

tion to a point somewhat lower than the actual or potential ground rent—enough lower to yield at least commercial interest on the purchaser's investment.

In practice, therefore, it would be necessary to resort to some actuarial device for securing to the owner on the one hand, and to the city on the other, the proportions of value which we have suggested as fair. This, however, would evidently be mere matter of expert skill. Several devices would be possible. The problem is merely to assign (1) present capital land values, less ordinary taxation, to the landowners as their property; (2) approximately one quarter of the increase in ground rent value, less ordinary taxation, also to the landowners as their property; and (3) approximately three quarters of the increase in ground rent value to the Idealization fund as public property.

If annual values were the subject matter of the problem it would present no difficulties. But as our land markets deal with capitalized rather than annual values, we are under the necessity of ascertaining the varying rates of taxation that would approximately secure present annual values and one quarter of the increase to owners, and three quarters of the increase to the city. The computation however, would be simple.

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Inasmuch as the income from this new source might not be available at first, how should the initial expenses be met?

Precisely as the expense of all public undertakings are met—by the sale of bonds. Yet differently in one particular, namely, that the bonds, instead of running against the mere taxing power of 1 per cent or so on capital value, should run against 75 per cent of the entire increase in rental value over the rental value indicated by the capitalized valuation of 1909.

Thus these bonds would in effect have behind them a taxing power of about five times the present rate, and on three-fourths of the increasing value of a city which all agree would increase phenomenally if the idealizing plans were carried out. And wouldn't it seem like a poor enterprise, this of an Ideal Chicago, if three-fourths of the future increase in Chicago ground rent values would not be ample security for the preliminary bonds?

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The difficulties of legislation we freely admit. But no lawyer, we surmise, can point out any legal difficulties. The only difficulties would be

those which private interests might interpose, politically and otherwise, for selfish ends.

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Here, then, is the suggestion for meeting the expense of an Ideal Chicago such as the Commercial Club proposes, and proceeding with the enterprise without years of delay. Summarized, it is simply this: that bonds be issued, payable (principal and interest) out of a tax equivalent to three-fourths of the increase of annual ground-rent values, the whole contemplated area of the Ideal Chicago to be included in the assessments; and that these bonds be sold as the work of idealization progresses, the proceeds to be applied exclusively to that work.

Doubtless this suggestion is open to many objections, some of them plausible and possibly some of them sound. Let them be considered when they are interposed.

But what are the possible objections?

Isn't it fair that the cost of an Ideal Chicago shall be paid out of the increase in Chicago property values which the idealization causes?

Is there any kind of Chicago property except land that would to any high degree or with any approach to permanency be increased in value by the Ideal Chicago?

Is 75 per cent of the increase in ground-rent values an excessive proportion to attribute to the influences of the proposed idealization? If so, what would be approximately a fair estimate?

Are there any legal obstacles in the way of the necessary legislation? If so, what are they?

Are there any insuperable obstacles in the way of financing the necessary bonds? If so, what are they?

Assuming that the suggestion is fair in principle, what obstacle of any kind lies in its path to which the City of Chicago can yield without stultifying the maxim upon which she prides herself—"I will"? Shall this be altered to "I want to but I can't"?

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## EDITORIAL CORRESPONDENCE

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### THE POLITICAL SITUATION IN GREAT BRITAIN.

London, Oct. 30, 1909.

We are on the eve of momentous events. "Unsettled questions have no regard for the repose of nations," as one of the greatest among your statesmen expresses it.

The most vital unsettled constitutional question in Great Britain is as to what power, if any, the House of Lords has over bills dealing with the raising or

the expenditure of the supplies annually granted to the Crown by the House of Commons. For many centuries, in fact ever since the stirring times of the Commonwealth, the House of Commons has ever been jealous of any interference with money matters, with the power of the purse, on the part of the House of Lords. Repeatedly the House of Commons has urged and vindicated its claim to be the sole arbiter, not only of questions of taxation, but also of the expenditure of every penny of the money raised. For many generations this claim, even if not formally admitted, has been acquiesced in by the House of Lords, and has been accepted by statesmen and political authorities as a principle of Parliamentary procedure necessary to the harmonious and peaceful working of the unwritten Constitution of Great Britain. Both in the House of Lords and the House of Commons, responsible statesmen of every shade of political opinion, including William Pitt, the Duke of Wellington, Lord Salisbury, W. E. Gladstone, Lord Rosebery, Lord Halsbury (the last Conservative Lord Chancellor) and the Right Hon. A. J. Balfour, have from time to time admitted and urged the unreserved acceptance of this fundamental constitutional principle. Hence the assent of the House of Lords to money bills has for many generations come to be regarded as merely formal, and as inevitable as is the assent of the Crown. As Winston Churchill so forcibly said, when speaking at the National Liberal Club on October 8th—

The control of finance by the representative assembly is the keystone of all that Constitutional fabric upon which and within which all of us here have dwelt safely and peacefully throughout all our lives. . . . Take finance away from the House of Commons, take the complete control of the financial business away from the representative assembly, and our whole system of government, be it good, bad or indifferent, will crumble to pieces like a house of cards.

