down by the ability to produce increased supplies, will, by increasing the cost of production, add to the price of that thing, and ultimately fall on the consumer. But a tax upon anything of which the supply is fixed or monopolized, and of which the cost of production is not therefore a determining element, does not increase prices, and falls entirely upon the owner.

We are now in a position to consider the effects of the measure I propose. I do not forget that in the objections to which I am replying stress was laid upon the manner in which that class who are both owners and users of land would be affected, and I wish to have particular reference to them. But, just as, in endeavoring to determine the fundamental principle, it is necessary to speak of land-owners and land-users, and though they constituted two distinct classes, so is it necessary first to trace out the influence of this measure upon society in general before we can inquire into its effects upon any particular individual or classes of individuals.

In order as far as possible to give definiteness to thought, let me state distinctly and endeavor to sustain separately three claims which I make as to the effect of the measure I propose upon the general interests of society. They are that it would tend to—

1. Great governmental and social economies.
2. Great increase in the production of wealth.
3. A just equalization in the distribution of wealth.

1. The substitution of taxation upon the simple item of land values for all the various taxes now imposed would be an enormous governmental and social economy. We should save the salaries and perquisites and official expenses of the horde of functionaries, national, State, and municipal, who are now engaged in assessing and collecting all these other taxes, or in duties which are directly or indirectly necessitated by the cumbrous system. We should get rid of them all, from those fee-paid local officials who in a single term expect a fortune, and those Federal collectors whose places are deemed of more importance than the governorship of sovereign States, down to those who are busied in seeing whether cigar-boxes are stamped and peddlers are provided with licenses, or in searching the trunks and persons of passengers as they land. We should save the cost of trying and imprisoning offenders; we should save, too, the cost of all the devices—some of them very expensive—that are resorted to for evading the revenue laws, for it is obvious that all these expenses must ultimately be borne by consumers.

The tax upon land values is of all taxes that which combines the maximum of certainty with the minimum of expense. "Land lies out of doors," it can not be hid or disguised, and its value is easily ascertained. Any competent real-estate dealer can tell to a nicety the value per front foot of any lot on Broadway. But, to ascertain the value of the building on it, it will be necessary to get an expert to make an examination; while, if that building be filled with goods, it is impossible for any outsider to get at their value. A tax upon the value of land can be collected to the last cent by a tax-collector sitting in his office. Deducting the very smallest percentage, which would be all that would be required to pay the expenses of the periodical assessment and the receipt of taxes, the people in their collective capacity would thus get the benefit of all that was paid in as taxes by the people as individuals.

But the saving that would result is by no means to be estimated by the reduction in the cost and direct incidents of collecting revenues. It is the great vice of taxes which distribute themselves in added prices that, beyond the offi-

cial tax-gatherers, they create a long line of virtual tax-gatherers, and that each man in the line not only takes the tax, but his profit on the tax, and in many cases is enabled to take a great deal more. For instance, when the commercial treaty with France was up, I asked a gentleman, thoroughly conversant with the business, why, seeing that such an outcry was being made against it in the name of the producers of American wines, the importers of French wines did not take some steps in its favor? He said nothing favorable to the treaty could be expected from the importers of wines; that they were in reality more strongly opposed to reduction of the duty than any other class. "How can that be?" I asked. "It is very simple," said he. "For every gallon of French wine imported, there are on an average three sold; and, when three duties are charged for and one duty is paid, the higher the duty the more profitable the business." How strongly the "Whisky Ring" opposed the reduction of the whisky-tax is well known. And so with all indirect taxes. The difficulty is not usually in imposing them, but in abolishing them. Let a bill be introduced in Congress to abolish the tax on any of the long list of things taxed, and straight-way there will appear in the lobby some one to protest and log-roll against it, a sure proof that somebody besides the Government is making money from the tax—that is to say, that the tax is taking from the people at large a good deal more than the Government is getting from it. That this system, which engages great private interests in keeping up rather than in putting down taxation, fosters extravagance in governmental expenditures is clear.

Now, by abolishing all other taxes in favor of the tax upon land values, we should not only save very greatly in the ways thus pointed out, but, by the greater simplicity that would be given to government, we should save the political demoralization which the present system entails. It is "the money in politics" that makes our politics so corrupt, that puts honesty and patriotism at a disadvantage, and gives us traders and jobbers where we ought to have statesmen. That there is so much money in politics arises principally from the great number of officers which our present system of taxation necessitates, and from the great number of pecuniary interests which it concerns in the running of government. And beyond all this is the effect upon morals. Nearly all the taxes which I propose to abolish, become, in one way or another, taxes upon conscience.

