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Michael Flürscheim: From the Single Tax to Currency Reform

LYMAN TOWER SARGENT

Abstract

Michael Flürscheim (1844–1912) was an important but now largely forgotten utopian of the late nineteenth and early twentieth centuries who was at the center of a nexus of economic and social reforms focusing on the single tax, land nationalization, and an improved currency. He wrote a number of utopias in both German and English, was involved with two intentional communities, and established exchange banks in New Zealand where people could exchange goods and services directly or through the notes the banks issued.

Michael Flürscheim began his career in banking and then as a stockbroker, not the usual professions for economic radicals, but he moved into industry and was what might be called an “enlightened” industrialist, in that he tried to improve the lives of his workers while still making a lot of money; in this he followed in the footsteps of Robert Owen (1771–1858). Flürscheim then read *Progress and Poverty* (1879) by Henry George (1839–97) and was converted by its message.¹ As a result he spent a number of years advocating the single tax and land reform before concluding that alone these were incomplete and needed to be complemented with currency reform to solve society’s ills, and he spent the rest of his life devising and carrying out plans for currency reform.

There were two types of currency reformers at the turn of the century, one that wanted the state to manufacture much more money and put it in circulation. Spending this money was expected to spur the economy; in some cases, they suggested an expiration date on the money, so that it had to be spent.² The other type of currency reformer wanted to replace currency based on gold, silver, or faith in a private bank or the state with something with a different basis. Flürscheim fell into the latter category. The most common form of this currency was the labor note, whereby people traded hours of labor and which appears to have

originated early in the nineteenth century and was tried by Robert Owen, among others.

In addition, Flürscheim was something of what today might be called a public intellectual, and while most of his published work was narrowly focused on economic reforms, he also contributed to general journals and newspapers as well as being in correspondence with a range of thinkers, including Theodor Herzl (1860–1904), Theodor Hertzka (1839–97), George Jacob Holyoake (1817–1906), Werner Sombart (1863–1941), Bertha von Suttner (1843–1914), and Alfred Russel Wallace (1823–1913). An article he published in *The Nineteenth Century* in April 1890 helps to illuminate his general political position, something he rarely wrote about. Flürscheim responded to articles by T. H. Huxley (1825–95) in the January and February issues. In the first, “On the Natural Inequality of Man,” Huxley had argued that human beings are naturally unequal and that therefore universal suffrage must be rejected.³ Flürscheim noted that “the final result of aristocratic rule always has been, always must be, that the governing minority will enslave the powerless majority, will make it give up to them the land and the best of its fruits, will make them do all the work for their superiors, who finally believe themselves of a higher blood, born with special privileges, entitled to the right of spending their lives in laziness, and having the masses support them by their labour. Labour becomes a taint, graceful loafing the badge of gentility.”⁴ And he wrote that people should be in a position to control their own destinies, saying, “Instruct the people and cease to be afraid of their ignorance if you succeed. Success is impossible, however, unless you look to something else first, and that is their being sufficiently fed, clothed, and housed, for there is no way of getting knowledge into starved brains.”⁵

In this article Huxley had also written in support of the private ownership of land, and Flürscheim responded at length with all of the usual arguments that he, George, and others had been using, saying in particular that private ownership of land introduced poverty. Huxley’s second article, “Natural Rights and Political Rights,” was, according to Flürscheim, more abstract,⁶ and Flürscheim says that he rejects such “abstract philosophy” because “you can prove anything with it.”⁷ But he responded to Huxley’s specific arguments against collective ownership by briefly outlining a vision of a world government with “real common ownership of land property, which all over the world will be let to whoever bids the highest rent, every state

collecting the rents in her dominions, to account for them in the great land-clearing house of humanity, so that each citizen of the world gets his exact share of the rental value of this earth.”⁸

Flürscheim was born into a wealthy German family and became personally wealthy. After his education he worked briefly in the family business and was then sent to the United States for a few years to learn banking. He also spent some years in Paris as a stockbroker. As a result, he was fluent in English and French as well as his native German. Later he was a successful industrialist, owning an ironworks, which he bought in 1873 when it had forty workers. Fifteen years later when he sold it, there were a thousand workers.⁹ He expanded the factory by developing many products, including agricultural machinery, a patented air pistol, and bicycles among many other products that could be produced entirely on-site and could be, therefore, sold more cheaply than competing products.

Flürscheim maintained that he was an industrialist with a conscience, in that he built housing for his workers and created consumer cooperatives for them, and he is reported to have developed a social insurance scheme for his workers.¹⁰ Although he continued his interest in cooperatives and regularly suggested that they should become the basis for the better society to come, after selling his factory, he devoted the rest of his life to reform movements in Europe, Mexico, the United States, and New Zealand.¹¹

There were four specific utopian moments in his career after his retirement from business, and each will be discussed in turn below. The first was his conversion to the need for land reform and the single tax through reading *Progress and Poverty*; the second was his involvement with the Freiland community in Africa and the Topolobampo community in Mexico. Third, he concluded that the single tax was not sufficient and wrote his best-known utopia, *The Real History of Money* (1896; 2nd ed., 1897), which argued that the currency question was as important as the land question. And finally, moving to New Zealand, he established what he called commercial exchange banks to implement the ideas put forth in *The Real History*. In addition, when he lived in England he was active in the Garden City, land nationalization, and cooperative movements.

