

UC-NRLF



\$B 40 402

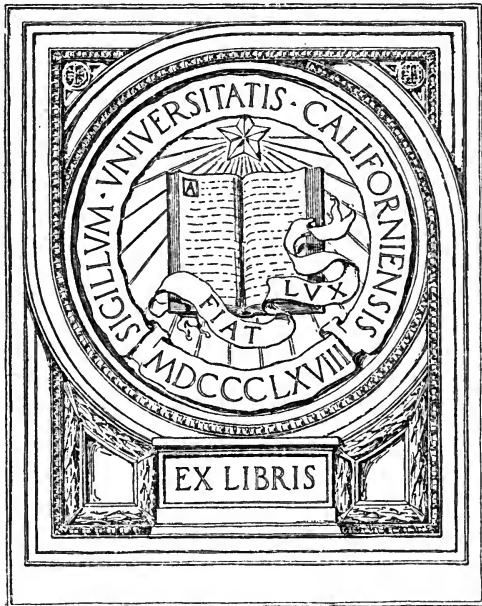
# PROGRESS

---

J. F. WILBER

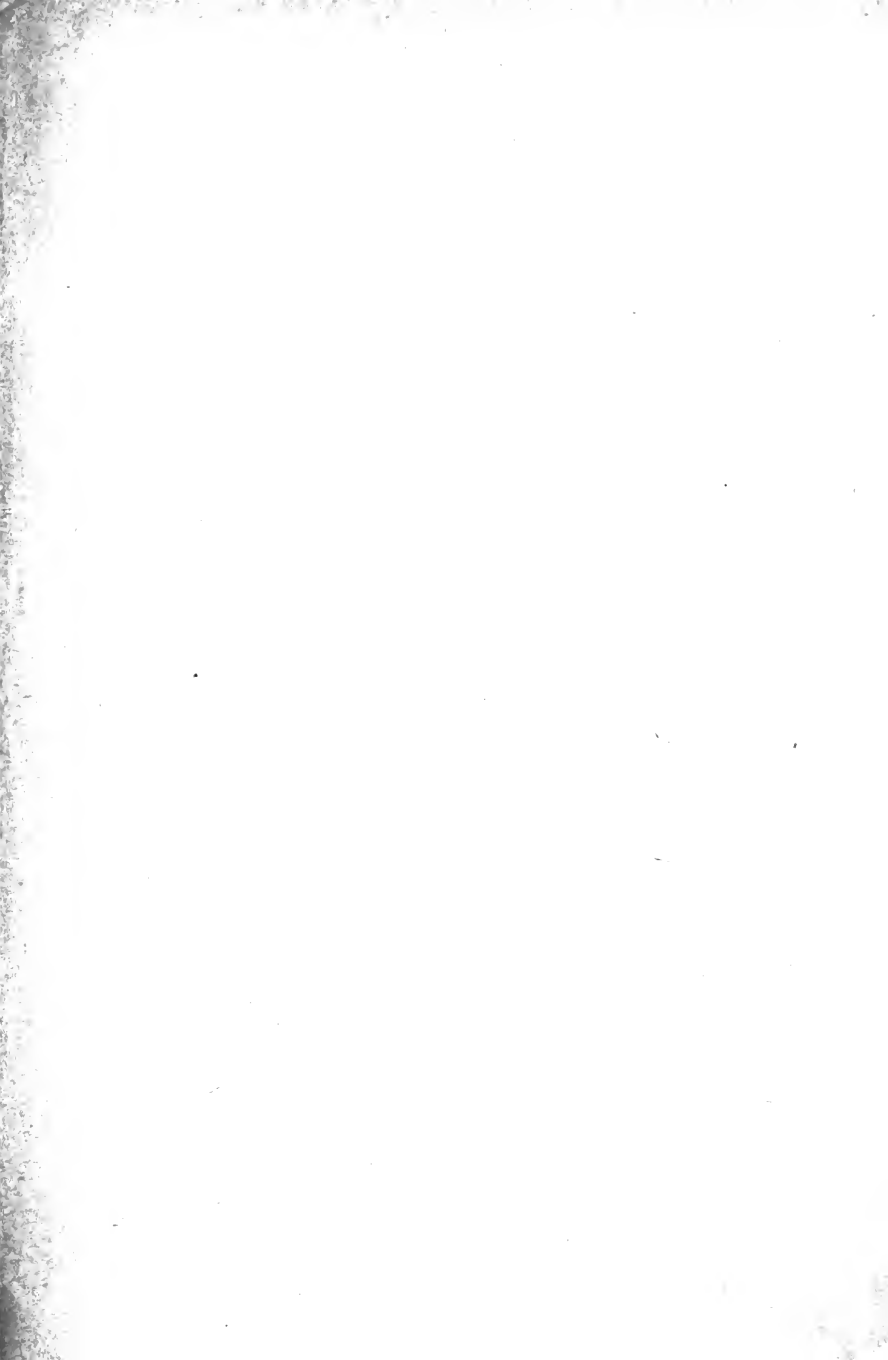
*to New York*

GIFT OF  
*Jessica B. Peixotto*



EX LIBRIS





Digitized by the Internet Archive  
in 2007 with funding from  
Microsoft Corporation

# PROGRESS

AND ITS ENEMIES

SHOWING THE FALLACY OF THE SINGLE-  
TAX THEORY, AND SOME OTHER  
ENEMIES OF PROGRESS

BY

JOHN FREMONT WILBER

---

How many times shall I adjure thee that thou speak  
unto me nothing but the truth in the name of Jehovah.

II Chronicles xvii, 15



PUBLISHED BY

JOHN FREMONT WILBER,  
SOMERVILLE, MASS., U. S. A.,  
1918.

1/10/18

HD1313  
W45

**COPYRIGHTED BY  
JOHN FREMONT WILBER,  
1918.**

*Gift of Jessica B. Peifatto*

THE  
AMERICAN  
LIBRARY

L. G.

DEDICATED TO THE ONE WHO  
WILL TAKE THE MOST INTEREST  
IN ITS SUCCESS OR ITS FAILURE,  
MY WIFE,  
ELIZABETH J. WILBER.

## CONTENTS.

Chapter I—A Lie Which is Part a truth. . . . .	1
II—Personal Enemies. . . . .	6
III—Natural Enemies. . . . .	10
IV—Artificial Enemies. . . . .	13
V—Back to the Land. . . . .	17
VI—Is It a Remedy. . . . .	23
VII—The Proportional Tax. . . . .	30
VIII—Danger of Untaxed Voter. . . . .	36
IX—Bases of Taxation. . . . .	45
X—Effect of Taxes on Production. . . . .	51
XI—Land. . . . .	54
XII—Labor. . . . .	60
XIII—Capital. . . . .	66
XIV—The Functions of Capital. . . . .	75
XV—Rent, and Its Law. . . . .	83
XVI—Interest. . . . .	87
XVII—Wages. . . . .	94
XVIII—Conclusion. . . . .	101



## PREFACE

Becoming convinced that the single-tax was a fallacy, I sent a challenge to the president of the Massachusetts Single Tax League, Inc., to meet him or any of his fraternity in joint debate on the single-tax theory.

Although the president of that society, who is a college professor, had been giving addresses in at least a dozen different places in Massachusetts he never answered the challenge, but I did receive a letter from the secretary of the Single Tax League inquiring as to my beliefs and whether I stood for the status quo.

It is not my idea of a joint debate to tell my opponent the line of attack or defense in advance, but I wrote and told him that, while I was an independent thinker, I stood for the status quo in preference to the single tax.

I received from the secretary the following letter:

MASSACHUSETTS SINGLE TAX LEAGUE, INC., }  
BOSTON, MASS, April 30, 1917. }

Mr. J. F. Wilber

Dear Sir—Thanks for your letter. I think we had better not attempt a debate. I am delighted to thrash out the pros and cons of the single tax with any one who condemns the present condition of affairs and has what he thinks a better

scheme to propose, whether he may call himself Socialist, Anarchist, or by any other name. But if you stand for the status quo, with all its results in Rockefellers and Astors, and East Side slums, then I assure you no member of this league could find any common ground with you on which to start a debate. All the same I shall be glad to see you if you can call some day. Yours truly, ALEX. MACKENDRICK.

Debate, according to Worcester, is "a contention of argument; a disputation; a controversy; an altercation; a quarrel; a contest."

How can there be any "contest, or strife, or quarrel" between those who think alike?

The single-taxer believes in the public ownership of the land, and the Socialist believes in the public ownership of the land (and nearly everything else), how then could there be any dispute between these, or either of them?

What they would have, should they meet, would be a "love-feast." No doubt the single-tax secretary and president would both be "delighted to thrash out the pros and cons," chiefly the pros, with such opponents, especially if they could camouflage the public into thinking it a real contest and thereby gain a little notoriety.

The gentleman "would be glad to see" me "if" I "would call."

Who ever heard of a duellist making an afternoon "call" on his enemy? I wonder would he serve pink tea?

I look upon the single-taxers as men who ad-

vocate robbery of private property (by the public), like the Bolsheviki of Russia, and I believe the extermination of the teachers of that doctrine would be a blessing to mankind.

The only reason I sent a challenge to debate was because the other kind of a challenge is not permissible under our laws, and I try to be a law-abiding citizen.

The rattlesnake sounds a warning before he strikes and thus gives an opportunity to defend one's self. It is evident the single-taxers prefer the method used by the German submarine of striking without warning.

Because of the declination of the beforementioned officers of the Massachusetts Single Tax League, Inc., to meet in joint debate, I decided to put some of my thoughts in type, hoping and expecting thereby to reach more people than I would by any joint debate.

John Fremont Wilber.



THE UNIVERSITY OF  
CALIFORNIA

## CHAPTER I.

### A LIE WHICH IS PART A TRUTH.

That a lie which is half a truth is ever the blackest of lies;  
That a lie which is all a lie may be met and fought with outright  
But a lie which is part a truth is a harder matter to fight.  
Tennyson.

If there were no "single taxers" this thesis would not have been written. A "single taxer" does not believe in private ownership of land and the "single tax" is a scheme to abolish such ownership. Their chief writer says: "Historically, as ethically, private property in land is robbery."

The "single tax" does not mean simply the avoidance of double taxation, but it means the abolition of all taxes except one, and that one to be on the land, or, as they express it, "a tax on land values," and they wish to increase that tax until it takes the full value of the land.

It has been said that in a progressive civilization "the rich grow richer and the poor grow poorer."

"This fact," says Henry George, "the fact that poverty and all its concomitants show themselves in a community just as they develop into the

condition toward which material progress tends, prove that social difficulties, existing wherever a certain stage of progress has been reached, do not arise from local circumstances, but are, in some way or another, engendered by progress itself."

"It is to the newer countries—that is to the countries where material progress is yet in its earlier stages—that laborers emigrate in search of higher wages, and capital flows in search of higher interest. It is in the older countries—that is to say, the countries where material progress has reached later stages—that widespread destitution is found in the midst of the greatest abundance. Go into one of the new communities where Anglo-Saxon vigor is just beginning the race of progress, where the machinery of production and exchange is yet rude and inefficient; where the increment of wealth is not yet great enough to enable any class to live in ease and luxury; where the best house is but a cabin of logs, or a cloth and paper shanty, and the richest man is forced to daily work—and though you will find an absence of wealth and all its concomitants, you will find no beggars. There is no luxury, but there is no destitution. No one makes an easy living, nor a very good living; but every one can make a living, and no one able and willing to work is oppressed by the fear of want."

The foregoing is the lie which is part a truth. In an advancing civilization the rich grow richer—that is true—but that the poor grow poorer is not true. Nor is it true that social difficulties (or

poverty) is engendered by progress itself. (It is to be presumed that everybody will admit that in a retrograde civilization the rich and the middle-class grow poorer, and the poor are either forced out of existence or driven to some other community that is more progressive.)

We measure riches by a number of things. One man owns a thousand acres of timber land, another a gold mine, another a factory or a mill, another has lots of gold or jewelry, yet all are poor if they cannot get food. By what shall we measure poverty? Is not poverty always to be measured by the availability of food? Of what value is gold to a Crusoe on a desert island?

A certain Eskimo tribe had their village on the shore of a bay where the seals usually came in the Fall and stayed until the ice went out of the bay in the Spring, thus furnishing a supply of food, which was easily obtained by fishing through the ice.

But one winter the seals did not come into the bay until late in January, and one-third of the tribe died of starvation.

And yet, there was not one of those natives but what had fur clothes and bedding that would have sold for hundreds of dollars in New York city.

Is not poverty measured by the availability of food?

During the first year of the settlement at Jamestown, Va., (in 1607, by 105 persons,) owing to the scarcity and badness of provisions, one-half (50 percent) of the colony died.

At this same Jamestown settlement, in 1610,

a most distressing famine prevailed, which was known for many years afterward by the name of "the starving time." So dreadful was its effect that, in the space of six months the colonists were reduced from nearly 500 to 60, (88 per cent died).

In 1622 there was "another distressing famine" at Jamestown; and in 1624 of 9000 persons who had been sent from England only 1800 remained in the colony.

The first permanent settlement was commenced in New England by 101 Puritans, who landed at Plymouth, Mass., Dec. 22, 1620. One historian says: "Worn down with their long voyage, excessive fatigue, the severity of the weather, and the want of comfortable provisions and habitations, they were, soon after their arrival, visited with distressing sickness and, in three months, reduced to about one-half of their original number. The sickness was so general that, at some times, there were only six or seven well persons in the company." . . . "For several years the whole property of the settlers was held in common."

If holding land as public property, or in common, is such a good thing, why not apply it to all other property? Why did these settlers abandon it after several years trial?

