

CHAPTER I

INTRODUCTION

MAN does not live by bread alone. Even if it were shown that Socialism could and would provide all with more wealth than ordinary artisans now enjoy, there would still arise the question, whether it would not deprive men of other possessions; of possessions so far superior to a mere increase in wealth that past generations have cheerfully sacrificed not only wealth, but life itself, in their defence. In the foregoing examination it has been shown that not only would Socialism sacrifice these higher possessions of mankind, but that this sacrifice would not be accompanied by any improvement in the material condition of the people.

At the same time has been indicated the cause which produces injustice in the distribution of wealth, and the secondary evils thence arising, as well as the reform which can remove this injustice, not only without sacrifice of the higher possessions of mankind, but while adding to them. This cause we found to consist of the legislative creation of private monopolies, especially of the monopoly of the land.

The removal of this cause, by the termination of all monopolies which owe their origin to special laws, and the appropriation by the social body of all natural monopolies, would, therefore, terminate the evil results which flow from this cause.

Before entering upon a detailed exposition of the manner in which this reform may be applied, so as to combine the greatest production of wealth with absolute

justice in its distribution, and without sacrificing any of the higher possessions of mankind, it may be useful to recapitulate some of the conclusions arrived at.

The principal ones were :—

(1) That all the members of a State are entitled to equal rights and equal natural and social opportunities.

(2) That every member of a State is entitled to the full and exclusive possession of all the wealth which his labour produces from equal opportunities with all others, or which he receives under contract for services rendered by him under the same conditions.

(3) That social injustice arises solely from the infringement by the State of the claim of all to equal rights and opportunities; such infringements involving the violation, by the State and by individuals, of the right of each to the full and exclusive possession of the produce of his labour or services.

(4) That social justice, therefore, cannot be achieved by further violations of the social and individual rights of the members of the State, but can be achieved solely by the abolition of existing violations of these rights.

(5) That the principal infringement of the equal rights of the members of the State consists in the legislative creation of private monopolies, especially the monopoly of the land, and that all such monopolies would disappear if the State, abolishing all taxation, were to appropriate and use for social purposes the annual rental value of all natural monopolies, *i.e.* of monopolies arising from exclusive or special rights to land.

(6) That the abolition of monopolies, destroying the power of monopolists, would also terminate the excessive power of the owners of competing capital over labour, and would enable every labourer to secure wages of equal value to that of the entire product of his labour.

In support of these conclusions the following distinctions, economic and ethical, were drawn between capital and all other forms of wealth, *i.e.* labour-products on the one part, and land in all its forms on the other part.

Economic

(1) Labour-products are the result of individual exertion, performed singly or in co-operation with others.

Land is not a product of human exertion, and the value of land arises, not from individual exertion, but from natural differences of productivity, made potent by social growth and necessities.

(2) All labour-products are ephemeral, the sole purpose of their production being their consumption.

Land exists for ever, and monopolies accumulate.

(3) Social progress reducing the requisite exertion in the production of labour-products, consequent increase of production reduces their value.

Social progress does not create any ability to produce land; it merely increases the competition for land, and consequently adds to its value.

As a result of the facts set forth in (2) and (3), the value of land, *i.e.* natural monopolies, largely exceeds the value of accumulated labour-products in every country.

(4) Labour-products cannot arise without the use of land.

Land does not arise from the use of labour-products.

(5) Labour-products are not limited in the sense that their quantity cannot be increased. On the contrary, the more labour-products are consumed the more are produced.

Land is limited. The more land any one person appropriates the less is available for appropriation by others.

(6) Private ownership of labour-products, inclusive of capital, does not add to natural rent and interest.

Private ownership of land does add spurious rent and interest, as well as profit, to natural rent and interest.

(7) Taxes on labour-products, increasing their price, tend to reduce the consumption and production of labour-products and the employment of labour.

Taxes on the value of land, reducing the monopoly and price of land, tend to increase production, the employment of labour, and therefore consumption.

Ethical

(1) Labour-products being the result of individual exertion, the right to their possession is unequal, *i.e.* dependent upon service rendered.

Land not being the product of exertion, the value of land being the result of social growth and necessities, the right to the possession of land is equal, *i.e.* no one can have a better right to the possession of land than any other.

(2) The value of labour-products is the measure of the service which their rightful owner has rendered to the community.

The value of land is the measure of the service which the community is expected to render to the owners of land.

(3) Private ownership of labour-products results from a natural right antecedent to any legislation.

Private ownership of land originally arises from violence and fraud, subsequently sanctioned by legislation.

(4) Private ownership of land involves the perpetual infringement of property rights; it enables the owners to perpetually appropriate wealth made by others without rendering service in return.

Private ownership of labour-products does not involve any infringement of property rights; it does not enable the owners to appropriate wealth in excess of the value of the services rendered by them.