Flürscheim's first publications appear to have been *Die heutige Aufgabe der Demokratie* (1880), a fifty-one-page pamphlet, and *Der einzige Rettungsweg* (*The Only Road to Salvation* [1880]), which was first published

as a seventy-six-page pamphlet and expanded into 602-page second and third editions in 1890 and 1897 by adding material from his other works. Later he published the 394-page *Auf friedlichem Wege* (1884), and its title, *In a Peaceful Way*, states a theme of his life's work, that radical social reform can be brought about peacefully. Other German publications, mostly pamphlets, include *Bodenbesitzreform und Sozialismus* (n.d.), *Das Staatsmonopol des Grundpfandrechts als Weg zur Reform unserer wirthschaftlichen Verhältnisse* (1885), *Geldreform* (1890?), *Pabst und Sozialreform* (1891), *Die Rolle des Kapitals in der Volkswirtschaft* (1892), *Bausteine: Beiträge zur Sozialreform* (1895), *Die große Aufgabe der Konsumvereine* (1895), *Sozialpolitische Briefe an einen Arbeiter* (1895), *Währung und Weltkrise* (1895), *Utopismus und Anarchismus* (1896), and *Die Krankheit des Wirtschaftskörpers* (1905).¹² He edited two German social reform journals, *Deutsch-Land: Monatsschrift für Förderung einer friedlichen Sozialreform* (1887–89) and *Frei-Land: Zeitschrift für Sozialreform* (1890–96).

The Single Tax

Flürscheim was involved with the single tax movement in Germany, and in 1888 he founded the German League for the Reform of Land Ownership, and an 1889 column in the *New York Times* was entitled “Germany’s Henry George.”¹³ Later he was active in the single tax movement in England, where he was also the president of the New Currency Propaganda League, was vice-president of the Garden City Association of London, and worked with the Brotherhood Trust, which supported the development of cooperatives.

Flürscheim said that reading George’s *Progress and Poverty* “was a new revelation. I saw how deluded I had been, and that the road I was walking in such confidence was sure to end in the worst quagmire the world ever saw. I had never read anything so wonderful in my life, the course of which was to be changed from the day this book got into my hands.”¹⁴ Flürscheim and George became friends and allies, but Flürscheim always disagreed with George on some issues, particularly over whether landowners should be compensated. George said they should not be; Flürscheim argued that while that might be acceptable in the Americas, it would not work in Europe, and he came to argue for compensation in all situations and put this position very strongly in his contribution to the 1890 *A Symposium on the Land Question*.

In June 1889, Flürscheim, together with Henry George and William Saunders (1823–95), an English land reformer, convened the International Congress of Land-Reformers in Paris. In what Flürscheim called a compromise, the congress passed the following resolution: “Whereas the land is not a product of labour, but the raw material or the source from which labour draws all that is necessary to existence; whereas labour must constitute the legitimate or rational basis of property; whereas the individual appropriation of the soil entails pauperism, the enslaving or exploitation of labour; whereas, finally, this social situation causes dangers which would end by rendering all order impossible; this meeting declares that individual property in the soil must disappear and become replaced by appropriation for the benefit of all.”¹⁵ Flürscheim makes clear that he found the need to compromise frustrating, and throughout his life he found it difficult to compromise with other reformers.

Intentional Communities

In the late 1880s and early 1890s Flürscheim became interested in the possibility of an intentional community as a means of demonstrating the potential of bringing about a better society. He appears to have considered two communities as possibilities. Theodor Hertzka (1845–1924), author of *Freiland: Ein sociales Zukunftsbild* (1890) and the founder of the Freiland community in Africa, asked Flürscheim to invest in that community.¹⁶ Although clearly attracted to Freiland, he became involved with the Topolobampo Community in Mexico, which was founded in 1886 by Albert Kimsey Owen (1847–1916; no relation to Robert Owen), who had asked Hertzka to affiliate Freiland with Topolobampo.¹⁷

Owen published his proposals in a number of pamphlets, newspapers, and books, such as his *Integral Co-operation: Its Practical Application* (1885), obtained a concession for land and water from the Mexican government, and attracted at least 250 settlers.¹⁸ Owen, an engineer, planned to build a railroad a thousand miles from Topolobampo on the Pacific to the coast of the Gulf of Mexico in Texas, some of which was built later by others.

Flürscheim invested money in Topolobampo, sending Owen an initial \$1,000 in 1892, saying he wanted to join the community, and he wrote to one of the community leaders, “I have decided to throw in with you and your friends all that remains of life activity and a great part of my fortune—if

a good constitution can be decided upon.”¹⁹ He invested more money and moved to Topolobampo, probably in 1893, but, as his statement “if a good constitution can be decided upon” suggests, he was not willing to simply follow Owen’s lead, and this led to a falling out between the two men and, ultimately, the collapse of Topolobampo. There was clearly fault on both sides. Hertzka is quoted as writing that “Flürscheim has justly reproached Owen with the fact that it would not suffice to proclaim the principles of freedom and justice; one must also carefully guard oneself from wishing to force men to especial kinds of freedom and justice. He pointed out to Owen the example of the earlier Topolobampo constitution, that it would have been a worse despotism than the most cruel and most reckless of the so-called ‘bourgeois’ world. But in truth the tyranny to which the Flürscheim constitution must lead is more unbearable by far and certainly more absurd.”²⁰ Topolobampo never attracted the financing that Owen believed it would, and disagreements between Owen, who appears to have rarely been in Mexico, and other leaders over both the financing and the political and economic situation of the community led Flürscheim to form a breakaway community called Libertad with about half of Topolobampo’s members. But bickering among these members meant that Owen left Topolobampo in 1893, and both Libertad and Topolobampo ended in squabbling and recriminations shortly thereafter.²¹

Flürscheim’s Utopias

Flürscheim wrote six utopias. His first was *Deutschland in 100 Jahren* (published anonymously in 1887 and never translated). The second, a dystopia, was “The Principles of Political Economy—A Parable. Hans and His Cakes,” best known as “Hans and His Cakes” (1888).²² It is a fictional representation of the negative effects, such as poverty and class and racial conflict, produced by reading Adam Smith’s (1723–90) *The Wealth of Nations* (1776) and trying to establish a society based on the principles of the free market.