In March, 1621, the Plymouth settlers learned from Samoset, a friendly Indian, that not long before a mortal pestilence had swept off almost all the Indians in the vicinity. The historian only gives a sentence to this decimation of the Indians. How many times have these sparsely



settled sections been nearly or quite depopulated and no mention of it made in history?

In the cases cited the land was practically free, yet the people starved, they were so poor. They had none of the earmarks of poverty, each family owned its own home, though it was of logs, and each one had clothes and guns and tools that would have made them seem rich to the vagabond of the city, and yet they (50 percent of them) could not make a living and died of starvation. No city poverty; no pestilence in settled countries, where the land was owned by private individuals, no famine in thickly settled communities, ever demanded the toll of life that has been demanded and paid by these "new communities" where there are "no rich, no luxuries, no beggars and no destitution."

Nor are these exceptional cases. The history of the settlement of most countries find similar examples. There were a number of attempted settlements in this country where the would-be settlers were finally obliged to take to their ships and sail away because they could not get a living, although the land was free.

The "single taxers" will tell you that in old settlements destitution is caused by private ownership of land. What causes it in these new countries where the land is free?

## CHAPTER II.

### PERSONAL ENEMIES.

Woe unto the world because of occasions of stumbling! for it must needs be that the occasions come; but woe to that man through whom the occasion cometh!                      Matthew xviii, 7.

All of those things which make for poverty we shall class as enemies of progress.

Are "the ills that flesh is heir to" caused by some one thing; or are the causes numerous?

1. How about false teachers—the blind leaders of the blind? Is it not as great a sin to teach a political or an economic falsehood as it is a religious one? Political untruth—a belief in the right to own human beings—led to the civil war; and the present world war is owing a belief in political untruths: An excessive nationalism, misnamed patriotism; the doctrine of the survival of the fittest as developed in Germany into the cult of the superman, and the "will to power," and "a place in the sun"; a mistaken conception of the state as something above the law of nations; the exaltation of force, especially military force.

Can we not set down false economic belief, which leads to false economic action, as one enemy of progress?

2. Some people are improvident. They are perfectly satisfied if they have enough for today and literally "take no thought for tomorrow" what they shall eat, or what they shall drink, or wherewithal shall they be clothed; and some day business slacks up and they are out of work, or sickness comes and they are unable to work.

If when sickness comes they are on the trail in one of the new countries, they not unfrequently sink down and die, and some future traveler finds the body and wonders what caused the death. Is not the fact that the penalty for improvidence is so severe, in new countries, the reason why men never sell their guns or clothing for food in those countries; and to meet a traveler and tell him that you were out of food and hungry would be almost certain to result in an invitation to join him at meal; and you would not be expected to sell your gun or clothes to pay for it. Even if you had money, the chances are it would not be accepted.

If the improvident one is living in a large city when adversity comes, he probably first sells some of his clothes, tools, or jewelry, or he applies to one of the charities and becomes one of the "submerged tenth."

Does it not look as if improvidence were one of the enemies of progress?

3. Some people are lazy. The hook worm may have something to do with it, in some cases; it might then be treated as a disease. The Bible says: "The soul of the sluggard desireth and hath nothing." "He also that is slothful in his work is a brother to him that is a great waster."

"I went by the field of the slothful, and by the vineyard of the man void of understanding; and, lo, it was all grown over with thorns, and nettles had covered the face thereof, and the stone wall thereof was broken down."

Do you not think that laziness is an enemy of progress? And is it not just as much an enemy whether it be a disease, or whether it be a crime? Of course, if it is a disease, it should be treated as such; and if it is a crime it should be punished.

4. We must also consider that brother of laziness, wastefulness. It is claimed that the American people waste enough food to feed the people of France. This may be an exaggeration, but there can be no doubt that waste, whether it be great or small, is an enemy of progress. "Waste not, want not."

Two men, working at the same business and receiving the same pay, one will save and become well-to-do while the other will barely make a living, or, perhaps, be in debt most of the time. If sickness comes, the one will have enough in the bank to carry him through his sickness, while the other has to ask help of his friends and shopmates, and, perhaps, public charity.

In our large cities, in normal times, it is said that one in ten of the population apply for and receive some form of charity each year; and when it comes to death, the burial expenses of one in ten are paid, partly or wholly, by friends or relatives of the deceased or by some form of charity. These are spoken of as the "submerged tenth." Of course this "submerged tenth" is a

constantly changing crowd. One person may be helped for a short time, until he finds work, or until he gets over some sickness, and he may never need aid again; another may need help constantly; while still another may need aid intermittently; some are never able to get through a winter without help.

Can not the existence of this "submerged tenth," in normal times, be traced directly to one or more of the four personal causes mentioned? 1. False economic belief, as "the world owes me a living," whether I work for it or not. 2. Improvidence. 3. Laziness. 4. Wastefulness.

These four enemies may be called personal, but there are other enemies, which are outside and, perhaps, beyond the power of the individual to control. These we will consider in another chapter.

## CHAPTER III.

### NATURAL ENEMIES.

For he saith to the snow, Be thou on the earth; likewise to the small rain, and to the great rain of his strength.

He causeth it to come, whether for correction, or for his land, or for mercy. Job xxxvii, 6, 13.

Poverty is caused by a number of things, besides those inherent in the individual. A man, or a people, may be provident, economical, industrious and saving and yet be unable to progress.

There are certain things in nature, which we will call natural enemies. These may not, in and of themselves, be enemies, but become so because they occur in too great, or too small, quantities. Here are some of them:

1. Rain, when it comes in excessive quantities, causing floods, washouts, rot, and the killing of earth-worms which fertilize the soil.

2. Frost—Early in the Fall frosts prevent the working of the soil and the sowing of the Autumn seed. Frosts late in the Spring prevent sowing, and often seriously injure young crops. Many famines are the direct result of frost.

3. Drouth—The fertility of the earth depends, very largely on the rainfall. About 1610, owing to lack of rain at the head waters of the Nile, that river failed to overflow its banks for seven

successive years, causing one of the greatest famines of history. Any farmer can tell you of the disastrous consequences of a long continued drouth.

4. Earthquakes—Not only is the devastation in the immediate locality of the quake to be considered, but also the great damage caused when inructions of the sea or inland waters have been produced, which has not unfrequently been the case.

5. Volcanoes—Aug 26 and 27, 1883, an eruption of Mount Krakatoa and about two-thirds of the other 46 volcanoes on the island of Java resulted in the submergence of a tract of land about the size of the State of Massachusetts and the destruction of Anjer and other places and their inhabitants. Vesuvius, in 79 A. D., destroyed the two Italian cities of Pompeii and Herculaneum. Mount Pelee on the Island of Martinique, French West Indies, on May 8, 1902, destroyed the city of St. Pierre, with about 30,000 inhabitants. And there have been other cases, too numerous to mention, of the destruction of life and property by volcanoes.

6. Hurricanes and Storms—These frequently produce widespread injury, destroying buildings and crops and often causing a loss of life. They also lead to inructions of the sea and overflow of rivers.

7. Hailstorms—Grain and fruit produce of all kinds are injured, if not totally destroyed, when severe hailstorms occur in the Summer or Autumn months, when they are most prevalent.

8. Insects, Vermin, etc — Locusts have fre-

quently been the cause of famine in some of our Western States, as well as in China, India and Egypt. Concerning the latter we read: "Very grievous were they; before them there were no such locusts as they, neither after them shall be such. For they covered the face of the whole earth, so that the land was darkened; and they did eat every herb of the land, and all the fruit of the trees which the hail had left; and there remained not any green in the trees, or in the herbs of the field, through all the land of Egypt."—Exodus x, 14, 14.

In 1812-13 there was a plague of rats in the Madras presidency, which in part caused the famine of that year.



## CHAPTER IV.

### ARTIFICIAL ENEMIES.

Some troubles are by nature given,  
And it seems we are hard to sate,  
Because for others we have striven,  
And yet we dare to call them fate.

There are certain enemies of progress that are made by man. These we will call artificial enemies. Following are some of them:

1. War—The cultivation of the soil is directly retarded by using the fields for battle-grounds and maneuvers, and indirectly by calling the people from agricultural pursuits to arms. Frequently the crops of whole districts are designedly destroyed or incidentally devastated. Famines in localities or towns are often caused by blockades or otherwise intercepting supplies. A large quantity of grain is damaged every year, in times of peace, by being kept in military stores in different parts of the world. War may be forced upon a people, and it then becomes a virtue to defend right and liberty, but, even so, it is a man-made evil.

2. Defective Agriculture—This may result from ignorance, indifference, or unsuitability of

climate or location. Where the product of the soil but barely meets the current requirements of the inhabitants it is clear that either the failure of one season's crops, or the sudden influx of any great number of strangers, may produce at least temporary famine.

3. Defective Transportation—This may arise from bad roads, or want of roads, perhaps the railroads need double tracks, or there may not be sufficient terminal facilities, or rolling stock, or there may be an absence of canals or a lack of shipping, or there may be willful obstruction for the sake of securing some desired concession from the government.

It has frequently happened that there would be a famine prevailing in one part of a country with a superabundance in another. The introduction of canals and railroads has largely removed this difficulty, especially in settled countries.

4. Legislative Interference—All laws relating to trade in or transportation of food stuffs must be designed to change the natural course of supply and demand, and there can scarcely be a doubt that in many instance the change has been for the worse, else why have so many of those laws been repealed?

5. Currency Restrictions—"Penkethman says, under date of 1124: 'By means of changing the coine all things became very deere, whereof an extreme famine did arise and afflict the multitude of the people unto death.' Other instances occurred as in 1248, 1390 and 1586."—(Encyclopædia Britannica.)

6. Speculation—There have been various laws at diverse times to prevent speculators enhancing the price of food. The "Food Control Bill" is such a measure, intended to prevent speculators sending wheat and flour across the ocean, paying carrying charges, and selling them so low that the retail prices to the consumer are less in those countries than they are at home.

7. Misapplication of Grain—By burning it, whether willfully or accidentally, as well as by the use of grain in brewing and distilling. We find it is recorded that the Londoners, in 1315, "considering that wheat was much consumed by the converting thereof into mault, ordained that from thence it was to be made of other grains." This order was afterward extended by the king (Edward II) through the whole kingdom. So you see prohibiting the use of grain for the manufacture of liquor is no new idea.

8. Deforestation—The leaves of the forest, falling on the ground, form a mulch which acts as a sponge and stores the rain as it falls and allows it to filter gradually into the streams and maintain a constant flow of water in them. Cutting the forests causes the streams to become torrents when it rains, to be followed shortly afterward by dried-up beds and gullies. This destroys the farm lands and causes famine. One writer says: "So great indeed were the devastations from which the Alpine districts (Hautes and Basses) suffered through the denudation of the mountain sides, and consequent formation of torrents, that intervention of the most prompt description became necessary to

prevent the destruction, not only of the grazing grounds themselves, but of the rich valleys below them.”

9. Trusts — While corporations and trusts were intended as instruments of progress there have been numerous instances in which they have been just the opposite, as when they have sold goods below the cost of production in one neighborhood, for the sake of ruining a small competitor, while they kept the price up in a dozen other localities; or when they have bought a patent for the purpose of preventing its manufacture and sale.

We have mentioned twenty-one enemies of progress—four personal, eight natural and nine artificial. There may be others, but those mentioned are so well known that there seems to be no dispute among rational men as to their existence; and that is the only class with whom we care to reason.

## CHAPTER V.

### BACK TO THE LAND?

Back to the land, then, if you will,  
Sunshine and shadow will be there still.

If poverty depends primarily upon the available supply of food, then those things which tend to diminish either the food supply or its availability tend to produce poverty. That is to say the twenty-one causes enumerated.

When business is good, and there is plenty of work, you do not hear much about people anxious to get "back to the land." Why? Because most people, who are not tillers of the soil, are not because they do not wish to be.

If they attempt to become farmers only when business is dull they are doomed to failure, because "dull business" and "poor crops" are so nearly related that the one is dependant on the other.

Who ever heard of "dull times" the Fall or Winter after a bumper harvest?

Why assume that free access to the soil would banish poverty? Would it make the lazy man smart? Would it cause rain where there is a drouth? Or would it check any one of the twenty-one evils mentioned in the preceding chapters? Yet there are people who think that

free access to the soil is a panacea for all ills.

Would it not lessen the productivity of the soil by causing men to be more sparing of their improvements, lest some one should step in and reap the benefit of those improvements?

Why assume that, in a settled community, the wealth of the community belongs to, or should belong to the whole people? May there not be a large percentage of the people who have done nothing to produce that wealth; who have consumed more wealth than they have produced?

The man who went out on the prairie and selected the first farm hardly knew which to choose, all were so good. The second man had no such trouble. He knew that the best place for him was alongside the man that had already staked his claim. The settlers continued to locate until there were ten farmers, and then, one day, came another man, a Mr. D. Broke, who said to the first man, Mr. A:

"Can you give me a job? I have no farming tools, and have not the food and clothing necessary to keep me until I could harvest a crop, and you could do better by hiring me as two men working together can do more work than two men working separately."

So Mr. A hired Mr. D. Broke, who worked until the harvesting was finished, when he received his pay and started for the distant town, and the money which should have gone for farming tools and food and clothing and seed was spent in riotous living, and in less than a month he was at the farm to ask for a job again. But Mr. A did not need a man. He could do all

the work there was to be done on the farm at that time of the year himself.

"If you want to take up a claim, I'll help you build a cabin, and so will the other settlers."

"It's no use," said Broke, "I have no tools, nor nor food, nor seed, nor money."

"But I paid you much more for last Summer's work than I can afford to if I were to hire you in the Winter."

"But, you will not let me starve! I'll work for my board if you will let me stay through the Winter."