Now, in view of the great economies which in all these various ways would result from the substitution of a tax on land values for all other taxes, is it not clear that the change would be of

the greatest benefit, and would conduce largely to the general prosperity?

2. It will clearly appear, to all who will consider the matter, that, to substitute for all the manifold taxes which are now imposed the single tax upon land values, would be greatly to relieve and enormously to stimulate production. The present system, which taxes buildings and improvements, capital in all its forms, and in most of the States in all its shadows, is a system of direct discouragement to production, a system which fines the man who creates wealth just in proportion as he creates wealth. Instead of acting on the principle that the man who makes two blades of grass grow where one grew before is a public benefactor, our system of taxation treats him as a public enemy. If a man clothe a barren waste with grain and fruit-trees, if he drain a swamp or open a mine, if he put up a fine building where none stood before, or erect a factory, or turn wood or iron into a ship; if he get him a library with which to store and exercise his mind, or a telescope with which to sweep the heavens, or a laboratory in which to seek out the laws of Nature's combinations; if out of his savings he lay by a provision for his declining days; if by his energy and thrift he accumulate capital with which to assist and organize and provide the tools for industry—down comes the tax-gatherer to make him pay for having done these things! Is not this as absurd as it is unjust? Is it not in direct contravention of the plainest dictates of enlightened public policy?

Some of the Southern States have recently passed laws exempting cotton-manufactories from taxation for a term of years, and the result has been the erection of a number of cotton-factories, for the capitalists who thus invest their money can calculate on dividing as profits what otherwise they would have had to pay as taxes. Are not these States wise in this? Do not these cotton-factories create new industries, add to the wealth of the neighborhoods in which they are erected, and enrich the whole State? But, if this be wise, would it not be still wiser to make the exemption permanent instead of for a term of years? And, if it be wise to exempt cotton-factories, would it not be wiser still to exempt all sorts of factories, all forms of capital, all kinds of wealth—houses and goods, horses and cattle, railroads and telegraphs. Is not the State the richest that has the most of these things? Why, then, should the State tax them? Is not the stupid system that does tax them too absurd for any rational defense? The people of New York want cheaper fares on the elevated roads. Is it not stupid, then, to compel the elevated roads to pay in taxation thousands of dollars which they can only get out of passengers?

The people of New York want cheaper house-rents. Is it not stupid, then, to put taxes on buildings, which, unlike the tax on land values, must inevitably be collected from tenants in higher rents?

But the direct obstacles to production, which this system imposes, are not the worst. All these indirect taxes which pass from hand to hand, increasing the cost of commodities, are taxes against production. This barbarous tariff of ours, that raises an artificial barrier around our coasts which it is more difficult for commerce to surmount than would be the Andes or the Himalayas, makes twice as much capital necessary to provide the machinery for a cotton-mill as it would were there no tariff; and, by the action and interaction of these artificially-raised prices, every exertion of industry, from the building of a railroad to the shingling of a wood-shed or the making of a shirt, is hampered in the same way.

Now, it is clear that to abolish all these taxes, which thus hamper industry, would be to vastly stimulate production and increase the general wealth. But this is only one side of it. To put taxation on the value of land would also be to remove obstacles to production. For the speculative value, which now attaches to land as soon as it becomes probable that it will be needed for use, largely checks production; while to tax land values is to discourage this speculation, and to tax them heavily is absolutely to prevent it. To estimate fully how enormously the speculative advance in land-prices checks the production of wealth, there would have to be taken into account the losses resulting from the constantly recurring depressions of industry, which, as I think I have elsewhere shown,* spring primarily from this cause. But, without going into that discussion, which would here require too much space, it is very clear that the high prices which are demanded for land do prevent improvement and impose checks and disadvantages upon production. To get the vacant lot on which to put up a house, even on the outskirts of any one of our large cities, costs as much as or more than ordinarily does the house. Before he can strike a plowshare into virgin soil, the farmer, unless he will go far beyond where his labor can be exerted to most advantage, is obliged to pay down a large part of his capital, to embarrass himself with a mortgage, or to wastefully farm on shares. The result is to crowd people together too closely in the cities, to scatter them too far apart in the country. To say nothing of the moral, social, and intellectual disadvantages which result from this unnatural distribution of

population, there is a great obstacle put in the way of improvement, a manifest waste of productive forces.