The next stage of Flürscheim’s evolution as a reformer occurred when he was asked to write a preface for a U.K. edition of an extremely successful U.S. utopia, *Ten Men of Money Island* (1884) by Seymour F. Norton, which describes a better society brought about by tax reform.²³ Flürscheim considered that this was simply inadequate; he had initially seen the land question as the only real issue, but he concluded that money was as important. Rather

than writing the preface, he wrote his own utopia, *The Real History of Money Island*. And in the preface to the first edition, he said that the approach taken in “Hans and His Cakes” was too limited, in that it ignored the importance of money. He notes that he had already argued in the book *Rent, Interest and Wages* (1891) that he had “traced the cause of social misery to private land-ownership, directly through the monopolisation of the fountain of all life and work, indirectly through seeing in Rent the mother of Interest. . . . After having found in Rent the mother of Interest, I have searched and found its father. This father is *Money*, or rather, to be more explicit, our present monopoly currency.”²⁴ The purpose of *The Real History*, is, as its subtitle suggests, to correct the history of Money Island as given by Norton. According to Flürscheim, Norton’s island could not produce a good society but would produce destitution as a result of the private ownership of land and money based on a scarce metal. But these flaws could be corrected by introducing the single tax on land, which is “no tax, but simply rent and commercial exchange banks to replace metal-based money.”²⁵ These banks were “institutions where the producers brought and deposited their commodities, for which they obtained notes, or drew cheques redeemable in commodities.”²⁶

In addition, the commercial exchanges on Money Island developed a partnership with cooperative stores, which gave them a national network. This was Flürscheim’s intention for his New Zealand banks. The success of this partnership on Money Island made the development of cooperative production possible, and as Flürscheim put it: “A new era had dawned on Money Island. A prosperous and educated people enjoyed life as they never had done before. Earnings were ten times as high as in olden times. Savings were so enormous that any public improvement which was agreed upon could be carried through without delay, and on a lavish scale.”²⁷ While the focus of *The Real History* was economic, Flürscheim also, although briefly, outlined its political institutions. Political representation was abolished, and direct democracy instituted. In other works, Flürscheim advocated proportional representation, but on Money Island the entire state apparatus disappeared, replaced by the system of cooperatives. As he puts it, “The united democracy of producers and consumers became the State and took over all the property and business which had been the State’s. They took the land which the State had owned, the post-office and the telegraph.”²⁸ And with the abolition of the state, “*law books were abolished*, and the whole apparatus of judges,

attorneys, solicitors, etc., etc., with them. Law was administered gratuitously by *arbitrators* freely chosen by the offending parties.”²⁹ Thus, Money Island, having eliminated private property in land and metal-based money, was able to do away with most of the apparatus of law and government because those institutions were based on private property and a flawed currency.

The second edition responds to criticisms and includes a “Preface to Second Edition” noting that Flürscheim has taken practical steps to implement his ideas. This preface also argues against those he calls “scientific socialists,” whom he says believe that socialism will come about automatically, insisting that it is necessary to work out in advance the steps needed to bring about the better society.

Currency Reform

In Britain, Flürscheim had met Ignatius Singer, an advocate of the single tax and the co-author with Lewis Henry Berens, the translator of “Hans and His Cakes,” of “The Story of My Dictatorship” (1893), one of the most widely reprinted single tax utopias.³⁰ Their discussions led them to emigrate to New Zealand in 1898, attracted by New Zealand’s reputation as being at the center of a nexus of economic reforms including the single tax, socialism, and currency reform.

In the late nineteenth century, New Zealand was considered to be a world pioneer in social reform and attracted visitors and mostly favorable comment from many commentators. Flürscheim initially spoke of it in utopian terms, in his *Business Without Gold* (1898) and reprinted in the first issue of *The Commercial Exchange Gazette*. Flürscheim wrote:

Look at our New Zealand, this pearl set in old Neptune’s diadem, this fertile land capable of sustaining untold millions in comfort and wealth. From the waving cornfield to the mineral and coal deposits in the earth’s womb, to the grass-clad plains and hills covered with sheep and cattle, bountiful nature’s profusion greets us everywhere, and around it all poseiden flings his powerful arms ready to carry fleet ships, laden with wealth, to and from all parts of the world. The land is peopled by that great race whose world mastery has shown it best fitted for the struggle of life. Independent and

self-governing, it has compressed within half a century the results of thousands of years' work in older countries. Its citizens are skilled in all the arts of production, and only too anxious to work to the fullest extent of their powers.³¹

And he dedicated his 1902 book *Clue to the Economic Labyrinth* to "THE PEOPLE OF NEW ZEALAND" and at the end of the book wrote, "New Zealanders, friends, you have skill, courage, and high intent! Examine the plans laid before you; and if you find them adequate, be up and doing! All the world awaits your endeavour; all the world will gladly follow you into the glorious sunlight of a new age!"³²

In New Zealand Flürscheim established the Flora Soap Company in Petone outside Wellington based on Singer's knowledge as a chemist and the latest equipment imported from Germany. A local man, Frank Maddox, was brought in as manager and for his local knowledge. Singer also ran a business as an analytical and consulting chemist, with addresses in Petone and Stokes Valley in the Wellington area. Both Flürscheim and Singer also had regular correspondence with George Fowlds (1860–1934), the most prominent New Zealand advocate of the single tax.³³

Flürscheim became a naturalized citizen of New Zealand in 1898, with his application supported by Edward Tregear, who was then minister of labour, who had himself published a utopia, *Hedged With Divinities* (1895).³⁴ Flürscheim lived in a beautiful large house still standing at 26 Talavera Terrace overlooking the city of Wellington, and for much of the time Singer lived there also.