And so Mr. A hired a man that he did not need. A man that had consumed in one month all that he had produced by six month's labor, and then had to supported for five months by a charitably inclined employer.

What right had such a man to any portion of the community increase in value? Had he not consumed all that he produced?

The ten farms undoubtedly had increased in value. Each farm was worth two or three times what the first farm was when the first settler built his cabin. What caused this increase in value? Surely not Mr. Broke, because he did not appear until the farms were settled and the greater part of the increase already there, and when he did come he became a burden, for a part of the year at least, upon the community, or upon one member of it. The increase in value, in this case, was caused by the industry and thrift of the property owners, and as each continued to own the farm upon which he set-

tled, each had the benefit of whatever increase in value there was.

Who will say that Mr. Broke is entitled to any part of that increase in value?

Mr Broke would no doubt say he was cheated out of his rightful share of what he produced, but Mr Broke would say anything that would prevent him reaping the reward of his folly, or sin.

Of course, it may be said that Mr. Broke did not "consume" in less than one month all that he had produced in six months. That some land sharks—in the shape of rum-sellers, gamblers and bad women—had robbed him of his hard-earned money. Even if they did, that was not the fault of the farming community in which he earned that money, nor of anyone in that community. It might be a good reason for a war of extermination against the sharks. But there is a chance for two opinions about that.

Rev Dr Francis G. Peabody in a lecture in the Harvard Medical School (Boston Post, Jan. 8, 1917,) said: "The saloon-keeper is considered the fundamental criminal, but all saloons would close within a week if there was no demand for their goods. A systematic study of the patronage of saloons, made by myself and verified by the highest police authorities, brought out the appalling fact that a number of people equal to one-half the population of Greater Boston entered the city's saloons in one day.

"If minors and women, who had no right there, were deducted, the patronage was as if every man in the city went in every day and



every other day took with him a man from the country."

We visited last Summer one of the abandoned farms of New Hampshire. The town had taken it for nonpayment of taxes. Hence, it is now owned by the public. The town would be glad to get rid of it for the taxes. There will always be taxes, though, if the town is the owner, you might call it rent. The farther the farm is from a railroad station or a market the greater the need for taxes, to build and repair roads, and the less the ability to pay. There are several thousand abandoned farms in New England. Abandoned because the former owners could not make a living.

Let us briefly compare the loss of life by some of the greatest famines and plagues in history, where the land was owned by private parties, with the loss of life in the "new" settlements of this country where the people had practically free access to the land.

"The Great Plague of London, 1664-5. The total number of deaths from the plague in that year according to the bills of mortality was 68,596, in a population estimated at 460,000, out of whom two-thirds are supposed to have fled to escape the contagion."—[Encyclopædia Britannica. That is to say 14 9-10 percent of the population died. While at Jamestown, in 1607, 50 percent died; and in 1610, 88 percent; and at Plymouth, in 1621, 50 percent.

"It has been estimated . . . that the mor-

tality which occurred in the provinces under British administration [in India] during the period of famine and drouth extending over the years 1877 and 1878 amounted, on a population of 197 millions to five and one-quarter millions in excess of the deaths that would have occurred had the season been ordinarily healthy."—[Ibid.] Less than 3 percent of the population.

In Ireland, in 1845, the population was 8,294,061, the greater part of whom depended on the potato only for food. In 1847 the famine came. "From 200,000 to 300,000 perished of starvation or of fever caused by insufficient food."—[Ibid.] But 300,000 was only 3 6-10 percent of the population.

In view of these facts is it not absurd to say that access to the land will prevent pestilence or starvation?

## CHAPTER VI.

### IS IT A REMEDY?

Then if any man shall say unto you, Lo, here is the Christ, or, Here; believe it not. For there shall arise false Christs, and false prophets, and shall show great signs and wonders; so as to lead astray, if possible, even the elect. Matthew xxiv, 23, 24.

The following quotations are from "Progress and Poverty":

"We must make land common property."

"We shall not only not think of giving the land holders any compensation for the land, but shall take all the improvements and whatever else they may have as well.

"But I do not propose . . . to go so far. It is sufficient if the people resume the ownership of the land. Let the land owners retain their improvements and personal property."

"Why continue to permit the land owners to take the rent, or compensate them in any manner for the loss of rent."

"By the time the people of any such country as England or the United States are sufficiently aroused to the injustice and disadvantages of individual ownership of land to induce them to attempt its nationalization, they will be suffi-

ciently aroused to nationalize it in a much more direct and easy way than by purchase. They will not trouble themselves about compensating the proprietors of land. Nor is it right that there should be any concern about the proprietors of the land."

"What I, therefore, propose, as the simple yet sovereign remedy, which will raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, and taste, and intelligence, purify government and carry civilization to yet nobler heights, is—to appropriate rent by taxation."

"To abolish all taxation save that upon land values."

Why must we make land common property?

It is said that primitive peoples held land in common. Primitive peoples also went naked, or clothed themselves with the skins of animals, and they dwelt in caves, or tents. But primitive peoples gave up that kind of life for something better, and so far as we can find holding land in common was given up by those peoples of their own accord.

"In every stage the conditions of its [the land's] enjoyment and use have been absolutely regulated by the community in reference to the general welfare."—[Encyc. Brit.

Then why go back to primitive man for our laws?

The right of the government to take the land, or any other form of property, when public necessity (or pleasure) require it, has never been questioned in this country. But when it has been thus taken—for parks, streets, etc—it has usually been paid for, and at a rate in excess of its real value.

To take the land without compensation might be like freeing the negroes without compensation—an expensive operation.

The British government in abolishing slavery in the British West Indies paid \$100,000,000 to the slaveholders. The United States in freeing its slaves, of a money value of \$2,000,000,000, had a civil war which cost, it is estimated, \$8,000,000,000, and caused the death of 300,000 on each side. What a saving might have been effected if the slaves had been bought and liberated? What a saving of life and property?

*The Civil War was fought the issue of slavery.*

To abolish all taxes save that on land values instead of being a cure for all ills, is sure to result in evil. No limitation to trusts, liquor or drugs. No licenses of any kind, for licenses are a form of taxation. No country ever did exist that had but a single tax.

It appears that the economic as well as the human body is a complex organization with many enemies. Every little while some new teacher will spring up, with, perhaps, some old and almost forgotten theory, and cry "Life is simple! Here is a simple remedy for all its ills!"

Already the real estate of Boston is bearing

~~more~~ than three-quarters of the taxes in that city. There is no talk of lessening the amount of money obtained by taxation, but rather of increasing it.

It should be remembered that our present laws are the result of the experience of past ages, and should not be thoughtlessly cast aside lest the evil they were designed to suppress be upon us.

One of the cries of these would-be reformers is: "~~Do not tax improvements!~~ Why fine a man for erecting a ten-story building; and thus try to prevent labor from obtaining the work?"

This is a cunning question by which is sought to secure the support of the rich man on the one hand and the working man on the other.

Mr A has a lot of land in a city, 50x100 feet, on which he erects a 12-story building, during the erection of which two men were killed, and their families left to be supported by the community. Mr. B has the next lot of the same size on which he builds a one-story building. Nobody was injured its construction. And yet we are told that Mr. B should pay as large a tax as Mr. A because he has as large a lot of land in just as valuable a location. And it is proposed to put additional taxes on the land, or on land values, which is much the same.

Who should pay for the support of the families of the men killed while the sky-scraper was in course of construction?

Who should pay for the high-pressure water system, and the water towers and the loss of

life by falling walls at fires, all of which are caused by high buildings?

Suppose Mr. B's lot had no building on it. Must he still pay for all these and police protection as well, though he has nothing to protect, and is in no way benefited by them?

Does the danger to the community cease with the erection of a tall building?

A short time ago a man who was washing windows on the sixth story of a building on Washington st, fell and was killed. Two painters were working on a stage at the sixth story of a building on Cornhill; one end of the stage gave away and one man was killed and the other maimed for life. Every few months you read of some one walking into an elevator well and being killed or maimed.

These accidents don't happen on vacant land, and seldom on one or two-story buildings, As you increase the height of your buildings the number of accidents increase.

If the owners are to pay no tax on buildings, who pays for the support of those rendered destitute by accidents such as here cited?

I am informed that there is never a skyscraper erected that there are not two or three lives lost in its construction. And that the insurance companies refuse to place insurance on the steel workers who put up the frames of those buildings, and they have to depend on their trade unions for insurance.

"Why tax industry?" Asks these reformers.

How can you tax anything but industry?

2 different

A neighbor of mine has been paying a tax for 30 or 40 years on a vacant lot which he inherited. As he derived no income from the lot, that tax was a tax on his industry. If he had been able to rent the lot, the tax would have been paid by the industry of the tenant.

*N X* Taxes may be levied indiscriminately, but if they are paid, they are always paid by industry.

There is a proposition to abolish the tax on machinery, because that is a tax on industry. It is rumored that the Sure Machinery Company as well as the "single taxers" are back of this.

This may or may not be true, but we can see how a company with nearly all its capital invested in machinery might wish to shift its tax on to the land.

A certain manufacturer has \$1,000,000 worth of machinery. Every three or four months some one is injured in the machinery, and every three or four years some one is killed, and his family, if he have any, is dependent upon the community for support.

Why should not the man who owns the machine pay a tax to recompense the community for the damage caused by the machine?

*Why should not the man who owns the machine pay a tax to recompense the community for the damage caused by the machine?*  
*Does he not make an increased profit because the increase of production caused by using the machine?*

Why do not these would-be reformers seek a remedy for some of the twenty-one real enemies of mankind and of progress? (See Chapters II, III and IV).

Why devote their energies and those of soci-



ety to chasing imaginary evils, when there are so many real ones?

Why confiscate the property of certain citizens (the land owners) because certain other citizens want it?

Would not this confiscation of property shake the faith of the whole community in the justice of our government and make them wonder if any kind of property is safe under that government?

## CHAPTER VII.

### THE PROPORTIONAL TAX

Render therefore unto Caesar the things that are Caesar's;  
and unto God the things that are God's.          Matthew xxii, 21.

Have we lost sight of the origin of government, and the foundation of all taxes? Men first joined themselves together for protection—protection of their homes, their lives, their property; and each man gave his time and furnished his own food; but as civilization progressed it was found better for certain men to give all their time to the arts of war, and for others to pay, by means of a tax, for the protection thus rendered.

It also came to be recognized that a man should pay for protection in proportion to what he had to protect, or in proportion to his wealth.

Why should not the man, or corporation, with wealth in machinery, buildings, or any personal property pay for their protection?

The overthrow of this government by a foreign government might result in the buildings being reduced to ashes, the machinery to junk and the other personal property to worthless rubbish.

It is said that in Liverpool the street railways

pay all the taxes. Under a tax on land values only, they would be nearly exempt from taxation. How could you tax them for the "land value" of the streets which they use in common with thousands of others.

This whole land question is an importation from England. Mr. Neilson, a former member of the British Parliament, who has been lecturing in this country, says: "The last valuation of land in England was in the time of William and Mary (1688-1702) and much of the land was exempted from taxation perpetually in consideration of the owners paying a lump sum equal to between ten and twenty years taxes for the support of the nation."

Not only were the valuations of 200 years ago very low, but the rate of taxation was also very low, so that in many instances the lump sum which was paid for exemption for taxes did not amount to more than the tax for two years would today. The people of England of today think it unjust that land, some of which has increased in value ten-fold, should escape taxation for the government expenses of today because of something which happened two hundred years ago.

But in this country there is no such exemption of land from taxation.

In some of the settlements in this country lots were cast for the farms and town lots.

Land has no value except as it is touched by, or comes in contact with, either labor or capital. Go to the new country and the land has little or

no value, because neither capital nor labor has been expended on it.

A manufacturing company goes back into the country, where land is cheap, and buys a hundred acres of land on some stream, and builds a dam, erects buildings, and moves its factory from some city where their taxes have been increased from 50 to 100 percent in less than twenty years. It brings its workmen, and a village springs up. The land for miles around becomes more valuable, because the farmers have a market nearer home than formerly.

This increase in value is not because of any good-will, or conscious effort, on the part of the factory employes. We have known of several such moves on the part of corporations, and the employes, invariably, did not like the change, but they (the greater part of them, at least,) made it rather than be out of work and have to look up new jobs. When they have finally moved, they found that the cost of food, which came from the nearby farms, was much less and the quality was better than it had been in the place from which they came.

The increase in the value of the land was in spite of the factory employes, and, if it was to be credited to anybody or anything, other than the owners of the soil, it would be to the managers of the factory and to the capital which they expended. But it must be remembered that the directors of the factory did not order its removal for the sake of enhancing the value of the farm lands, nor for the purpose of bene-

fitting their employes. Their reward came in the reduced taxation.

This principle of capital increasing the value of other property than that on which it is expended is well understood. Many cities and towns offer to remit taxes if certain industries will locate within their boundaries. It is not unusual for the people of a community to raise money to start some industry which they think would improve business and thus increase the value of their property. *ways*

How about those cities or towns from which industries move owing to the increase in taxes?

There is such a thing as a town becoming stagnant, or retrograding, or finally being abandoned.

What is the cause of abandoned cities?

We have seen mansions and factories abandoned, the windows boarded up, and finally sold for one-fourth their cost, because the owners could not pay the taxes, and the single-taxers say: "The whole value of the land may be taken in taxation, and the only effect will be to stimulate industry, to open new opportunities to capital, and to increase the production of wealth." *(1) (1) /*

"With the exception of certain licenses and stamp duties, which may be made almost to collect themselves, but which can be relied on for only a trivial amount of revenue, a tax on land values can, of all taxes, be most easily and cheaply collected."—[Henry George.

If licenses and stamp duties "almost collect themselves," why not increase their number and

amount until they shall become the rule and not the exception?