Now, the measure I propose, which would utterly destroy the speculative value of land, and would reduce the selling value of land to but a nominal figure, would remove this obstacle, and prevent this waste. No one would care to take up land that he could not use, or to hold land unless it was put to its most valuable use. The homes of our farmers would be closer together, the poorer classes of our cities would no longer be compelled to herd in tenement-houses, and the capitalist who proposed to erect a factory would no longer have to pay out so much of his capital for a site. Instead of that, he would pay the annual rental value of the land in taxes, but this would be in lieu of all other taxation. Thus the effect of this measure would be to throw open to labor and capital the means of production while relieving production from taxation.

Clearly this would be greatly to promote the general prosperity and greatly to add to the general wealth.

3. All taxes which increase prices are necessarily taxes in favor of monopoly, since the more capital it requires to go into any business, or to make any improvement, the smaller the number of those who can do so. And, besides this general characteristic of the taxes I would abolish, many of them are specially designed to foster monopolies. It is, moreover, evident that, when a large part of the produce of the labor and capital of the community is taken in rent by those who do nothing to aid in production (for land-owners as land-owners in no wise aid production), there is not merely created an unnecessary and unnatural inequality in the distribution of wealth, but that this primary inequality gives rise to a tendency to further inequality. "Unto him that hath shall it be added, and from him that hath not shall it be taken away," is the expression of a universal law. To take from one and give to another is, both by decreasing the relative power of the one and increasing the relative power of the other, to put them upon unequal footing in treating of future divisions. If we trace to their cause the majority of great fortunes, we shall find it in monopolies of some kind—the primary and most important of all being the monopoly of the land. It is not that capital gets an undue proportion of the wealth that it helps to produce (though capital in some of its aggregations which involve monopoly may), that, in spite of all the enormous advances which invention and improvement and the growth of population have made, and still are making, in productive power, labor gets but such a scant living, and wages tend constantly to the minimum which will

* "Progress and Poverty. An Inquiry into the Cause of Industrial Depressions, and of Increase of Want with Increase of Wealth. The Remedy."

support life. With the advance of the arts and the progress of society, interest—which measures the return to capital—does not increase, but tends rather to diminish. It is rent which goes up, and up, and up. To divert to common uses this great fund which, though drawn from the production of the whole community, now goes to but a portion of the community, would be to turn into a promoter of equality what is now a promoter of inequality. To release capital from taxation, to lift the burden which now rests upon improvement and production, to destroy speculative land values, and throw open land to those who would use it, would open opportunities for labor in every direction and send wages up. In all industries laborers would get a fairer proportion than now of the value their labor creates.

I think there can be no dispute that in the three ways thus outlined the effect of substituting a tax on land values for all the other taxes by which our public revenues are now raised would be most beneficial to the general interests of society. It would greatly simplify and cheapen government; it would greatly increase the production of wealth; it would do away with the gross inequalities in the distribution of wealth which are now so painfully apparent. And whoever will further consider the matter will see that improvement in one of these directions would react to produce improvement in another: as, for instance, greater equality in the distribution of wealth would, by increasing intelligence and stimulating invention, vastly multiply the forces of production, and, by raising the standard of morals, diminish the economic wastes which immorality entails and render government both purer and abler.

Leaving the development of these ideas to the reader, let us now proceed to consider the effect of the change upon the various classes of which society is composed. With relation to the factors of production and the primary distribution of the produce, society is divided for purposes of economic investigation into three classes—land-owners, capitalists, and laborers. Of these it is evident that the change would be to the advantage of the capitalists and laborers, and to the disadvantage of the land-owners. But it is only in the abstract that such a distinction can be clearly made in any country, and especially in such a country as ours. We have, it is true, a considerable class of laborers who are neither capitalists nor land-owners; but we have few capitalists who are not laborers, for in the economic use of the term the managing head of any great industrial enterprise is as truly a laborer as is any workman in his employ; and we have probably no land-owners who are not either laborers or capitalists, for, in the strict definition of the

term, buildings and improvements are capital, not land.* A very great number of our people combine the characters of land-owner, capitalist, and laborer, and there are certainly a large majority who combine at least two of these characters. Thus, while all would profit in the general social gains, it is only in their character of land-owners that against these general gains any one could set individual loss; and thus this proposition should, as a matter of mere individual interest, commend itself even to land-owners whose interests as land-owners do not largely exceed their interests as capitalists or laborers, or both.