While in Wellington, Flürscheim established the Commercial Exchange Company in the center of the city; published articles, a pamphlet called *Politics and Economics for Farmers* (1902, reprinted from *The Auckland Weekly News*), and books in English and German published in London and Vienna; participated in a "Symposium on Money" in *The New Zealand Illustrated Magazine* in 1901 in which he published an article titled "A Perfect Money," with a later article, "The Currency of the Future," that responded to criticisms; and published a newspaper, *The Commercial Exchange Gazette. The Official Organ of the New Zealand Exchange Co., Ltd.*, with the title later changed to *The Pioneer of Social Reform*. He also gave a number of lectures on his ideas and regularly wrote columns in newspapers and letters to the editors

of local papers, including a lengthy exchange in *The Lyttelton Times* in 1898. He became a prominent figure in New Zealand and in 1901 testified before the Royal Commission on Federation against federation with Australia.

In one of his earliest lectures, given before the Socialist League on March 2, 1898, he spoke of the history of exchange banks and their success in France and the United States and explained that the notes issued by an exchange bank were not based on a scarce metal like gold but were redeemable in goods or services. The notes would read “Deliver to the bearer goods to the amount of £ s d” and were payable at the premises of the various members of the bank, with the bank serving as a clearinghouse. Flürscheim contended that such a system would free New Zealand from reliance on foreign bankers and that it could rapidly rid itself of all debt. He said that he would establish such a bank in Wellington and once it proved successful and most of New Zealand’s business was conducted through the bank, it would be time to begin to put political pressure on the government to have exchange notes made the sole legal tender for the country.³⁵

In a speech on May 4, 1898, in Wellington with Sir Robert Stout presiding, Flürscheim explained his proposal for a New Zealand Mutual Exchange Bank.³⁶ Like most other countries at the end of the nineteenth century, New Zealand was experiencing severe economic problems, which in the case of New Zealand had been exacerbated by taking out loans to fund major projects like railroads. Flürscheim maintained that the country’s economic problems arose from underconsumption because people did not have enough money to spend, which sounds a lot like some of the proposals put forth in the current economic crisis. Flürscheim also argued that the problems were the result of New Zealand’s system of landownership and currency. Land should be restored to the people, and a new currency established.³⁷

In a lecture on May 27, 1898, entitled “The Policy Most Conducive of the Welfare of The Working Classes,” Flürscheim argued that his exchange bank should be seen as a first step toward a “scientifically organised State Bank.”³⁸ In the same lecture Flürscheim argued for using the electoral system to bring about the needed changes and proposed political reforms, including “the second ballot [a runoff election], the referendum, and proportional representation” as means of empowering the people and thus making economic reforms easier. Although peaceful reform was a theme throughout his life, a letter quoted in *The Wanganui (New Zealand) Herald* in 1907 after he

had left New Zealand and was living in California suggests, referring to the United States, that he was beginning to doubt the efficacy of the ballot and starting to believe that violent means might be needed. Unfortunately, Flürscheim gives no reasons for what would have been a major change in his position on how change should be brought about, saying only, "It is my hope that in this way [voluntary cooperation] peaceful evolution might have a chance, but otherwise I am getting more and more doubtful whether, after all, the ballot, or whether it is not more likely the bullet will do the business. It would be a pity in many respects if in the latter way."³⁹

Although Flürscheim said that his currency would be based on the productive power of the people, his system was somewhat more complicated.⁴⁰ He proposed, and established in Wellington and later in Auckland, what he called a commercial exchange, hence the name of his newspaper. Several hundred members joined the one in Wellington, and over a thousand joined the one in Auckland. At the time such exchanges were in operation in France, the United Kingdom, and the United States, and they have been revived recently as local exchanges called LETS or local exchange and trading systems.⁴¹

In *Business Without Gold*, Flürscheim wrote, "Attention is drawn to the Co-operative Endowment Fund managed by the Society [the Commercial Exchange Co.], for the purpose of helping productive enterprises on the co-operative or profit-sharing plan."⁴² Thus, Flürscheim intended to establish in New Zealand the plan he had worked out in *The Real History*. At the end of *Business Without Gold*, he described the operations of the system as follows:

The New Zealand Commercial Exchange Co., though it has distinctly benevolent objects, is conducted on strict business lines. It furnishes counters to its Members, enabling them to trade with each other without having to borrow gold or gold promises at a high rate of interest, and it exercises the utmost caution in the supply of these counters, so that they are backed by a better security than those issued by money banks—bank notes. Our Notes are fully secured by goods and services held ready for them, whereas bank notes are only partially secured by the scarce commodity—gold—which they

promise. Our Society exacts a moderate interest for the loan of its counters, sufficient to cover risk and expenses and to form a reserve fund. These counters are in the shape of notes of one pound, ten shillings, half-a-crown, one shilling, and six pence.⁴³

The members agreed to exchange goods and services with each other, and the “counters” are simply a way of keeping track of these exchanges. Each issue of *The Commercial Exchange Gazette* listed those who had agreed to accept these counters in whole or part.⁴⁴

In February, March, and April 1899 Flürscheim published three utopias in *The Commercial Exchange Gazette*, all designed to present a commercial exchange bank as the solution to a country’s economic problems. In the first utopia, “The Great Calamity on Robinson’s Island,” all the land was owned by Robinson. This was changed to common ownership with Robinson to be compensated for the improvements he had made. Robinson required that he be paid in gold only, which was scarce and mostly controlled by Robinson. Most people initially became extremely poor, but the establishment of a labor exchange and the concomitant ability to trade without money bring eutopia. In the second, “A Strange Story,” all of a town’s money is stolen, and with no medium of exchange, people are starving. The establishment of a labor exchange and the concomitant ability to trade without money bring eutopia. In the third, “Wonderful Story of a Shipwreck and Its Consequences,” intending colonists are shipwrecked on a desert island with a shipload of all the material needed to create the colony, but those with gold come to control the economy. Establishment of a labor exchange and the concomitant ability to trade without money bring eutopia.