Since George wrote his book the number of of things for which licenses are required have greatly increased, and the increase has been because of public demand. For instance, there was a public demand that automobiles and their drivers be licensed as a protection to pedestrians on the streets.

In selecting the "easiest" way to collect taxes do we not lose sight of the idea of protection? The original right to levy any tax is based on protection. The robber loots the bank because it is "easier" than to work and receive his pay in small quantities. The Germany army marched through Belgium because it was the "easiest" way. Tax assessors and law makers may loot a land-owner of property, which he honestly acquired, perhaps by years of hard labor. Would it be right?

"Taxes on the value of the land not only do not check production as do most other taxes, but they tend to increase production, by destroying speculative rent."—Ibid.

Is that so? We had thought that "speculative value" and "real value" were so intimately connected that you could not change the one without affecting the other.

Let it become known that a city or town has a high tax rate, and investors will go to some other town to buy or build, and those who are in the town will try to move away, often making big sacrifices in selling their property rather than continue to pay the high tax rate.

Of the deserted villages and abandoned cities, how many were due to over-taxation of the land? God only knows!

Adam Smith was right when he said: "The subjects of every state ought to contribute toward the support of the government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state. . . . Every tax which falls only upon rent, or only upon wages, or only upon interest is necessarily unequal."

This what is called the "proportional tax." It has been the goal in taxation for which statesmen have striven. It is just. Special interests and tax-dodgers may have overcome for a time that ideal, but, like any other truth, though crushed to earth it will rise again.

Is it not possible that some advocate the "single tax" for the sake of dodging their just share of the governmental support? All tax-dodgers are not rich men.

## CHAPTER VIII.

### DANGER OF UNTAXED VOTER.

Yea, they bind heavy burdens and grievous to be borne, and lay them on men's shoulders; but they themselves will not move them with their finger. Matthew xxiii, 4.

N/X  
There is the idea advocated by McCulloch and his followers who claim that taxes on rent of land are impolitic and unjust, because the return received for the natural and inherent powers of the soil cannot be clearly distinguished from the return received from improvements and ameliorations which might thus be discouraged.

"Where political power is diffused it is highly desirable that the taxation should fall not on one class, such as land owners, but on all; in order that all who exercise political power may feel a proper interest in economical government. Taxation and representation cannot safely be divorced."

One of the chief reasons for the extravagance and waste by our city governments is the fact that a large majority of the "city fathers" as well as their constituents pay only a poll tax. In some States it is not necessary for the voter to pay any tax as a requisite to voting. Is it any



wonder that the necessity for municipal economy does not appeal to them?

Of course it may be said that the man who pays only a poll tax has to pay for any extravagance of government in increased rent and higher cost of living. If that were true, as the increased cost does not come as a tax, he does not realize it. The higher cost of rent and of living may be because certain combinations, called trusts, have put up the price of building material, or of coal, or of wheat, or of any or all of the necessities of life, and the lesser evil of municipal extravagance is lost sight of.

But it is not entirely true. A large portion of municipal extravagance assumes the form of an interest-bearing debt which future generations have to pay. We have known of people moving to another town, where rents were cheaper, when their voice and vote had always been in favor of every extravagance in the town from which they moved. Did they pay for that extravagance?

But the owner of land cannot escape an increase in taxes by moving. Nor can he increase his rents just because taxes increase. We are living in a section of a city in which the taxes 30 years ago were \$14 on \$1000; the rate now is \$22 on \$1000; and in spite of this increase in taxes there has been a decrease in the rents. X V

"Corn is not high because rent is paid, but rent is paid because corn is high," and "no reduction would take place in the price of corn although landlords should forego the whole of their rent."

"It is not from the produce, but from the price at which the produce is sold, that the rent is derived, and this price is got not because nature assists in production, but because it is the price which suits the consumption to the supply."—[Buchanan.

"Nature gives to labor alone. In a very Garden of Eden a man would starve but for human exertion."—[Henry George.

The uncivilized man may live by land plus labor. But for the civilized man there is always the third factor, viz: Capital. Without this third factor (capital) man would be a savage. The gun or knife of the hunter means thousands of dollars capital employed in its manufacture. And capital must be paid, i. e., it must share in the product of land plus labor plus capital.

"Nature gives to labor ALONE" is not true where any kind of tools or machinery are used. To be just in valuing land you must figure not only the value added by labor but that added by capital (the tools and machinery) used to cultivate the land.

"There is a value, created and maintained by the community, which is justly called upon to meet community expenses. Now, of what values is this true? Only of the value of the land."—Ibid.

Is it not true of nearly all values? Of what value would a hill of gold be to a Robinson Crusoe? Far more valuable would be one of iron, for with the iron (provided he had the

requisite knowledge and skill) he could not only make tools to cultivate the soil, but also weapons to protect himself from wild beasts. So gold derives its value from the community; so do the precious stones; so does nearly every article known to civilized man. And this added value is a selling value and should therefore be taxed.

"The dangerous classes politically are the very rich and the very poor. It is not the taxes that he is conscious of paying that gives a man a stake in the country, an interest in its government; it is the consciousness of feeling that he is an integral part of the community; that its prosperity is his prosperity, and its disgrace his shame. Let but the citizen feel this . . . and the community may rely on him even to limb or life."—[Henry George.

Politically, the rich are not, as a class, dangerous, unless their property rights are threatened. If a government is true to its original function—that of protecting the persons and the property of its people—it usually has the support of all classes. Of course there are individual exceptions to all rules.

Economically, the very rich and the very poor are parasites on the body politic, and they may be anything from an annoyance to a national menace.

Let a man feel that his person and his property are safe, and that the government is also working for the prosperity, or protection, of its citizens, and it will receive his loyal support. But let him feel that his property is not safe. That

any avaricious rich man, or corporation, (whether it be communal or otherwise), may dispossess him and throw him into prison on some fake charge, and you have a man that is very near an anarchist. For why should a man be loyal to a government that does not protect him?

Some horses will go if you cluck to them, but others require the whip, or spur. Some men are only aroused to an interest in the affairs of government by an injustice coming to their notice. An indirect tax, because they are not conscious of paying it, does not arouse them, while a direct tax has caused many to sit up and take notice.

“There is a definite and powerful interest opposed to the taxation of land values; but to the other taxes upon which modern governments so largely rely there is no special opposition.—Ibid.

This does not agree with the reports of Congressmen and Senators who claim that whenever it is necessary to revise the tariff they are besieged by powerful interests. So powerful, indeed, that they have been known to seat and unseat members. Who has not heard of the whiskey; or oil, or railroad ring? Influences so powerful that they keep some of their own members in Congress constantly.

“The report of the investigation by Congress in 1893 notes the fact that on the strength of a rumor that the internal revenue tax was to be increased by Congress, the Trust raised its prices 25 cents per gallon. This would amount to a profit of \$12,500,000 on its yearly output.”  
—[Wealth vs. Commonwealth.

By February, 1888, all the distilleries (nearly eighty) in the Northern States were in the trust, except two, the larger of these two being in Chicago. In September of that year it was discovered that a valve in a vat had been tampered with in such a way as to have caused an explosion had it not been found in time to prevent it. The next month the owners made known that they had been offered and refused \$1,000,000 for their works by the Trust. In December this distillery was the scene of an explosion of dynamite. The buildings in the neighborhood were shaken and many panes of glass broken. A jagged hole about three feet square was torn in the roof. A package of dynamite which had failed to explode, though the fuse had been lighted, was found on the premises by the Chicago police.

On Wednesday, Feb. 11, 1891, the secretary of the Distillery Trust was arrested as he was about to enter the Grand Pacific Hotel in Chicago for attempting to bribe a government gauger to blow up the competing distillery.

If the explosion had been carried out, 150 men employed in the distillery would have been destroyed. The gauger had been selected because he had access to all parts of the distillery at all hours, and hence would have the opportunity to do the foul deed without being suspected.

The infernal-machine consisted of a small cannon which would shoot a sharp-pointed, conical ball through the bottom of a cistern or tank of alcohol or high proof spirits; this gun was supplied with three fuses, one of which would

remain lighted under water. There was also a bottle of yellow-colored liquid, which when exposed to a temperature of 65 degrees would produce a flame caused by evaporation. The secretary of the Distillery Trust said this would, "in three or four hours, go off, and no person would know what it was or who did it, and all the trouble that has been caused us will be stopped at once, and the sufferings of many people stopped, and no loss to those folks, as they are well insured."

The chemist who testified before the city grand jury said (in the anteroom after he had given his testimony) that in his opinion it would have or might have gone off in three seconds. Fire would have caused the shooting of the ball, and the ball making a hole in the tub, and alcohol—or high-proof spirits—coming down, an explosion would have followed at once, not from the machine, but from the contents of the cistern.

All honor to the gauger, Mr. Thomas S. Dewar. He was true to his trust and exposed the plot. By so doing he saved his own life, for if the explosion had occurred within a few seconds, when he thought he had three or four hours in which to get away, he would surely have been caught, and his life would have paid the penalty.

June 8, 1891, the judge of the United States court in Chicago quashed the Federal indictment on the ground that it is not a crime under any of the United States laws for an internal revenue officer to set fire to a distillery of his own volition and impulse, and that it is not a

crime against the United States for another person to bribe him to do such an act. He held that the offender could be punished only through the State courts.

The United States had property in this distillery to the extent of \$800,000 due for taxes, which was a legal lien on the property.

In the State court the case against the secretary of the Distillery Trust was postponed several times, and June 24, 1892, he was released on a nolle prosequi entered by the State Attorney because the evidence was insufficient, and became a free man.

(We would refer to *Wealth Against Commonwealth* for further details of this story and the authorities there cited.)

These "definite and powerful interests" (meaning the trusts, the grafters, the non-taxpayer and the men and who pay only a poll-tax) have increased the cost of living to such an extent that the tax rate in many if not most of the cities are 50 to 75 per cent higher today than they were when the civil war was on, and the assessments have also increased, 100 percent in many instances, and the greater part of this increase has been while we were at peace with the world, and no famine, or serious internal trouble.

It has been said there is a value added to the land by the community, and that value should belong to the community. How about it if there is a decrease in land value? Is not that the fault of the community? Should not the community make restitution to the land owner for the decrease in value, especially if it is to claim

all the increase in value as a community asset?

That would be fair. \ But no; this landless class of single-taxers, who imagine they give value to the land, the moment a depression in business or a deterioration in the personnel of the community comes (as by a colored man moving into the neighborhood), they are off to some other place, and the owner of the land is left to pay the exorbitant taxes caused by the extravagance and graft of the landless, nontaxpaying voter, or lose all he has. Not a few estates have been sold for taxes.



## CHAPTER IX.

### BASES OF TAXATION.

Masters, render unto your servants that which is just and equal; knowing that ye also have a Master in heaven. Colossians iv, 1.

Let us consider some of the bases of taxation.

Many different interpretations have been put to Smith's rule of taxation. "The subjects of every state ought to contribute to the support of its government as nearly as possible in proportion to their respective abilities," has been held to imply, first, that every government has a right to exact support from all its subjects. This is opposed to the American idea that only those who share in the powers should bear the burdens of government, or, "no taxation without representation." If this latter opinion is strictly construed it would follow that all taxes on articles of universal consumption are unjust, except in a country where all have the right to vote.

The idea that all who share in the protection and benefits of a country should bear their share in the defense of the same (in person as well as by taxation) is growing in the United States. The large number of aliens who escape military duty is the cause of this change in opinion.

The doctrine of sovereignty as the basis of

taxation results in the maxim that a government should impose such taxes as are "most easily assessed and collected, and are at the same time most conducive to the public interests" (McCulloch). As a general looks to the efficiency of his army as a whole, and is prepared to sacrifice any portion of it, if necessary, so the state should not regard the particular interests of individuals, but should consider the nation as a whole. But no such ideal in any nation has become popular enough to render a complete neglect of private interests acceptable.

Second, the word "abilities," used by Adam Smith, led to the idea advocated by Mill and Fawcett that taxes ought to be levied so as to involve equality of sacrifice on the part of the contributors.

"Equality of taxation as a maxim of politics," says Mill, "means equality of sacrifice. It means the apportioning of the contribution of each person towards the expenses of government, so that he shall feel neither more nor less inconvenience from his share of the payment than every other person experiences from his." It is admitted that this cannot be realized, but it furnishes a basis.

Third, Adam Smith goes on to say that subjects should pay "in proportion to the revenue which they respectively enjoy under the protection of the state." This shows that taxes ought to be considered as payment for valuable services rendered by the state to individuals. It can readily be seen that in one sense the poor need

protection more than the rich, but, if stress is laid on protection and assistance afforded by the state in the acquisition of individual fortunes, you obtain a view of taxation sometimes called "the social dividend theory."

It is on this ground that Mill proposed that the "unearned increment" from the land should be taken by the state, but it has often been pointed out that "unearned increments" are by no means confined to the land. The state may be looked upon as a partner in all industrial undertakings and therefore entitled to share in the proceeds. Poor taxes and education taxes have been regarded as an insurance paid by the rich against the poor.

4 As a fourth basis of taxation it has been maintained that the state ought to use its powers of taxation for the promotion of various social ends.

Adam Smith says: "It has for some time past been the policy of Great Britain to discourage the consumption of spirituous liquors, on account of their supposed tendency to ruin the health and corrupt the morals of the common people." Mill opposed the graduated income tax, but favored the imposition of extremely heavy inheritance taxes, with the double object of promoting a better distribution of national wealth and compelling individuals to rely on themselves.

In early times court fines were an important source of revenue. A protective tariff has been

a source of revenue always, to a greater or less extent.

"In every civilized community a complex system of taxation is adopted.—[Encyc. Brit.

Certainty — Adam Smith says: "The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor and to every other person [to prevent the use of arbitrary powers by the tax gatherer].