With reference to the ownership of land and with regard to actual facts, our people may be divided into three classes—those who own land which they do not themselves use, those who own land which they use, and those who own no land. The latter class contains some capitalists, but is mainly composed of laborers—farm-hands, manual laborers, operatives, mechanics, clerks, etc., who depend for their living upon the earnings of their labor. This is the class which it is most important to consider, not merely for sentimental reasons, but because, since they constitute the base of the social pyramid, whatever improves or depresses their condition will affect all the rest. Now, it is manifest that to take taxes off capital and improvement and production and exchange would be to greatly benefit all of those who live by their earnings, whether of hand or of head. It is manifest also that it would benefit all who live partly by the earnings of their labor, and partly by the earnings of their capital—storekeepers, merchants, manufacturers, etc., and by increasing the net productiveness of capital that it would benefit those whose incomes are drawn from capital alone.

Take now the case of those to whom the editor of the "Journal" makes special reference—the farmers who till their own acres, those who own homesteads in which they live. It is true that the measure I propose would diminish the selling value of their land (but merely of the bare land, not of the buildings or improvements), and if fully carried out would virtually destroy it. But it would in no wise diminish the usefulness of their land; it would in no wise diminish, but would in fact increase, their incomes. They would pay under this system less taxes than they pay now. The clerk or mechanic or business or professional

* Strictly, they are wealth, and may or may not be capital, according to the use to which they are put. But it is not necessary, in an article like this, to draw the distinction between capital and wealth, since under the change proposed all wealth would be relieved from taxation, whether it was merely wealth or also capital—that is to say, whether it was used merely for the gratification of the owner or for productive purposes.

man who owns a house and lot in which he lives would pay more taxes on his lot than now, but in return for this he would escape the taxes now levied on his house and its contents, and, through the medium of indirect taxation, upon everything that his family consumes. And so with the farmer. Our present system of taxation falls with peculiar severity upon the farming class. Not only is improved land all over the United States taxed higher than unimproved land of the same quality, but the taxes which so largely raise the price of all that the farmer has to buy do not and can not, so long as we are exporters of agricultural produce, raise the price of what the farmer has to sell. And, further than this, to put taxation solely upon land values would shift the weight of taxation from the sparsely settled agricultural districts to those populous centers where land has a real and a high value. As it would destroy the speculative value of land, the result would be that farmers would have no taxes at all to pay until the country around them had been well settled, for, no matter what might be the value of his improvements, the farmer would have no more taxes to pay than could be collected from unimproved land equal to his in quality and situation. Manifestly it would be very greatly to the relief of the farmer to abolish all the taxes which now fall upon his improvements and his consumption, and substitute for them a tax upon the value of bare land, which is always higher in populous centers than in agricultural districts, and in sparsely settled agricultural districts hardly exists at all, except as the result of speculation. And from the effects upon the diffusion of population the farmer would greatly gain. Just as the city population would gain from the destruction of the system which now builds tenement-houses amid vacant lots, so would the agricultural communities gain in productive power and in social enjoyment when settlement would become closer, from the fact that there would no longer be any inducement for any one to take up or hold more land than he could use.

And, further than this, it must be remembered that, although the selling price of land would diminish, this, since it would affect all land, would not affect the exchange value of the homestead lot or farm, as compared with other homestead lots or farms. It would be, to the man who wants for himself and his family the security of a home in which to live or land to cultivate, a purely nominal and intangible loss, to offset which there would be great and actual gains; and, as his children grow up, it would be very much easier for them to get homesteads or farms of their own.

The only ones who would really lose would be those whose incomes are mainly drawn from the rent, not of buildings, but of land; those

who are holding land in the expectation of future profit from the high prices that in time those who want to use it will be compelled to pay them. But I know of no individuals who belong exclusively to this class, and I think there are few among us. In varying degrees all our large landholders are also capitalists, and would gain as capitalists though they would lose as landowners. And, if in some cases the relative loss exceeded the relative gain, it would only be (and this, if necessary, might be made certain by some simple exemptions as to widows, etc.) in the case of those who could readily stand the loss without being really hurt. In any large view it will always be found that the true interests of individuals coincide with the best interests of society.