Conclusion

Flürscheim and Singer had a falling out that resulted in libel suits and was one of the reasons Flürscheim left Wellington. Apparently Singer remained solely dedicated to the single tax. He disapproved of Flürscheim’s concern with currency reform and the exchange bank and particularly resented Flürscheim’s listing of the soap works as a member of the bank without Singer’s agreement. While living in Flürscheim’s house Singer wrote letters under pseudonyms to a newspaper attacking Flürscheim. When Flürscheim

discovered who had written them, he said that Singer was insane. Singer sued, and Flürscheim countersued.⁴⁵ After the falling out with Singer, Flürscheim lived in Auckland for a few years, where the exchange bank was a great success, and after he left New Zealand he lived for a time in Italy and the United States before returning permanently to Germany.

Flürscheim moved to New Zealand in the belief that his ideas would get a fair hearing both in print and in practice. By most accounts the trial of his ideas was quite successful in the conditions that existed at the time. It was a personal conflict that brought the Wellington experiment to an end, but the Auckland bank appears to have been successful for a number of years. Flürscheim continued to write after he left New Zealand, publishing a piece on the long-serving New Zealand Premier Richard Seddon (1845–1906) and, more substantially, a book titled *The Economic and Social Problem* (1909), and he was in the process of revising some of his earlier publications when he had a stroke, which left him weakened. It was then that he returned to Germany, where he died in 1912.

Flürscheim's Works

Most of Flürscheim's early works are held by the Institute for Social History in Amsterdam, including a number of translations into Dutch, and I thank them for their assistance. Other early works exist only in the Germany and Swiss national libraries. Most of his later works and all his New Zealand publications are held by the Alexander Turnbull Library in Wellington, New Zealand, and often no place else. There is a small collection of letters to Flürscheim and a few letters by him in the Michael Flürscheim Papers at the University of California, Berkeley, and some letters between Flürscheim and George Fowlds in the Fowlds Papers at the University of Auckland Library. The Fowlds Papers also include material relating to Flürscheim's New Zealand business interests and some correspondence with and other papers regarding Flürscheim's wife after his death. Unfortunately, a few items reported to have been published by Flürscheim have not been found.

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Politics and Economics for Farmers. Specially Written for “The Auckland Weekly News.” Reprinted from *The Auckland Weekly News.* Auckland: Wilson and Horton, Printers, [1902]. Series of five articles: “Part I. The Conditional Freehold” (1–4); “Part II. Money and Credit. A.—The Empire of Gold” (5–6); “Part III. Money and Credit. B.—A Scientific Currency” (6–9); “Part IV. Free Trade or Protection?” (9–11); “Part V. The New Zealand Union Platform. Effective Voting” (11–13). 13 pp.

“The Principles of Political Economy—A Parable. Hans and His Cakes.” Trans. L[ewis] H[enry] Berens. *South Australian Register*, June 19, 1888: 6. Rpt. as “Hans and His Cakes” in *Rent, Interest and Wages; or, The Real Bearings of the Land Question. Private Rent the Mother of Interest, the Cause of Commercial Depressions & Social Misery* (London: William Reeves, [1891]), 233–38. Rpt. with the subtitle “A Parable” in *The Pioneer of Social Reform* 2, no. 14 (December 1, 1899): 8–10.

“Professor Huxley’s Attacks.” *The Nineteenth Century* 27, no. 158 (April 1890): 639–50.

The Real History of Money Island. London: Brotherhood Publishing Co., 1896. 138 pp. 2nd ed., London: “Clarion” Office; Manchester: Labour Press; and Glasgow: “Labour Leader,” 1897. 80 pp. The second edition is set in much smaller type.

Rent, Interest and Wages; or, The Real Bearings of the Land Question. Private Rent the Mother of Interest, the Cause of Commercial Depressions & Social Misery. London: William Reeves, [1891]. vii + 238 pp. 2nd ed. rev., London: William Reeves, [1892]. 238 pp. 3rd ed. rev., London: William Reeves, [1895]. 238 pp.

Die Rolle des Kapitals in der Volkswirtschaft. Berlin: “Frei-Land”-Expedition, 1892. 24 pp.

Sozialpolitische Briefe an einen Arbeiter. Frankfurt am Main: Die Hilfe, 1895. 27 pp.

Das Staatsmonopol des Grundpfandrechts als Weg zur Reform unserer wirtschaftlichen Verhältnisse. Minden i. Westfalen, Germany: J. C. C. Bruns, 1885. 44 pp.

“A Strange Story.” *The Commercial Exchange Gazette. The Official Organ of the New Zealand Exchange Co., Ltd.* 1, no. 6 (March 1, 1899): 9.

A Symposium on the Land Question. By Auberon Herbert. Sydney Olivier. Robert Scott Moffat. Lieut.-Col. W. L. R. Scott. Henry W. Ley. Wordsworth Donisthorpe. J. C. Spence. Michael Flürscheim. Herbert Spencer. J. B. Lawrence. Ed. J[oseph] H[iam] Levy. London: T. Fisher Unwin, 1890. The pieces are not separately titled, and Flürscheim, who is described as of Baden-Baden (45–57), has the longest piece.