. . . The certainty of what each individual ought to pay is in taxation a matter of so great importance that a very considerable degree of inequality, it appears, I believe, from the experience of nations, is not near so great an evil as a very small degree of uncertainty."

5 Another canon of taxation is convenience. "Every tax ought to be levied at the time or in the manner to which it is most likely to be convenient for the contributor to pay it," for it is good government to have the tax paid in the manner that will be least annoying to the payer. It has been found possible to raise large revenues by taxes on commodities, the payments of which are made in inconsiderable sums by the consumer, when it would have been impossible to collect the same amount by direct taxation at comparatively long intervals.

The canon of economy states that "every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state." Taxes may

break this rule by requiring a large number of officials for their collection, by restraint of trade and production, by encouraging smuggling, and by causing unnecessary vexation; "and, though vexation is not, strictly speaking, expense, it is certainly equivalent to the expense at which every man would be willing to redeem himself from it."

"To pretend to have any scruple about buying smuggled goods would in most countries be regarded as one of those pedantic species of hypocrisy which serve only to expose the person who affects to practice them to the suspicion of being a greater knave than his neighbors."

To these general rules of taxation given by Adam Smith may be added others: We will mention two:

1. All sovereignties, or governments, derive their just powers from the consent of the governed.

This does not mean that every individual shall have a part in the governing. Many people do not care to vote. The majority of women do not, and a large number of men do not care enough about it to register. Certain criminals and people of unsound mind are debarred from voting. In most countries children are not supposed to have sufficient judgment to vote.

But even these need a government, and the more helpless they are the more they need it, and there is no just reason why the weak ones

should not contribute to the support of the government if they have the ability. The weaker they are the more readily would they become prey to the unscrupulous and predatory.

There is, of course, a good argument why women should be allowed to vote, and, we opine, she will be just as soon as a majority of her sex wishes it.

The unjust powers of government ought not to exist. But how those powers were acquired and how to obliterate them it is not our purpose to consider here.

2. Governments were originally formed and still exist for the purpose of protection.

Protection to life and property were among the requirements of the earliest forms of government, but as civilization progressed protection was demanded in thousands of directions not dreamed of by primitive man. Protection from disease has caused the enactment of sanitary laws, quarantine laws, laws regulating the amount of air space per individual in sleeping room, and caused the establishment of water works and sewer systems. Protection from ignorance resulted in our school system. Grade crossings are abolished, life-saving devices ordered on steamships and railways and building-laws enacted to protect the people.

All these things must be thought of in considering the matter of taxation. Is it any wonder that taxation in a civilized community is a complex affair?

## CHAPTER X.

### EFFECT OF TAXES ON PRODUCTION

In this world nothing is certain but death and taxes.  
Benjamin Franklin.

“Until its ownership will confer some advantage, land has no value.”—Henry George.

If this statement is true, what does cause the value of land? Certainly it is not ownership.

The same might be said of ownership of anything. The error consists in thinking land is different from anything else in that regard.

The town that takes over an abandoned farm has not added to its value by so doing. Land, except as it is touched by, or comes in contact with either labor or capital has no value.

Are not the higher rents in city than in country places caused in part by the difference in taxes; including the difference in valuation as well as the rate?

Does not any increase in taxes cause an attempt to be made to shift that tax on to someone else by an increase in the price? Sometimes the attempt is successful and sometimes it is not.

“While the value of a railroad or telegraph line, the price of gas or of a patent medicine,

may express the price of monopoly, it also expresses the exertion of labor and capital; but the value of land, or economic rent, as we have seen, is in no part made up from these factors, and expresses nothing but the advantage of appropriation."—Ibid.

Why should we assume that the price of gas or a patent medicine expresses the exertion of labor and capital and that the price of land does not?

The farmer who drains his land, or builds a dike, or takes a sand lot and by fertilizing and manuring it causes it to raise a crop, uses both capital and labor, by which he frequently makes worthless land valuable, and shall we say that the value of such land expresses nothing but the price of monopoly.

✓ "The whole value of the land may be taken in taxation, and the only effect will be to stimulate industry to open new opportunities to capital, and to increase the production of wealth."—Ibid.

The effect would be that when "hard times" came, caused by any one of the score of causes previously enumerated, as come they will, sooner or later, the city will retrograde, the shops and tenements will become vacant, the taxes will be increased to support those out of work, and, if the cause of the hard times should continue for a number of years you would be likely to have another of those "deserted cities" for future generations to wonder at.

The effect of taxation on farming land is to



decrease the value of the land, and if the land is of the kind that it is barely possible for the farmer to make a living of the standard to which he has been accustomed, whether it be from lack of fertility or inaccessibility to markets, it is likely to cause an abandonment of the farm.

The farmer whose farm is such that he can stand an increase in taxation, because it merely affects his income, is apt to search for some other business in which the profits are larger, and sell his farm at a reduced price.

✓The value of ownership of land, or anything else, depends in part on the security of possession, and anything which affects that security affects the value of property, whether it be war, a defective title or an uncertain and ever increasing tax rate.

Sydney Smith (1820): "The schoolboy whips his taxed top; the beardless youth manages his taxed horse, with a taxed bridle on a taxed road; and the dying Englishman, pouring his medicine, which has paid 7 percent, into a spoon that has paid 15 percent, flings himself back onto a chintz bed which which has paid 22 percent, and expires in the arms of an apothecary who has paid £100 for the privilege of putting him to death."

In so far as taxes protect production, and enable it to progress in safety they are a benefit, but anything more than this is an injury. The people are entitled to have their government run on as economical a basis as is consistent with efficiency.

accord. to Henry G's emphasis, another  
have confused or misstated the  
ownership of land

## CHAPTER XI.

### LAND.

And I will give unto thee, and to thy seed after thee, the land of thy sojournings, for an everlasting possession.

They shall dwell securely in their land, and none shall make them afraid.

Is it not lawful for me to do what I will with my own?

The Bible.

Land, labor and capital are the factors of production and of progress according to political economists. In order that these three factors may cover the entire realm of progress and production it is necessary to consider air and water as land and food clothing and shelter as some-belonging to one and sometimes to another of these factors.

Of course in order for humanity to exist land is necessary, and the question to be solved is as to what is the best method in which to hold the the land.

Of course, also, food, clothing and shelter are necessary, but that does not make it right to take them from any possessor who happens to have them, simply because you have the power to do so.

There is hardly any scheme, or system, of occupation of the land that has not been tried, and our present system is the result of experience.

Arthur Young says: "The magic of property turns sand into gold." "Give a man the secure possession of a bleak rock, and he will turn it into a garden; give him a nine years' lease of a garden, and he will convert it into a desert."

The nine-year lease was a common form of land tenure in his day.

Sismondi writes: "What endowed man with intelligence and perseverance in labor, what made him direct all his efforts toward an end useful to his race, was the sentiment of perpetuity. The lands which the streams have deposited along their courses are always the most fertile, but are also those which they menace with their inundations or corrupt by marshes. Under the guarantee of perpetuity men undertook long and painful labors to give the marshes an outlet, to erect embankments against inundations, to distribute by irrigation-channels fertilizing waters over the same fields which the same waters had condemned to sterility. Under the same guarantee, man, no longer contenting himself with the annual products of the earth, distinguished among the wild vegetation the perennial plants, shrubs and trees which would be useful to him, improved them by culture, changed it may be almost said, their very nature, and multiplied their amount. There are fruits which require centuries of cultivation to bring to their present perfection, and others which have been introduced from the most remote regions. Men have opened the earth to a great depth to renew the soil, and fertilize it by the mixture of its parts and by contact with the

air; they have fixed on the hillsides the soil which would have slid off, and have covered the face of the country with a vegetation everywhere abundant, and everywhere useful to the human race. Among their labors there are some which the fruits can only be reaped at the end of ten or twenty years; there are others by which their posterity will still benefit after several centuries. All have concurred in augmenting the productive force of nature, in giving to mankind a revenue infinitely more abundant, a revenue of which a considerable part is consumed by those who have no share in the ownership of the land, but who would not have found a maintenance but for that appropriation of the soil by which they seem, at first sight, to have been disinherited."

John Stuart Mill writes: "But though land is not the produce of industry most of its valuable qualities are so. . . . One of the barrenest soils in the world, composed of the material of the Goodwin sands, the Pays de Waes in Flanders, has been so far fertilized by industry as to have become one of the most productive in Europe. Cultivation requires buildings and fences, which are wholly the produce of labor. The fruits of this industry cannot be reaped in a short period. The labor and outlay are immediate, the benefit is spread over many years, perhaps over all future time. A holder will not incur this labor and outlay when strangers and not himself will be benefited by it. If he undertakes such improvements, he must have a sufficient period before him in which to profit by

them; and he is in no way so sure of having always a sufficient period as when his tenure is perpetual."

Mill, in speaking of peasant proprietors in Flanders, says that a man, his wife and three children, a cow and a hog can live on the produce of two and one-half acres of land, and, and if he has a six-acre place, the produce of three and one-half acres may be sold to pay rent, or interest on purchase money, wear and tear of implements, extra manure, and clothes for the family. With 15 acres and the addition of a man and a woman to the family, and a horse and cart, a farmer may live, bring up a family, pay a good rent and accumulate a considerable sum in the course of a lifetime. "But the indefatigable industry by which he accomplishes this, and of which so large a portion is expended, not in the mere cultivation, but in improvement, for a distant return, of the soil itself—has that industry no connection with NOT paying rent? Could it exist, without presupposing, at least, a virtually permanent tenure?"

According to the World Almanac there are 29.5 persons per square mile on this earth. Of the 57,255,000 square miles the "fertile regions" contain only about 29,000,000 square miles; the other 28,000,000 square miles being divided between deserts, steppes, the polar regions and inland lakes and rivers. This would make 58 persons per square mile for the fertile regions to support.

As it requires about two square miles to sup-

port one hunter it is plain that the human family is forced to agriculture if it would live.

Massachusetts has a population of 480 per square mile, and the (continental) United States 28.4; while England in 1911 had 618; Scotland, 156.5; and Ireland, 135.6.

The figures not only show the necessity of cultivating the land but of cultivating it in the most efficient manner, and, judging by the past, the land has produced more when privately owned than under any other system of tenure.

Of course, in farming, as in any other business, there is an advantage when the proprietor is a practical man and superintends his farm personally. How shall we prevent a man from doing what he will with his own? Can we lay any claim to justice if we do?

It must not be forgotten that custom and not competition often fixes the rent and the tenure of land. In some sections the tenant can sell his tenancy for quite a substantial sum, and yet legally he is only a tenant-at-will. And the right of the heirs to inherit the tenancy is also recognized.

Sometimes sentiment rather than competition fixes the value of the land. Many a man continues to own land, because he inherited it, when it is not worth the taxes.

Sentiment fixes the value of many things and its power is recognized in regard to other things, why not in regard to land? A man may be offered a big price for his business, by some

corporation that wishes to form a monopoly, but he refuses to sell. Years of work and habit has endeared that business to him and he does not wish to sell at any price.

Land probably will continue to be bought and sold as private property, because, considering all things, it is the nearest approach possible to what is right in dealing with the problem.

'Tis heaven alone that is given away  
'Tis only God may be had for the asking.

James Russell Lowell.

## CHAPTER XII.

### LABOR

Laborin' man an' laborin' woman  
Hev one glory and one shame;  
Ev'y thin' that's done inhuman  
Injures all on 'em the same.

James Russell Lowell.

Labor is one the factors of production and of progress and is divided, perhaps somewhat arbitrarily, by economists into productive and unproductive labor.

Productive labor produces utilities which are embodied in material objects, as a horseshoe, or the iron from which the horseshoe is made.

Unproductive labor embraces other kinds, such as the footman in livery whose labor is for ostentation and show.

There is such a thing as productive and unproductive consumption. The food and clothing consumed by the insane is an instance of unproductive consumption, while that consumed by the farmer is productive consumption.

Labor is employed either directly about the thing produced or in operations preparatory to its production, as labor employed in producing subsistence for subsequent labor, in producing materials or implements, in the protection of



labor, in the transportation and distribution of produce, in invention and discovery, in agriculture, manufacturing and commerce, as well as labor which relates to human beings, as teaching, doctoring, nursing, etc.

The tendency of competition is to reduce the recompense of labor to the smallest amount that will sustain life, or to a bare existence.

It is fortunate for the average laborer that there are several things that tend to regulate the price of labor besides competition.

One of these is the ratio between the amount of money available for wages and the number of laborers.

This ratio is subject to changes caused (1) by an increase in number of laborers, (2) by a decrease in number of laborers, (3) by an increase in amount of money, (4) by a decrease in the amount of money, (5) by improved machinery or methods, which have the same effect as an increase in number of laborers.

Custom in many instances fixes the price of labor, and in such cases competition has little effect. Fishermen fish "on shares," and the price of fish is supposed to be governed by supply and demand. The expose of some of the combinations of wholesale fish dealers has led us to doubt whether supply has much to do with regulating the price of fish; and demand is governed more by religious ideas than anything else. If it is not so, why is Friday looked upon as the day for eating fish more than any other day?

Access to the means of production tends to prevent competition from reducing the price of labor. This is particularly true of the fishing industry. Several year ago we heard a Cape Cod farmer complaining that he had to pay \$2 per day for laborers, while farmers in the middle and western parts of the State could hire help for \$20 a month and board. When asked why, he said:

"Well, you see, the men go clamming. At low tide they can get enough clams to sell for \$1 or \$1.25, and as there are two tides a day that enables them to earn \$2 or \$.50 per day."