I think I have now shown that the injustice, recognized by the editor of the "Journal," of permitting that creation of land values which is due to the whole community to "become the foundation of a tax paid by one part of the community to the other," admits of a simple and practical remedy. I fully agree with the editor of the "Journal" that the "indispensable element of success in all enterprises is absolute freedom of operation," and that, "if we begin a system of interference regulating men's gains, bolstering here in order to strengthen this interest, repressing there in order to equalize wealth, we shall do an immense deal of mischief, and, without bringing about a more equitable condition of things than now, shall simply discourage enterprise, repress industry, and check material growth in all directions." All such systems are essentially vicious. To attempt to restrict accumulation is to check enterprise and thrift; to attempt to put the idle on a par with the industrious, the foolish with the sagacious, the ignorant with the intelligent, is to attempt to destroy the incentive to exertion and improvement. But it is nothing of this kind that I propose. On the contrary, what I propose would give absolute freedom of operation, and it is on this account that I expect so much from it. To put all taxes on land values would be to remove all burdens from capital and labor; to free industry, and energy, and thrift from restriction or fine; to throw open natural opportunities to all who would use them, without, as now, compelling them to pay a heavy premium to some non-user. From the freedom of operation which would thus be given to productive forces would result an enormous increase in the production of wealth. The fund from which all incomes must be drawn would be vastly augmented. And at the same time would come a great equalization in distribution; for that freedom of operation which is essential to the largest distribution of wealth is also essential to its fairest distribution. To give freedom of operation to industrial forces

is to give play to that natural law which gives wealth to the man who creates wealth. This is all that justice requires. To go further than this, and to attempt to bring all men to the same dead level, would be to do injustice and to war with nature. The true equality is equality of opportunity. No man has a right to complain when harder or better work gives to another more than he has. But he has a right to complain when he is denied equal access to those natural opportunities and forces without which there can be no productive work—when that creation of value which is due to the whole community is made “the foundation of a tax paid by one part of the community to the other.” The true equality is to be sought through that freedom of operation which is to be attained by the simple device of taking for common purposes that fund which arises from the values created by the community. And in the constant enlargement of that fund which is seen by the increase of rent as society advances lies the natural means for the attainment, as civilization progresses, of a closer and closer equality of condition.

To put all taxes upon land values would not be to permit land-owners to shift those taxes on the users of land, and it would in the aggregate directly diminish land values by its effect in destroying speculative values. But the freedom which would thus be given to industry would greatly increase the general prosperity, and this in its turn would increase the real value of land, which grows with the progress of society, and so would increase that common fund which could be taken by the State for common purposes without imposing burdens upon industry. But it would be idle to worry ourselves now about the corrupting effects which the disposition of such a large sum would have upon government. To increase the powers and functions and revenues of govern-

ment, as at present constituted, might indeed, as is urged by the editor of the “Journal,” be dangerous. But what I propose involves as a first step a great simplification of government. To take that would be to so greatly simplify and consequently purify government that it could gradually and safely assume other functions, which are in their nature coöperative, not repressive.

By thus showing in a general way what would be the effect of substituting a single tax on land values for the manifold taxes now imposed, I have, I think, met all the objections which attribute to this measure a pernicious result. And I am confident that, in the mind of every one who will pursue the investigation, there will arise a greater and greater sense of the benefits it will bring. To one who has never thought over the matter it may seem preposterous to say that in a simple change in the methods of taxation lies the fundamental cure for pauperism and low wages and all the social difficulties which afflict modern society. Yet, to all who will carefully think over the matter on the lines I have indicated, this will appear. Nor, when one comes to consider what is really involved in this simple change, does this effect seem disproportionate to the cause. For, to remove taxation from the production and accumulation of wealth, and to put it on the appropriation of that element which is the raw material of wealth, is to remove obstructions to the natural play of social forces—obstructions which produce in the social organism just such effects as bandages and ligatures that impeded the circulation of the blood would produce in the human body. It would be to conform our most important social adjustments to the supreme law of justice; for, that the right to land is common and equal while the right to the products of labor is individual and exclusive, are correlative propositions too manifest to need discussion.

HENRY GEORGE.

ROMANCES OF LEOPOLD KOMPERT.

PICTURES OF JEWISH HOME-LIFE.

THE deeply disgraceful German persecution of the Jews has drawn the attention of Europe anew to this wonderful people. It has been remarked that one of the noticeable features of our century, as opposed to the preceding, is that it has witnessed a great revival of race-feeling, and that the claims of race have received careful attention at the hands of politicians. Besides the inevitable reaction from the too universal eighteenth-century cosmopolitanism, much of this is

doubtless due to the spread of science, and particularly to the Darwinian theory, that enforces the deep roots taken by heredity and descent. We have learned that there is some mysterious but strong quality that tends to keep nationalities distinct; that a loss or change of nationality is not easily accomplished. It is related that Frederick the Great one day desired that the evidences of the truth of Christianity should be condensed into a single word. “Jews” was the answer.