Utopismus und Anarchismus. Bern: Siebert, 1896. 11 pp.

Währung und Weltkrise. Ein Versuch zur Beseitigung des Geldmonopols. Vienna: Verlag “Die Zeit,” 1895. 48 pp.

“Wonderful Story of a Shipwreck and Its Consequences.” *The Commercial Exchange Gazette. The Official Organ of the New Zealand Exchange Co., Ltd.* 1, no. 7 (April 1, 1899): 4–5.

German journals edited by Flürscheim:

Deutsch-Land: Monatsschrift für Förderung einer Friedliche Sozialreform; Organe d. Bundes für Bodenbesitzreform 1–3 (Baden-Baden, 1887–89)

Frei-Land: Zeitschrift für Sozialreform 1–7 (Berlin, March 1890–September 1896)

New Zealand paper edited by Flürscheim:

The Commercial Exchange Gazette. The Official Organ of the New Zealand Exchange Co., Ltd. 1, no. 1 (October 1, 1898). With vol. 1, no. 11 (August 1899), it became *The Pioneer of Social Reform. (The Commercial Exchange Gazette). The Official Organ of the New Zealand Exchange Co., Ltd.* Vol. 2 starts with no. 1a (September 28, 1899) and ends with no. 20 (February 22, 1900). Numbers 14, 15a, 15b, 15c, 15d (twice), 16, 17, 18, 19, 20 (twice) were published as supplements to *The Guardian*. (Wellington).

Reports of lectures that can be accessed online at <http://paperspast.natlib.govt.nz>:

“A Mutual Exchange Bank. Mr. Flurscheim’s Proposal.” *Evening Post*, [May 5, 1898]: 2. See the response by H. C. Robinson in the *Evening Post*, May 7, 1898: 6.

“Politics for the Workers.” *Evening Post*, May 28, 1898: 5.

“Socialist League Mr. Flürscheim’s ‘Exchange Bank.’” *Evening Post*, March 3, 1898: 5.

An exchange in *The Lyttelton Times* (currently available only in the Canterbury Museum Library, Christchurch, and the Christchurch Public Library):

“Exchange Banking.” *The Lyttelton Times*, May 6, 1898: 4. Lead article.

Flürscheim, Michael. “Exchange Banking.” *The Lyttelton Times*, May 13, 1898: 3.

Flürscheim, Michael. "Exchange Banking." *The Lyttelton Times*, May 24, 1898: 3.

"The Exchange Bank." *The Lyttelton Times*, May 31, 1898: 5. Comment on the success of the Wellington Bank.

Verrall, J. Miles. "State Banking." *Lyttelton Times*, June 21, 1898: 6.

Flürscheim, Michael. "Correction." *Lyttelton Times*, June 22, 1898: 6.

Verrall, J. Miles. "State Banking." *Lyttelton Times*, June 23, 1898: 3.

Flürscheim, Michael. "State Banking." *Lyttelton Times*, June 28, 1898: 2.

Endnotes

The research for this essay was carried out while I was a fellow at the Stout Centre for New Zealand Studies at Victoria University of Wellington, New Zealand. I want to thank Hugo Bühren and Nicole Pohl for help with the German materials.

1. Henry George, *Progress and Poverty. An Inquiry Into the Cause of Industrial Depressions and Of Increase of Want With Increase of Wealth. The Remedy* (San Francisco: W. M. Hinton, 1879; Fiftieth Anniversary ed., New York: Robert Schalkenbach Foundation, 1929).

2. The greenback movement in the United States was based on this premise. On the greenback movement, see Charles W. Calomiris, *Greenback Resumption and Silver Risk: The Economics and Politics of Monetary Regime Change in the United States, 1892–1900*, NBER Working Paper Series no. 4166 (Cambridge, Mass.: National Bureau of Economic Research, 1992); Wesley Clair Mitchell, *Gold, Prices, and Wages Under the Greenback Standard* (1908; New York: Augustus M. Kelley, 1966); Irwin Unger, *The Greenback Era: A Social and Political History of American Finance, 1865–1879* (Princeton: Princeton University Press, 1964). A utopia based on it is Ignatius Donnelly's *The Golden Bottle; or, The Story of Ephraim Benezet of Kansas* (New York: D. D. Merrill Co., 1892).

3. T. H. Huxley, "On the Natural Inequality of Men," *The Nineteenth Century* 27, no. 155 (January 1890): 1–23.

4. Michael Flürscheim, "Professor Huxley's Attacks," *The Nineteenth Century* 27, no. 158 (April 1890): 639–50, at 640.

5. *Ibid.*, 641.

6. T. H. Huxley, "Natural Rights and Political Rights," *The Nineteenth Century* 27, no. 156 (February 1890): 173–95.

7. Flürscheim, "Professor Huxley's Attacks," 646.

8. *Ibid.*, 647.

9. One story, which appears to be apocryphal, is that he sold the company to Karl Benz (1844–1929) and it then became part of Mercedes-Benz. The basis of the story is that Flürscheim's company was called the Benz Works, but it was in Gaggenau, and Karl Benz's company, Benz et Cie., was in Mannheim.

10. Almost nothing is known of Flürscheim's personal life except that he was married twice, had a total of six children, and left his second wife with small children when he died. One daughter, probably from his second marriage, returned to New Zealand, where she was living in 1957 when she donated some of his books, extensively revised by Flürscheim, to the Alexander Turnbull Library in Wellington. See Herbert Roth, "Michael Flürscheim, a German Reformer in New Zealand," in *New Zealand and the World: Essays in Honour of Wolfgang Rosenberg*, ed. William E. Willmott (Christchurch: W. E. Willmott, 1980), 20–27, for some information on Flürscheim. (The Roth Papers at the Alexander Turnbull Library contain the material on which the article is based.)

