Keeping Step With Progress

FOOLISH RESTRICTIONS

It is unemployment or fear of unemployment which creates the demand for most of the foolish restrictions which are today proposed for industry. These restrictions are not in any way a cure for unemployment and their advocacy indicates a complete failure to understand the cause of unemployment. For this we must look closely to the fundamentals of our institutions, and if we do so, we shall find it in our faulty system of land tenure.

We are now requiring the owners of land to pay very little in taxes as long as the land is not built upon or improved. On the other hand whenever the land is utilized for industry or home purposes, we add taxes on the improvements and on the profits obtained from them. In this way throughout the country we are directly discouraging the employment of capital and labor by the heavy taxes on such employment, while at the same time we are encouraging the practice of withholding land from use for speculative purposes, and thus indirectly discouraging the employment of capital and labor. The lower the taxes on the land itself, the more readily can speculators withhold it from the use of industry and can thus force industry to pay high prices or high rents to secure its use.

In the years just prior to the big depression, industry was paying higher and higher speculative prices or rents for the use of land, and this burden combined with the heavy burden of taxation, finally made industry so unstable that collapse was bound to follow. Now that land prices have been largely deflated, it is possible for new business enterprises, or for old ones which have adjusted themselves, to go ahead with a prospect of profit, and hence they are able to give increasing employment to labor.

What is needed now is to encourage industry to the utmost and thus absorb the unemployed workers. This can be done by the removal of restrictions and taxes on the buildings, machinery, merchandise and operations of industry, and by increasing the taxes on the mere ownership of land so as to kill the practice of speculation in the first requisite of industry, namely the land upon which to do business.

JOHN S. CODMAN in *Mill and Factory* for January

THE ENCLAVIAL MOVEMENT

May I begin with a personal explanation? I am not here to try to persuade persons to believe in the doctrines of Henry George. I acknowledge that that is a great and glorious mission, but I do not happen to be on it. I leave that to the other speakers. I address myself to believers. I am to give a chronicle of the progress of the movement for emancipation, which, though loaded with figures and other statements of fact, will not seem dull to them, for it shows a successful progress in what they hold most dear. The unbelievers I hope will be very patient with me.

I have a friend, who, when he first heard of enclaves, used to consider them as a small measure of Single Tax. Nowadays, having become wiser, he speaks of them as a large measure of Single Tax on a small scale. That is my attitude. I find great satisfaction in the results actually obtained.

But the movement is even more than economic. It is essentially religious, for it is the embodiment of the verse in the Lord's prayer, Thy will be done on earth as it is in Heaven, and represents the brotherhood of man and hence the fatherhood of God. So far as this country is concerned this movement began with the foundation of the enclave of Fairhope in Alabama in 1895. That was the great work of Ernest B. Gaston, who is here with us today. The latest enclave is the enclave of Wall Hill, Miss., in 1932. These areas have advanced, in the last ten years in nnmber from nine to fifteen, in area from ten square miles to 929 (or 74% of the area of Rhode Island); in population from 1100 to 12,000; in rent from $24,000 to $156,000; and from eight states and nations have spread themselves into twelve.

Ten of the enclaves are in the United States and have an area of 5831 acres and a rent of upwards of $80,000.

—From address of FISKE WARREN at Henry George Congress in *Saturday*, Harvard, Mass.

PROF. PAUL PASSY ON GEORGEAN SOCIALISM

Some readers of *l'Espoir* have been interested by my July article, "Justice First," and by the allusions contained therein to the theories of Henry George. So much so that they have asked me to tell them more about this subject. I am more than willing to do this, except that I cannot say much in a short article.

The writings of Henry George are not accessible to every one. His principal work, "Progress and Poverty," has indeed been translated into French, but it is a very large volume demanding time and thought. I am, however, very shortly going to publish a translation of his Open Letter to Pope Leo XIII (a reply to the encyclical Rerum Novarum). It is easy to read and at the same time is explicit and of compelling interest.

Meanwhile here is a short resume of the system:

The main principle is that natural resources, or that which is the product of the labor of an unknown and unrecognized multitude, should belong to the community. On the other hand, the product of the labor of an individual should belong wholly to the individual that produced it. Society must see to it that these principles be enforced.

(One can see by this that Georgism is really socialistic—be it said without offense to most of its devotees.)

But how can Society make sure that these principles be carried out? Here is the plan—Natural resources mean the earth, that inexhaustible reservoir, which every man has to use, directly or indirectly, in order to work. The value of land, nothing to begin with, grows with the development of society, in other words, through the agency of an anonymous and unknown multitude. Wherefore that value must belong to the community. The community collects that value by levying on the land, the bare land regardless of any improvements made upon it, a tax equal to the economic rent of that land, that is, what its site value is worth. Hence only those have an interest to hold land who wish to use it for their work.

For example, a piece of land in Champagne worth 500 francs a hectare would be taxed 25 francs. One square meter of land in Paris worth 10,000 francs would be taxed 500 francs,which would mean five millions a hectare.

The money supplied by this tax is used for the benefit of the community, and this one tax takes the place of all other taxes—taxes which Henry George calls sheer robbery. Hence the name Single Taxers is frequently applied to Georgists.

Henry George and his followers believe, with strong reasons to support them, that this one reform would completely stop land exploitation and speculation, and would bury foul capitalism once for all.

I myself am not a docile disciple of Henry George any more than I am of Proudhon, Malon, or Marx. I am not entirely sure that Georgism, even rigorously applied, is all that is necessary without supplementary measures to attain the goal of an equal access for everyone to natural resources. Other questions spring up in one's mind. The tax is levied "for the benefit of the community."—What community? The town, city, county, state, nation or the world? Would there be a distribution, and, if so, following what principles?

However these reservations and one or two others do not prevent me from saying that Georgism attracts me more than any other form of socialism. I see several advantages in it.

1. It is Libertarian, exactly the contrary of state socialism. There is no bureaucracy, no central organization as in Russia. Far from that, it would allow of a heavy reduction in the number of office holders and functionaries, for the value of land is the easiest thing to estimate and would therefore need the fewest experts, and fraud, one might say, would be impossible.

2. It would be practicable immediately. There would be no need