This condition is somewhat changed today. Owing to the great probability that the supply of clams would become exhausted, laws were passed protecting people who planted clams; and the towns have been obliged to pass laws to prevent any but citizens from digging clams, and also, in some instances, limiting the amount which each individual would be allowed to dig. Nevertheless, if a man would take the precaution which the savage does, of keeping a boat, he could fish as much as he wished.

An inflation of the currency, or an increase in the circulating medium usually causes an increase in wages, in name, at least, if not in reality. *Real wages*

The advance in the cost of necessities owing to the European war has caused a demand on the part of labor for an increase in pay, which has generally been granted, and yet, in spite of this increase in pay, as expressed in the necessi-

ties or comforts of life, the real wages of labor are not as large as they were before the war.

This nominal advance in the price of labor and real advance in the cost of living may be attributed to the large number of men taken for war purposes from the ranks of labor, but this can have affected it only in a limited degree. The larger portion of this boom in prices occurred before the United States was a participant in the war and may have continued to even higher levels had we remained neutral.

The new births in the country more than offset the men called to war. In order for the population to double in 25 years, as it has in the past, there must be an addition of over five-and-a-half million persons every year. About one-half of these are males.

Number of births per year necessary for a population of 102,826,309 to double in 25 years, if there were neither immigration nor death . . .	4,113,052
Births necessary to make up for deaths, per year (13.5 per 1000) . .	1,388,155
	<hr/>
	5,501,207
Less gain by immigration per year . .	746,361
	<hr/>
Births necessary to double population .	4,754,846

The World's Almanac gives the death rate of the United States as 13.5 per 1000, and the number of immigrants for the five years, 1910 to 1914 inclusive, as 5,174,701, and the number of alien emigrants for the same period as 1,442,892.

Thus we have in continental United States an increase in births of nearly 2,500,000 males, and if the Philippines and other insular possessions we taken into consideration it would amount to more than that.

If we were to have 2,000,000 men in the Army and Navy the casualties would hardly reach 25 percent, or 500,000, which is only one-fifth of the males born each year.

It would appear that the increase in the cost of living is not due to a diminution of men, but to some other cause.

The nations at war are going in debt, and spending money lavishly; the stress will come when payment of these vast debts have to be made.

So far as the war was necessary for the protection of labor, labor should bear its share of the expense. But capital has been protected as well as labor, and, unless great care is taken, capital will shift its share of the burden so that labor and land will bear it all.

Henry George says: "If I take a piece of leather and work it up into a pair of shoes, the shoes are my wages—the reward of my exertion. Surely they are not drawn from capital—either my capital or any one else's capital."

If capital is "stored-up labor" then leather is capital as it requires weeks to make it, and it is capital i. e., stored-up labor, whether one makes it himself and earns his living while making it by some other labor, as fishing, or whether he buys it with money, and the food and clothing

which he eats and wears while making the shoes are either his own stored-up labor (capital), or the stored-up labor of someone else.

There is no doubt but what labor produces wages and capital, but labor produces practically nothing without the aid of previous labor which must have been stored-up to be in existence.

“The people of a country are maintained and have their wants supplied, not by the produce of present labor, but of past.”—John Stuart Mill.

## CHAPTER XIII.

### CAPITAL

But thou shalt remember Jehovah, thy, God, for it is He that giveth thee the power to get wealth. Deut. viii, 18.

Most writers on political economy have devoted considerable space to the definition of words or terms, oftentimes giving them a much more limited meaning than they have in ordinary use. Also, most writers have forgotten the limited meaning which they gave to the words and have used them in a different or wider sense before they have finished their works.

"Capital is but stored-up labor," says Henry George. That definition seems best because it is brief, and it embraces most of the other definitions.

"The capital of a nation really comprises all those portions of the produce of industry existing in it that may be directly employed either to support human existence or to facilitate production."—McCulloch.

"Capital is that part of the wealth of a country which is employed in production, and consists of food, clothing, tools, raw materials, machinery, etc., necessary to give effect to labor."—Ricardo.

"That part of a man's stock which he expects to afford him a revenue, is called capital," says Adam Smith, and he makes some fine distinctions as to when certain things are capital and when they are not. Food if a man has it to sell is capital, but if he has it to eat it is not capital. Coal if a man uses it to run his engine in his shop is capital, if he uses it to cook his dinner it is not capital, according to Adam Smith.

Is not the food that a man eats, in order that he may perform his day's work, capital, as much as the coal which he burns in his engine that he may perform his day's work? Are they not both the product of previous labor, or stored-up labor?

Karl Marx devotes two large quarto volumes to telling what "Capital" is and is not.

"Whatever things are destined to supply productive labor with shelter, protection, tools and materials which the work requires, and to feed and otherwise maintain the laborer during the process, are capital."—John Stuart Mill.

"The word capital is used in two senses. In relation to product it means any substance on which industry is to be exerted. In relation to industry, the material on which industry is about to confer value, that on which it has conferred value; the instruments which are used for the conferring of value, as well as the means of sustenance by which the being is supported while he is engaged in performing the operation."—Prof. Wayland.

Henry C. Carey says capital "is the instru-

ment by which man obtains mastery over nature, including in it the physical and mental powers of man himself."

Prof. Perry defines capital as "any valuable thing outside of man himself from whose use springs a pecuniary increase or profit."

William Thornton, an English economic writer, says ("On Labor") that he would include land with capital. Prof. Francis A. Walker, an American writer, makes the same declaration in his work on "The Wages Question."

N. A. Nicholson, London, 1873, says: "Capital must of course be accumulated by saving," and "the land which produces a crop, the plow which turns the soil, the labor which secures the produce, and the produce itself, if a material profit is to be derived from its employment, are all alike capital."

Henry George cannot understand how "land and labor are to be accumulated by saving."

Mr. A. having saved the product of his labor, i. e., saved his labor, for years, with that saved-up, or stored-up labor (money) he buys a piece of land. He has accumulated the land just as surely as he has accumulated the money.

If a man were to say, "I made \$5 yesterday," no one with a modicum of sense would think that he meant that he manufactured a \$5 gold piece out of crude gold, or that he printed a \$5 bill. The man who saves his "wages" saves his labor—not in the sense of sparing his labor, but in the sense of hoarding it.

"The gold washed out by the self-employed



gold digger is as much his wages as the money paid to the hired coal miner by the purchaser of his labor," says Henry George. It is also his saved labor, or stored labor, or capital. If not, why not?

Prof. Amasa Walker says capital arises from the net savings of labor, and then afterward declares that land is capital.

By excluding wealth, all natural resources, mines, waterfalls, water, bank bills and all forms of money (except coin) from his definition of capital, Henry George tries to make out a case. But it amounts to "words, words."

As well define heaven as a place of darkness and sin, or hell as a place of happiness where there is no night, and on such definitions build an argument.

Having considered the various definitions of capital it appears that "stored-up labor" is as good a one as can be found, whether it be in the shape of knowledge, or gold, or houses, or land, or cattle, or sheep, or any of the forms of wealth. It is a pretty fine distinction to say that whether a thing is capital or not depends on the use to which the owner intends to put that thing—whether to use it himself or to sell it—because it not unfrequently happens that a man does not know what use he will make of a thing.

A certain man, named Jacob, made for himself a savory "pottage," or "pot roast," and, when it was all ready to be served, his brother arrived at the camp all tired out from a long

hunting trip, and the brother was faint. This brother's name was Esau.

"And Esau said to Jacob, 'Feed me, I pray thee, with that same red pottage; for I am faint.'

"And Jacob said, 'Sell me first thy birthright.'

"And Esau said, 'Behold I am about to die; and what profit shall the birthright do to me?'

"And Jacob said, 'Swear to me first; and he swore unto him; and he sold his birthright unto Jacob. And Jacob gave Esau bread and pottage of lentils; and he did eat and drink, and he rose up and went his way.'

Now Jacob prepared the pottage for himself, but he saw a chance to make a good trade and he sold it. According to some writers the pottage was not capital until his brother came into camp and asked for the pottage, and then it suddenly became capital. It was "stored-up labor" from the raising of the animal to the killing, dressing and cooking of it, and did not have to do any lightning-change trick at the last moment to become capital.

That the laborer may and usually does use capital, even when working for himself, is a fact that many writers overlook, or, if they mention it, they proceed with illustrations and arguments in which that fact is ignored. A naked man may pick wild berries and eat them, but, if he is to sell the berries, he must first manufacture baskets to carry them in, even though they are birch-bark ones, and both the berries and the baskets are "stored-up labor." And these baskets could scarcely be called "wages," unless

we consider wages and capital one; they are his capital by means of which he expects to market the product of his labor.

The savage who uses a steel knife, hatchet or gun is using that which requires thousands of dollars capital. There is nothing which civilized man uses for food, clothing or shelter, or arts, literature or amusement that does not require capital as well as labor. It is not good logic to say labor creates capital and therefore can get along without it. If the products of labor and "wages" are to be spoken of as one, then capital, wealth, profit, interest, wages, etc., are all one, and philosophy becomes merely words, words.

The civilized man must have capital in some shape in order to labor, and while labor may precede capital in the case of the nude savage, even with him capital is more often used than not.

"Many months must elapse between the sowing of the seed and the time when the produce of that seed is converted into a loaf of bread," and "it is therefore evident that laborers cannot live upon that which their labor is assisting to produce, but are maintained by that wealth which their labor, or the labor of others, has previously produced, which wealth is capital."— [Fawcett.

Henry George says: "These propositions are seen to be not self-evident, but absurd; for they involve the idea that labor cannot be exerted until the products of labor are saved—thus putting the product before the producer."

With the civilized laborer is it not invariably

the case that another's labor must precede our own? We labor by means of the product of some other man's labor.

Take the printer, for instance, he goes to the office (a building made by other men's labor), sets type (made by other men), he takes a proof using roller, ink, paper and press (made by others), he reads, corrects, imposes and prints (with materials made by others), and, if it is a book he is working on, it has to go to the binder, thence to the publishers, thence to the book-stores, and it would be months before any money would be derived from his labor or its product, unless someone with capital advanced him his wages.

"The canoe which Robinson Crusoe made with infinite pains was a production in which his labor could not yield an immediate return. . . . It was necessary only that he should devote part of his time to the procurement of food while he was devoting part of his time to the building and launching of the canoe."—  
[Henry George.

Is it not plain the the canoe became Crusoe's capital, or stored-up labor, as soon as he commenced to build it, and the nearer it approached completion the greater was his capital (stored-up labor).

The nude savage may gather wild fruits and eat them, and thus have no capital, but if he makes a bow and arrow, or any other weapon, to kill game with, he thereby stores up labor and has capital in the bow and arrow.

Does subsistence come from the past or from productive labor that is going on around us? asks Henry George.

The greater portion of present production exists because of past labor. Years of labor were required to build the boats, nets and equipment with which to catch the fresh fish on the breakfast table; at least one year's labor was required to raise the cow from which the fresh milk was obtained; fresh vegetables were planted and labored on months before they were put on the table; while the orchard from which the fresh fruit is obtained must have been planted from two to seven years before it bore anything.

Daily labor supplies daily bread only because it makes use of the stored-up labor (capital) of the past. The rich man might, because of his capital, have his food placed on his table, and by refusing to eat might die of starvation. The labor of feeding himself would hardly be called earning his daily bread by daily labor, and yet that may be the only labor which he performs.

Nearly all taxes, in this country, at least, are collected in the shape of money, and money is capital; money never exists until labor has been expended, and it represents stored-up labor. If one should say money is not capital, the error would be in the definition of money. Calling black white does not make it so. But a single-taxer does not stop at a little thing like that.

H. Besser in his book thus describes such a person:

"A very frequent form of obstinacy is that which is familiarly known as the 'fixed idea,'

that is to say the persistence of a single idea that has become so exaggerated that it finally develops into an obsession from which nothing can turn those who have fallen victims to it. . . . Pushed to its limit the 'fixed idea' becomes a monomania. This state of mind has the essential characteristic of causing every occurrence, whatever its nature may happen to be, to take on the color of the dominant thought that one cultivates so sedulously. Things which, at first glance, seem to be absolutely incompatible with this point of view, and quite at variance with the obsession in question, always become a part of it in the end. They become bound to it by threads more or less slender, but which, after a thousand twists and turns, ultimately attach themselves fast to it, thus effecting a heterogeneous jumble of ideas in which the victim of the obsession will always manage in some mysterious way to find a point of contact."

## CHAPTER XIV.

### THE FUNCTIONS OF CAPITAL

"Know from a bounteous heaven all riches flow." Pope.

We are so accustomed to breathing that we do it unconsciously; we are also so accustomed to using capital (stored-up labor) that we do it unconsciously.

Capital, therefore, increases the power labor to produce wealth:

1. "By enabling labor to apply itself in more effective ways, as by digging up clams with a spade instead of the hand, or by moving a vessel by shovelling coal into a furnace instead of tugging at an oar."—[Henry George.

[Furnishing the clam-digger with a spade is increasing the power of labor to produce wealth, but moving a vessel (capital) by shoveling coal (more capital) into a furnace (also capital) instead of tugging at an oar (capital), is not so much increasing the power of labor as it is increasing the efficiency of capital. It must be remembered that capital, unless used efficiently, wastes itself. The primitive man who wished to navigate a stream (without capital) would have selected a drifting tree and propelled it by paddling with his hands, or with a broken

branch of the tree. The oar was as much capital in the foregoing illustration as was the spade, yet the author did not seem to appreciate the fact.]

2. By assisting labor to avail itself of the reproductive forces of nature, as to obtain potatoes by planting them, or cattle by breeding them.

3. By permitting the division of labor, and thus increasing the efficiency of the human being by the utilization of special capabilities, the acquisition of skill, and the reduction of waste; and also by using the powers of nature at their best, by taking advantage of the diversities of soil, climate and situation, so as to obtain each particular kind of wealth where nature is most favorable to its production.