Flürscheim's family was Jewish, but except for one anti-Semitic diatribe by Albert Kimsey Owen at the time of his falling out with Flürscheim, there is no indication that Flürscheim was religious. For some information on his experience in Gaggenau, see Karin Hegen-Wagle, "Fabrikant, Sozial- und Bodenreformer: Michael Flürscheim und seine Verdienste für die heutige Stadt Gaggenau und ihrer Industrie," in *Einwohnerbuch 2001 Kuppenheim, Bischweier*, 20th ed. (Karlsruhe: KBK Druck und Verlag, 2000), 15–17.

11. See, for example, Michael Flürscheim, "The Next Duty of the Co-operative Societies," in *The Labour Annual: A Year Book of Social, Economic and Political Reform. 1896*, ed. Joseph Edwards (London: Clarion Co., 1896), 54–55, at 55.

12. Some of these were also published in Dutch. Flürscheim's German publications are very rare.

13. "Germany's Henry George. Herr Michael Flürscheim and His Land Theories. Business He Has Given Up in Order to Advance Them—Why He Would Abolish Interest," *New York Times*, July 21, 1889: 6.

14. Michael Flürscheim, *Rent, Interest and Wages; or, The Real Bearings of the Land Question. Private Rent the Mother of Interest, the Cause of Commercial Depressions & Social Misery* (London: William Reeves, 1891), vii.

15. Michael Flürscheim, *Clue to the Economic Labyrinth* (London: Swan Sonnenschein, 1902), 17. Text in French with Flürscheim's translation.

16. Theodor Hertzka, *Freiland: Ein sociales Zukunftsbild* (Leipzig: Verlag von Duncker und Humblot, 1890); Theodor Hertzka, *Freeland, a Social Anticipation*, English ed., trans. Arthur Ransom (London: Chatto and Windus, 1891).

17. On the relationship between Flürscheim and Hertzka, see Leopold Katscher, "Owen's Topolobampo Colony, Mexico," *American Journal of Sociology* 12 (September 1906): 145–75.

18. Albert K. Owen, *Integral Co-operation: Its Practical Application* (New York: John W. Lovell, 1885; rpt. Philadelphia: Porcupine Press, 1975).

19. Ray Reynolds, *Cat's Paw Utopia: Albert K. Owen, the Adventurer of Topolobampo Bay and the Last Great Utopian Scheme*, 2nd ed. rev. and expanded (1972; San Bernardino: R. Reginald The Borgo Press, 1996), 91.

20. Katscher, "Owen's Topolobampo Colony," 172–73. No source is given, but the letter was probably written to Katscher.

21. On Topolobampo and Flürscheim's involvement with it, see Katscher, "Owen's Topolobampo Colony," and Reynolds, *Cat's Paw Utopia*. See also Michael Flürscheim, *Modell-Gemeinwesen: Orientierendes über die Freiland-Kolonie in Mexiko* (Basel: H. Müller, 1894). For additional information on Topolobampo, see Mario Gill, *La conquista del Valle del Fuerte* (Culiacán, Rosales, Sinaloa, Mexico: Universidad Autónoma de Sinaloa, 1983); Bennett Lowenthal, "The Topolobampo Colony in the Context of Porfirian Mexico," *Communal Societies* 7 (1987): 47–66; Charles W. Moore, "Paradise at Topolobampo," *Journal of Arizona History* 16, no. 1 (1975): 1–28; Thomas A. Robertson, *A Southwestern Utopia: An American Colony in Mexico*, rev. and enlarged ed. (Los Angeles: Ward Ritchie Press, 1964); and Jose C. Valades, *Topolobampo. La Metrópoli Socialista de Occidente (Apuntas para la Historia Ciudad de la Paz)* (Mexico City: Fondo de Cultura Económica, 1939). In addition to Flürscheim, Topolobampo attracted Marie Howland, one of the most important figures in the intentional community movement,

who was also involved with the community at Guise in France and Fairhope Single Tax Colony in Alabama.

22. Flürscheim reprinted it twice as “Hans and His Cakes,” first in his *Rent, Interest and Wages* (1891) and then in his newspaper *The Pioneer of Social Reform* (1899).

23. Seymour F. Norton, *Ten Men of Money Island, or The Primer of Finance*, rev. ed. (Chicago: Sentinel Pub. Co., rpt. Chicago: F. J. Schulte, [1891]), and as Ariel Library Series no. 5, June 1895, with an appendix by Henry Seymour (Chicago: Schulte Pub. Co., 1895). Also published once more (Girard, Kans.: Appeal Publishing Co., 1902) and, without the subtitle and not marked rev. ed., as Bellamy Library No. 27 (London: William Reeves, [1895]). Parts were originally published in *The Chicago Sentinel* (1879); the first pamphlet edition was published in 1884, and it was serialized in the *New York World* that year.

24. Michael Flürscheim, *The Real History of Money Island* (1896; London: “Clarion” Office; 1896), viii.

25. *Ibid.*, 67.

26. *Ibid.*, 27.

27. *Ibid.*, 63.

28. *Ibid.*, 67.

29. *Ibid.*, 68–69; emphasis in the original.

30. Earlier Ignatius Singer had published *The Farmers and the Land Tax. An Open Letter to Mr. Jenkin Coles, M.P. Being a reply to his speech delivered in Kapunda in February, 1887* (Adelaide: Williams & Ormiston, [1887]). In addition to “The Story of My Dictatorship” (*Weekly Times & Echo* [London], 2418–2433 [June 4–September 17, 1893], 6), Lewis Henry Berens and Singer published *Government By the People* (as “The Authors of *The Story of My Dictatorship*” [London: Bliss, Sands and Foster, 1895]) and *Some Unrecognized Laws of Nature: An Inquiry into the Causes of Physical Phenomena, with Special Reference to Gravitation* (London: John Murray, 1897). After he left New Zealand, Singer published *The Rival Philosophies of Jesus and of Paul: Being an Explanation of the Failures of Organized Christianity and a Vindication of the Teachings of Jesus, Which Are Shown to Contain a Religion for All Men and for All Times* (London: George Allen and Unwin; and Chicago: Open Court Publishing Co., 1919).

The first version of "The Story of My Dictatorship" appeared serially in *Our Commonwealth* (Adelaide, S.A., Australia), a newspaper edited by Singer to publicize land nationalization and the single tax, in 1887 and 1888, but the most complete holdings are missing two issues in the middle of the serial. The first part of the series is entitled "When I Was Governor of This Country" and appeared in *Our Commonwealth* 2, no. 2 (December 1887): 428–29. A later part appeared as "When I Was Governor of South Australia" in *Our Commonwealth* 2, no. 5 (March 1888): 452. This part refers to a previous part and indicates that it is to be continued, but the newspaper appears to have ended with that issue. "The Story of My Dictatorship" was reprinted with a preface by William Lloyd Garrison (New York: Sterling Pub. Co. Sterling Library No. 4, May 1, 1894), with the subtitle "Dedicated (Without Permission) to the National Association" (Auckland: F. W. Harradence, 1894), with "2nd ed." on the cover (London: Bliss, Sands & Foster, 1894), and described as the second edition (Melbourne: Cole's Book Arcade, 1894). There is another Cole's Book Arcade, Melbourne, edition of 1895 described as the third edition, and there are copies of another third edition (Melbourne: Cole's Book Arcade; and London: Bliss, Sands & Foster, 1895). The new and unabridged edition (London: Land Values Publishing Department, [1910]) has the subtitle "The Taxation of Land Values Clearly Explained" (rpt. Cincinnati: Joseph Fels Fund of American, 1913 and again in 1931). Finally, there is an edition with the subtitle "An Account of an Eventful Experience Abridged From the Record Made by L. H. Berens and I. Singer" (London: Henry George Foundation, 1934) and another edition entitled *Dictator–Democrat. Abridged and Adapted From "The Story of My Dictatorship" by Lewis H. Berens and Ignatius Singer* (Melbourne: Henry George Foundation, Australia, 1945).

31. Michael Flürscheim, *Business Without Gold: How to do it* (Wellington: N.Z. Commercial Exchange Co., Ltd., 1898), 2–3.

32. Flürscheim, *Clue to the Economic Labyrinth*, v, 547.

33. This material is in the Fowlds Papers at the University of Auckland.

34. Edward Tregear, *Hedged With Divinities* (Wellington: R. Coupland Harding, 1895).

35. "Socialist League Mr. Flürscheim's 'Exchange Bank,'" *Evening Post*, March 3, 1898: 5.

36. Sir Robert Stout (1844–1930) was a prominent New Zealand figure who was appointed chief justice in 1899.

37. “A Mutual Exchange Bank. Mr. Flürscheim’s Proposal,” *Evening Post*, [May 5, 1898]: 2.

38. “Politics for the Workers,” *Evening Post*, May 28, 1898: 5.

39. “Proposed Land Bill,” *The Wanganui Herald* 41, no. 12114 (March 11, 1907): 4, available at <http://paperspast.natlib.govt.nz>.

40. “A Perfect Money: and Its Effects,” in *A Symposium on Money. Being Four Articles contributed to The New Zealand Illustrated Magazine for August and September, 1901*. I. “What is Money: and for what purposes is it needed?” By Judge [H. F.] Edgar. II. “A Perfect Money: and its effects.” By Michael Flürscheim. III. “A State Bank for New Zealand.” By William Sievwright. IV. “Foreign Loans: and the Financing of Public Works.” By William Rout. Reprinted from the *N.Z. Illustrated Magazine* (Auckland: Arthur Cleave and Co., Printers, 1901), 7.

41. On the U.S. exchange banks established by G. B. De Bernardi, who wrote utopias describing their effects, see H. Roger Grant, “Portrait of a Workers’ Utopia: The Labour Exchange and the Freedom, Kan., Colony,” *Kansas Historical Quarterly* 43, no. 1 (Spring 1977): 56–66. G. B. De Bernardi’s utopias are *Trials and Triumphs of Labor. The Needle’s Eye of Legal Tender Money* (Marshall, Mo.: Capitol Parlor Print, 1890) and *Colonizing in a Great City* (Independence, Mo.: Labor Exchange Publications, 1897). A later edition of *Trials and Triumphs of Labor* has the subtitle *The Text Book of the Labor Exchange* (Independence, Mo.: Labor Exchange Publication, 1894). In his March 1898 speech to the Socialist League Flürscheim referred to such banks in other countries and mentioned De Bernardi.

42. Flürscheim, *Business Without Gold*, inside front cover.

43. *Ibid.*, inside back cover.

44. Those Flürscheim hired to sign up members of the bank seem to have recorded as members people who thought they had agreed to something else, and there were various complaints made and at least one suit filed, which Flürscheim defended but lost. The result of the suit was reported in “The Exchange Bank and Its System. A Tradesman Wants Cash for Notes. Interesting Law-suit,” *Evening Post*, August 31, 1900: 2.

45. The jury was not impressed by either complaint and rewarded one shilling to each and no costs.