4. By paying wages and supporting labor during production.

5. By supplying materials which labor works up into wealth.

6. By supplying machinery and tools, buildings, factories, stores, houses and land to the laborers.

7. By supplying transportation.

8. By supplying money and means of exchange.

9. Lack of capital, and the inefficient use of capital, limits industry.

There is no dispute as to the second and third propositions stated above; they are self-evident; so we will pass to the fourth. It is only by putting a limited and false meaning to the word "capital" that any ambiguity arises, and



we have previously quoted the authorities on this subject.

If you bear in mind that "stored-up labor" is capital, can there be any doubt that the civilized man lives and eats because of capital?

It has been said in regard to the fifth proposition that nature, rather than capital, supplies materials which are made up into wealth by labor. This may be true, in some few instances, with the savage man, but with the civilized man nature yields her materials only to labor when assisted by capital.

Sixth. It is admitted (*Progress and Poverty*, p. 80) that capital, or the lack of it, may limit the "form" and the "productiveness" of labor. Without the factory there could be no factory operatives. If the farmer must use a stick, because he has not capital enough for a spade or a horse and plow, there is a great limitation put on the productiveness of his labor.

Do you not limit labor when you limit its form and productiveness? Can you think of a single instance in which the civilized man exerts his labor power and reaps the product of that labor, without the use of capital?

Physical exercise, or calisthenics, is the only labor I know which yields its product without the use of capital, and a man would starve if his labor were limited to that.

Seventh. That capital by supplying transportation aids labor is so patent that it needs scarcely be stated.

Think of the labor of bringing copper from

Lake Superior to New York or Boston, if it had to be packed on the backs of men.

Eighth. It seems self-evident that capital supplies money and the means of exchange. Even though credit is a large factor in banking and exchange, credit could not long exist without capital.

Ninth. As the power of labor to produce wealth is increased by capital in the aforementioned ways, so the lack of capital and its inefficient use limit the power of labor to produce wealth. This limit is not necessarily an absolute stoppage of labor. "Limited liability" does not mean no liability.

"A portion of wealth production is constantly going to the replacement of capital, which is constantly consumed and constantly replaced. But it is not necessary to take this into account, as it is eliminated by considering capital as continuous."—[Henry George.

The annual increase of wealth is estimated to be from 3 to 7 percent only. The wealth of the United States in 1900 was \$88,517,303,775; in 1912 it was \$187,739,071,090; an increase of less than 7 percent. The other 93 percent must have gone for (1) what was consumed in production and (2) the replacement of capital.

To "eliminate" consideration of 97 percent of production and remember only the 7 percent is rather absurd, and yet that is what you do if you consider capital continuous.

"When we speak of produce, we mean therefore, that part of the wealth produced above

what is necessary to replace the capital consumed in production."—Ibid.

The product of a farm or a factory is its gross output, regardless of whether the capital is replaced or not. Profit is the word generally used to denote the gain over and above that necessary to replace capital. When we say of a certain shoe factory that its "production is ten cases of shoes per day," no man would think we meant that there were that many cases "above what is necessary to replace the capital consumed in production."

"Some portion of the produce is taken in taxation and consumed by government. But it is not necessary, in seeking the laws of distribution, to take this into consideration."—Ibid.

Not considering the produce taken by the government and the transportation problem and the calls upon capital to settle these matters resulted in the coal and sugar famine in New England in 1917-18, and caused the banks to call in their loans and boost the rate of interest.

Single-tax writers claim that the whole social fabric is dependent up three factors—land, labor and capital—and that all social wrongs are because of the inequitable division of production between these three factors.

A certain rich Arab was making his way across the desert of Sahara, as it was a business trip his belt was well supplied with precious stones and gold; when in the midst of the desert his camel sickened and died. The land as far as he could see was his to use as he would; he had plenty of capital, and his labor power was

unimpaired, for he was in his prime. Land, labor and capital were his, and yet death stared him in the face, unless some caravan should chance his way.

A Robinson Crusoe might have a cave of gold, more land than he could possibly use, and be as strong as Samson, or, in other words, have land labor and capital, and yet be nothing but a miserable castaway, like a bird fretting his life away in gilded cage.

You never saw a watch or a clock with only three wheels, and yet single-tax writers think the weal or woe of the whole social fabric is dependent on the three wheels—land, labor and capital.

For a community to be successful it must have not land alone, but land containing many and diversified elements, or those elements must be readily obtainable. Of course farm lands are necessary, but what would farm lands avail without the plow, mowing machine, harrow, etc.? And how shall we obtain these without iron? If you consider all these as land, the question becomes one of transportation for the necessary elements are seldom if ever to be found in one locality, and to furnish transportation is one of the functions of capital.

Also for a community to be progressive it must not only have labor, but it also must have labor skilled in the various arts and crafts. It must not only have capital, but it must also have it in the shape and form most readily adaptable to the multiple uses of a modern civilization.

It must also have men of education and to

obtain these schools and colleges are necessary, furnishing which is also a function of capital.

And last, but by no means least, that country that would spell success must have God-fearing justice-loving, right-living men, and these to a great extent depend on the religious training, which training, in modern days at least, requires capital.

The present world war is because the Kaiser and the junkers who rule the German Empire had neglected the Biblical teaching of love, which "suffereth long and is kind; love envieth not; love vaunteth not itself, is not puffed up, doth not behave itself unseemly, seeketh not its own, is not provoked." They were puffed up with pride, which "goeth before a fall;" they were envious of Great Britain and France and claimed not only their own but everything in sight.

"Labor exerted upon the land can produce wealth without the aid of capital, . . . therefore the law of rent and the law of wages must correlate each other and form a perfect whole without reference to the law of capital, as otherwise these laws would not fit the cases . . . in which capital takes no part in production." "As capital is but stored-up labor . . . its laws must be subordinate to, and independently correlate with, the law of wages, so as to fit cases in which the whole produce is divided between labor and capital without any deduction for rent."—[Progress and Poverty.

These quotations show the fallacy of the three factors, for this author admits that there are

times when but two factors are used and not always the same two factors at that.

Furthermore, with primitive man, labor preceded both wages and capital, and with civilized man, labor usually precedes wages; very few persons receive their pay in advance, that being the case, how can the law of labor (whether stored-up or otherwise) be subordinate to the law of wages? Labor and capital can both exist without wages, and, quite often do so exist, as where the small farmer owns and operates his farm.

## CHAPTER XV.

### RENT, AND ITS LAW

The land is to be let for life or years,  
The rent paid in money, produce or tears.

We ordinarily speak of rent only when the owner and user are distinct persons. But there is also rent where the owner and user are the same person. Whatever part of an income an owner might obtain by letting his land to another is rent. Because it represents (or is) the interest which he might obtain had he put his money in the bank instead of investing it in land.

If a man buys a piece of land at a low price and after a lapse of time sells it at a much higher price, whether he has made or lost money depends upon whether he has received enough rent to pay the taxes, plus the amount of interest he would have received had his money been in the bank, plus the amount of money necessary to pay for the care and collection of rents. Many a man has sold land at a much higher price than he gave for it and yet lost money, owing to taxes and loss of interest.

"Until its ownership will confer some advantage, land has no value."—[Henry George.

Rent or land value arises from (1) productiveness, and (2) accessibility to markets.

Two farms of equal size and equidistant from market may be of unequal value, because one will produce six or eight times as much as the other; and that productiveness may be the result of labor which one owner had been expending for years on the land, while the other owner was shiftless.

And is not this productiveness, which has been added to the land, capital, and entitled to its interest indefinitely, the same as any other capital? And how can this interest be separated from rent?

Ricardo's law of rent is:

"The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use."

"Rent is in short the price of monopoly . . . but, in the modern form of society, the land, though generally reduced to individual ownership, is in the hands of too many different persons to permit the price which can be obtained for its use to be fixed by mere caprice or desire."—[Henry George.

If the last part of this statement is true, how can there be a monopoly?

There are hundreds of farms in New England that can be bought for less than the cost of the buildings, and many city properties, also. That



being the case, how can there be a monopoly of land?

"In speaking of the value of land I use and shall use the words as referring to the value of the bare land. When I wish to speak of the land and improvements I shall use those words."

—Ibid.

But how can you separate those values?

A. bought a house and lot for \$3100; the assessors say the house and lot are worth \$4000; a reputable builder says the house could not be built for \$4000. What becomes of the value of the land? What is the value of the house?

The value of a thing is what it will sell for. This is well known in the stock market. The man who values his stock above the market price is trying to fool himself. This does not mean that he must sell at the market price.

A man buys two pounds of sugar for 20c. He may not wish to sell it, but you would be foolish to pay more when you can go to the store and buy it for 20c. So 20c is the value of that sugar, whether he sells it or not.

There are hundreds of farms in New England that can be bought for less than the cost of the buildings, and many city properties also. That being the case how can there be a monopoly of land? You pay for the buildings and you get the land for nothing, and how can there be a monopoly of what you can get for nothing?

Single-taxers would divide produce into: Rent plus wages plus interest. Why? They omit the most important factor—taxes. Taxes have,

in the history of the world, frequently been so high and levied so ruthlessly, as to leave the producers to starve.

The single-taxer may tell you that taxes are included in the rent ; but so frequently are interest, wages, heat and gas.

There are cases every year in which land passes to the government—city or town—because people cannot pay the taxes.

If Ricardo's law of rent is true, it does not follow that the "least productive land in use" is a stationary point. It varies from year to year, owing to a number of reasons.

One of the chief reasons why there are abandoned farms is not because the soil is less productive than it was one hundred years ago, but because the railroads have made the products of other farms, which are more distant from the market, more accessible.

There were no railroads when these abandoned farms were first reclaimed from the wilderness. The first railroad in the United States was built in 1828-30. In 1830 there were 40 miles of railroad in the United States.

You will find, if you take the trouble to investigate, that the abandoned farms are all three or more miles from a railroad station.

## CHAPTER XVI.

### INTEREST

Interest speaks all sorts of tongues, and plays all sorts of parts, even that of disinterestedness.

Francis, Duc De La Rochefoucauld.

In a state of society in which the monetary system, and hence all business, is on an interest basis it is exceedingly difficult to avoid interest.

A man in business is obliged to charge interest or he would be forced out of business. It may be called by some other name as profit or rent.

A builder borrows money to build a house. If he lets the house for hire, he must receive enough money to pay for the taxes, the wear and tear of the property, the interest on the money borrowed as well as interest on his profit (or on the selling price of the house); in this case the interest would be called "rent." If he sold the house the interest might be called "profit."

The following quotations will show what the Biblical writers thought of interest:

"If thou lend money to any of my people with thee that is poor, thou shalt not be to him as a creditor; neither shall ye lay upon him interest."—[Exodus xxii, 25.

"Take thou no interest of him [thy brother]

or increase, but fear thy God, that thy brother may live with thee. Thou shalt not give him thy money upon interest nor give him thy victuals for increase.”—[Leviticus xxv, 36, 37.

“Thou shalt not lend upon interest to thy brother; interest of money interest of victuals, interest of anything that is lent upon interest: unto a foreigner thou mayest lend upon interest; but unto thy brother thou shalt not lend upon interest.”—[Deuteronomy xxiii, 19, 20.

“Ye exact usury, every one of his brother. . . . The thing that ye do is not good. . . . And I likewise, my brethren and my servants, do lend them money and grain. I pray you, let us leave off this usury.—[Nehemiah v, 7-10.

“Jehovah, who shall sojourn in thy tabernacle? Who shall dwell in thy holy hill? . . . He that putteth not out his money to interest, nor taketh reward against the innocent.”—[Psalms xv, 1, 5.

“He that augmenteth his substance by interest and increase, gathereth it for him that hath pity on the poor.”—[Proverbs xxviii, 8.

“As with the taker of interest, so with the giver of interest to him. The earth shall be utterly emptied, and utterly laid waste; for Jehovah hath spoken this word.”—[Isaiah xxiv, 2, 3.

“Woe is me, my mother, that thou hast borne me a man of strife and a man of contention to the whole earth! I have not lent, neither have men lent to me; yet every one of them doth curse me.”—[Jeremiah xv, 10.

“He that hath not given forth upon interest, neither hath taken any increase, that hath with-

drawn his hand from iniquity, hath executed true justice between man and man, hath walked in my statutes, and hath kept mine ordinances, to deal truly; he is just, he shall surely live, saith the Lord Jehovah."—Ezekiel xviii, 8.

"Now, lo, if he beget a son, that seeth all his father's sins, which he hath done, and feareth, and doeth not such like; . . . that hath withdrawn his hand from the poor, that hath not received interest nor increase, hath executed mine ordinances, hath walked in my statutes, he shall not die for the iniquity of the father, he shall surely live."—[Ezekiel xviii, 14.

"If he beget a son that is a robber, a shedder of blood, and that doeth any one of these things, . . . hath given forth upon interest, and hath taken increase, shall he then live? He shall not live: he hath done all these abominations; he shall surely die; his blood shall be upon him."—[Ezekiel xviii, 10, 13.

"In thee (Jerusalem) have they taken bribes to shed blood; thou hast taken interest and increase, and thou hast greedily gained of thy neighbors by oppression, and hast forgotten me, saith the Lord Jehovah."—[Ezekiel xxii, 12.

"Thou oughtest therefore to have put my money to the bankers, and at my coming I should have received back my own with interest."—[Matthew xxv, 27.

"Then wherefore gavest thou not my money into the bank, and I at my coming should have required it with interest?"—Luke xix, 23.

The only places in the Bible where interest is spoken of as anything but evil are in the two last

quotations. In these parables Christ made use of the well-known custom of giving and taking interest to illustrate the truth that "God giveth the increase," and hence the increase belongs to God, and we should do nothing to hinder God from giving his natural increase. In other words we should not be stumbling-blocks.

There are a number of things which tend to fix the current rate of interest. Perhaps the most important is the government's financial system.

If a government borrows money, as most civilized governments do, the rate of interest which she pays becomes the minimum rate of interest in that country.

When the United States paid 7 3-10 percent, as she did during the civil war, that was the minimum rate, and most loans were for 10 or 12 percent.

When the United States paid 3 percent, 4 to 6 percent was the prevailing rate of interest. When the United States issued her Liberty loans at 3 1-2 and 4 percent, the savings banks notified the borrowers that the interest rate would be one-half of one percent higher, and they also began to call in their loans.

The reason why the government's loans always command the lowest rate of interest is because they are the very best securities. The right of a government to take everything and everybody in a country, when necessary for the defense of that country, necessarily makes the

promises of that government superior to the promises of any of her subjects.

Then, of course, supply and demand and security have their influence in fixing the rate of interest. For, while the government establishes the minimum rate, in periods when the government rate is stationary there are variations in the rate of interest which the ordinary borrower must pay.

If interest, in itself, is a curse; and a great many sacred and profane writers seem to think that it is, why would it not be a good thing if the government should establish zero as the minimum interest rate? Why should the government pay any interest?

Why should not the government issue its bills and pay them directly to whomsoever it may happen to owe, whether it be the soldier or the United States Senator or the contractor?

And, to prevent depreciation of the currency, why should not the annual tax levy be sufficient to meet the annual expenses?

Is not a bill issued by the government of the United States as good as one issued by any bank or combination of banks? What if the bank bill does have a government bond (another kind of bill) or a railroad security back of it, does make it any better than a bill issued by the United States government, without using the banks as an intermediary?

There is what is known as a quitclaim deed, and if a piece of real estate were sold a dozen times, each seller giving a quitclaim deed, and

it should develop that the first seller had no valid title, the last buyer would be the loser, for each seller had simply quit whatever claim he might have had in the estate.

Is it not thus with the United States government's promise to pay? Does passing through the hands of one bank or a dozen banks increase its value?

If in the present war the United States should be whipped and government bonds become worthless, do you think the banks would redeem their bills in gold?

The setting forth the principles of money and credit would take more space than was intended when this book was contemplated, and the rate of interest is of course affected by these.

"Money is a representative of value" is one of the best definitions that we have read. If that is correct why is not the the cheapest and most convenient kind of "representative" the best?

Is this not the reason why bank checks are used more than any other form of money?

Gold is said to represent the value of the labor which is required, on the average, to produce it.

Why should the government fix the value of the average price of gold? Why should the government not fix the average prices of the representatives of other forms of labor, as iron, copper, wheat, corn, potatoes, sugar, etc?

If it is a good thing for the government to issue a paper representative of one kind of labor, why not of other kinds of labor?

Of course to maintain the value of these rep-



representatives there must always be value back of them. When the government issues paper representatives of labor (in place of silver, or gold) it stores the thing represented, and when the thing represented is taken out of storage its representative is retired from circulation.

To carry out this idea on many commodities it would be necessary for the government to have storage warehouses, but it would not be necessary for the producer to pay interest on the produce while it was being stored, his "representative of value" would be "ready money."

The currency thus issued would be an elastic currency, retiring from circulation automatically when the commodity is withdrawn from the government warehouse for consumption.

It is for benefit of the bankers that we have a monetary system founded on an interest-bearing debt. Whenever this matter has been up for discussion the bankers of the country have had influence enough to down it. Are they not the financiers of the country? Is it not presumption for a layman to assume to know anything about finance?

There is no prospect that we shall have any such change in the financial system as we have here indicated, and it is mentioned merely because we should be false to our light if we did not.

## CHAPTER XVII.

### WAGES

For the Scripture saith, Thou shalt not muzzle the ox when he treadeth out the corn. And, the laborer is worthy of his hire. I Timothy v, 18

Men seek to gratify their desires with the least exertion. That they work at all is simply because they cannot gratify their desires without work.

The "Wages Question," by Prof Walker, defines wages as "the reward of those who are employed in production with a view to the profit of their employers and are paid at stipulated rates."

It has been said that "the reward for labor" is too broad a definition, as it would apply to the capitalist whose only work is to scheme to make money; or to the gambler who studies to swindle; it includes labor of mind as well as of hands.

We must confess that we do not sense any of these objections. There are some kinds of work that are no benefit to mankind and some that are injurious, but "the wages of sin is death," and the "reward for labor" is its wage. The Chinaman laboring in the cultivation of the

poppy, and extracting and marketing the opium, may be doing a greater injury to mankind than than the robber, but who would say that the pittance he receives is not his wage?

The lawyer or doctor may give you advice for which he receives a "fee," is not that fee a reward for the years of work as a student? If so, why is it not a wage?

Wages "include all returns received from labor" and vary with the differing powers of the individuals, and also, as society becomes more complex, vary largely as between occupations.

Wages are measured (1) by the amount of money earned in a certain time, and (2) by the amount of money obtained for a given amount of work of a given quality. One is spoken of as "time work" and the other "piece work." This is a rough way of measuring, but in many instances it is sufficient.

In comparing wages of different places and even the same place at different times it is necessary to consider the difference between "nominal" and "real" wages.

A nominal wage is the amount of money received per hour, day, week, month, year, or "piece," as the case may be.

Real wages are affected (1) by variations in the purchasing power of money; (2) by varieties in form of payment; (3) by opportunities for extra earnings; (4) by regularity of employment; (5) by the longer or shorter duration of the power to labor; (6) by causes which change the rate of wages in any country at any time.

The actual rate of wages depends partly on

causes affecting one group of employments compared with others, and partly on the general conditions which determine the relations between labor, capital and production over the whole area in which the industrial competition is effective.

This theory gives rise to two questions:

1. What are the causes which determine the general rate of wages?

2. Why are wages in some occupations and at some times and places above or below this general rate?

Natural causes which determine the rate of wages are:

1. The agreeableness or disagreeableness of the employment.

2. The cheapness or the reverse of learning the business.

3. The constancy or inconstancy of employment (also mentioned as affecting real wages).

4. The great or small trust reposed in the workmen, an important consideration in the higher grades of labor as doctors, lawyers, etc.

5. The chance of success or the reverse.

Mankind in general is inclined to overestimate the chances of success. The fact that 95 per cent of new business ventures are failures proves this.

Artificial causes which determine the rate of wages:

1. Industrial competition restrained by limiting the number of any particular group. Many labor unions limit the number of apprentices,

thus restricting the number of those who can learn the business.

2. Competition increased or diminished by law and custom. Free education tends to increase competition in those pursuits requiring education, while educational qualification in many instances tends to limit competition, especially where the education required is not free and is technical, as doctors, lawyers, engineers, firemen, plumbers, etc. In many states the law requires anyone desiring to practice one of these avocations to pass a rigid examination.

3. Law or custom may impede or promote the circulation of labor. England once had laws which prevented a laboring man from moving from one town to another.

4. Many times in the history of the past the laws have directly interfered to regulate wages. And those regulations have usually been against the working man.

Between 1796 and 1834 in England the giving of relief in aid of wages to able-bodied persons outside of the poorhouses was legal, according to Fowle's "Poor Law." The justices determined a natural rate of wages, regard being paid to the price of necessaries and the size of the laborer's family, and an amount was given from the taxes sufficient to make up the wages received to this natural level.

In one parish the poor-tax swallowed up the whole value of the land (thus nationalizing it), which was fast going out of cultivation. (The usual result of public ownership.) The real

wages obtained were, in spite of this relief, lower than otherwise they would have been, proving that wages are paid out of the produce of labor.

The report of the Poor Law Commissioners (1834) states: "The severest sufferers are those for whose benefit the system is supposed to have been introduced and to be perpetuated, the laborers and their families." In every district the general condition of the independent laborer was strikingly distinguishable from and superior to that of the pauper, though the independent laborers were commonly maintained upon less money.

What has been called the "wages-fund" theory also is entitled to some consideration in deciding what determines the rate of wages:

The ratio between the aggregate amount of money at a given time which is destined for the payment of wages and the number of laborers among whom this money is to be divided. Any increase in population would cause a diminution in the rate of wages, unless there were a corresponding increase in the wages fund; any increase in the wages fund would cause a rise in wages.

According to this view wages can only rise either owing to an increase in capital or a decrease in population, and this accounts for the exaggerated importance attached to the Malthusian theory, viz: That the natural increase of population constantly presses on the means of subsistence.

The great improvement in the condition of

the laboring classes in England immediately after the occurrence of the Black Death, in the middle of the 14th century was manifestly due to the sudden and extensive thinning of the ranks of labor.

If we regard labor as a commodity and wages as the price paid for it, then we may say that the price will be so adjusted that the quantity demanded will be made equal to the quantity offered at that price—the agency through which the equation is reached being competition. This harmonizes with the law of supply and demand.

But this "wages-fund" theory is not infallible, and Mill says it is a popular delusion that high prices make high wages.

Ireland, after the potato famine, affords an instance of a rapidly declining population without any corresponding rise in wages, while in new countries we often find a very rapid increase in population accompanied by an increase in wages.

As far as any direct regulation of wages by law is concerned, it is possible only within narrow limits. The government might institute certain complex scales for different classes of labor and make them compulsory. But any rate which the state of trade would not bear could not be enforced; business men could not be compelled to work at a loss or to keep their capital employed in one place at one occupation when it might be more advantageously transferred to another place or occupation. Thus the legal rate could not exceed to any considerable extent the market rate. Nor could a lower rate

in general be enforced, especially since laborers have the right to combine and possess powerful organizations. The competition of capitalists for labor would tend to raise wages above the legal rate, and evasion would be extremely easy.

"Industrial competition is the principal force in the regulating the rate of wages," says one writer. "Wages are forced to a minimum fixed by what is called the 'standard of comfort'—that is, the amount of necessaries and comforts which habit leads the working classes to demand as the lowest on which they will consent to maintain their numbers," says another writer.

Increase in the quantity of work caused by the invention of new machinery and by the division of labor also affect the rate of wages.

The division of labor makes it possible that the different agents in the joint product should be remunerated at different rates; whereas if the process were begun and completed by one man, the commonest or easiest labor bestowed by him would have to be paid at the rate of the highest and best.

The division of labor also causes an increase in the dexterity of every individual workman, and, also, a saving of time which is lost in passing from one kind of work to another.

So we see that wages are not governed by any one rule.



## CHAPTER XVIII.

### CONCLUSION

There is no better motto . . . than these words of Bishop Wilson: "To make reason and the will of God prevail."

Matthew Arnold.

"The whole economy of every nation is the result of a long evolution in which there has been both continuity and change, and of which the economical side is only a particular aspect. And the laws of which it is the result must be sought in history and the general laws of society and social evolution."—[T. E. Cliffe Leslie.]

"The economic condition of society at this day is the outcome of the entire movement which has evolved the political constitution, the structure of the family, the forms of religion, the learned professions, the arts and sciences, the state of agriculture, manufactures, and commerce."—Ibid.

Back of all economic investigation must lie the idea that wealth is for the maintenance and evolution of society. Nor is it right to assume that all men desire wealth and dislike exertion, nor that self-interest is always the dominant power. The laws of wealth must be inferred from the facts of wealth, not from supposition of human selfishness.

The field of human endeavor which would be of the greatest benefit to society as well as to the individual would seem to be the study of how society has and is working out its own conservation and evolution through the supply of its material wants; what organs it has developed and how they operate (these are questions of fact and capable of being studied through observation and history); and also how best to overcome the natural obstacles to progress. Much has been accomplished—the lightning-rod has rendered lightning harmless—but there are many problems yet to be solved.

“Freedom is for society, as for the individual, the necessary condition precedent of the solution of practical problems, both as allowing natural forces to develop themselves and as exhibiting their spontaneous tendencies; but it is not in itself the solution. . . . The solution, indeed, must be at all times largely a MORAL one; it is the SPIRITUAL rather than the temporal power that is the natural agency for redressing or mitigating most of the evils associated with industrial life. The neglect of this consideration, and the consequent undue exaltation of state action, . . . appears to us the principle danger to which the contemporary German school is exposed.”—Encyc. Brit.

Competition causes both profit and wages to tend to a minimum; capital tends to waste itself (moth and rust doth corrupt and thieves break through and steal); land left uncultivated soon changes to a wilderness and thorns and weeds

grow where once was the vine and fig tree, and when cultivated it "runs out" and tends to produce less as the years go by.

Eternal vigilance is not only the price of liberty, but it is the price of progress, yes, even of existence.

We started to write this book with the intention of showing that human progress was not to be achieved by partaking of any fountain of eternal youth, nor by adopting any one economic cure-all like the single tax, but rather was dependent upon a great variety of causes. If we have succeeded in this we are satisfied.

We were at first of the opinion that the Natural Enemies (Supra Chapter III) were the chief enemies of progress, but the entrance of this country into the World War has forced us to the conclusion that war—a man-made evil—is the greatest enemy of progress.

If I have done well, and as is fitting, . . . it is that which I desired; but if slenderly and meanly, it is that which I could attain unto.

II Maccabees xv, 38.

THE END.





UNIVERSITY OF CALIFORNIA LIBRARY  
BERKELEY

Return to desk from which borrowed.  
This book is DUE on the last date stamped below.

DEC 1 1947

10 Jun 5 2 CP

MAY 28 1952 [M]

21 Nov '55 P W

NOV 15 1955 [G]

18 Mar '58 J M

REC'D LD

FEB 25 1958

10 Jun '58 PM

REC'D LD

MAY 27 1959

YC 26847

388150

HD 1313  
W45

UNIVERSITY OF CALIFORNIA LIBRARY