Of course, so long as the landed interest was almost as predominant in the House of Commons as it still is in the House of Lords, as was the case till after the last general election, the House of Lords had little inducement to venture to challenge this basic constitutional principle. So long as it was only a question as to what special taxation should be imposed upon industry and the earnings of industry, the House of Lords might well rest content to acquiesce in this claim of the House of Commons. But as soon as the question arose as to whether taxation is to be imposed upon privilege and monopoly, masquerading as "accumulated wealth," as "capital" and as "property," the House of Lords, composed as it is of the chief amongst the beneficiaries of such "property," may well desire to have recourse to any means, constitutional or unconstitutional, which may enable it to challenge the power of the House of Commons to impose such "revolutionary" and "socialistic" taxation, accompanied as this is by the necessity for a complete, uniform and universal valuation of what they regard as their special heirloom, the land of Great Britain. This proposal not only lays down the lines of the Liberal policy of the future, but foreshadows radical and drastic, equitable and beneficial, changes in both local and national taxation. It has aroused the bitter hostility of the privileged landed classes to a degree unparalleled in recent history. And it is upon this issue we are to-

day led to believe, that the House of Lords may venture to assert its claim to complete control over the power of the purse—a step which in any other country would bring the nation to the verge of civil war.

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Will the House of Lords take this step? Will it deliberately challenge such a conflict? The general opinion to-day is that it will. But once again I find myself in an insignificant minority; for, bluster as its members may, personally I do not believe that its responsible members will stake the existence of the House of Lords as at present constituted on a quarrel which can have but one issue. Slow as it is to move, Great Britain will never consent that a body of men who owe their position to the mere accident of birth shall usurp the governing power, and become the sole arbiters of the future destinies of the country.

However this may be, the Budget has passed the report stage, its third reading will certainly be carried on Tuesday next, after which it will automatically pass to the House of Lords for their formal consent—or rejection.\* The decision will be known to your readers before these lines appear in print. Whatever it may prove to be, the present position of the Liberal or democratic party was admirably summarized by Winston Churchill, in the speech already quoted, in the following words:

When the Budget leaves the House of Commons the time of discussion as far as we are concerned will have come to an end. It will leave the House of Commons in a final form, and no amendment by the House of Lords will be entertained. . . . Our intentions are straightforward. We seek no conflict, we offer no conflict. We shall make no overtures to the House of Lords, we shall accept no compromise. We are not called upon to offer them any dignified means of escape from the situation into which they have been betrayed by the recklessness of some of their supporters. They have no right whatever to interfere with financial business, directly or indirectly, at any time. That is all we have to say, and for the rest we have a powerful organization, we have a united party, we have a resolute Prime Minister—we have a splendid cause.

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Naturally enough, the chief burden of the prolonged struggle over the Budget in the House of Commons has fallen upon Lloyd George, the Chancellor of the Exchequer; and he has conducted the controversy in a manner which has gained him the grudging respect of his opponents and the unstinted admiration and confidence of his followers both inside and outside the House. He has risen to the occasion in a great and masterly manner.

Firm though courteous, resolute though polite, he has given consideration to every argument advanced. He has made concession after concession, but not one that would jeopardize or lessen the demand for a complete, uniform and universal, valuation of the land of Great Britain.

Thanks to his generalship, the Finance Bill leaves the House of Commons strengthened rather than weakened by the prolonged controversy. Outside the House, despite all traditions to the contrary, Lloyd

\*All of which has happened. See *The Public* of November 12, page 1094.

George, without any loss of dignity, drops his Parliamentary or Ministerial manner, and appeals to his fellow-citizens in stinging words and pointed arguments which carry conviction and inspire enthusiasm.

His Limehouse speech was good, so good as to add oil to the fire of hostility already aroused; but his speech at Newcastle was far better, and brought home to millions, as no other speech has done, the true inwardness of the great struggle in which the country is engaged. "A plain talk about the Budget," he termed it, and so it was, too plain for the mob of little men of either party. His impeachment of landlordism was masterly, and his peroration, in which he warned the Lords of the root questions their proposed action would inevitably evoke, and of the only possible answers to the same—"answers charged with peril for the order of things the Peers represent, but fraught with rare and refreshing fruit for the parched lips of the multitude who have been treading the dusty road along which the people have marched through the dark ages which are now emerging into the light"—will necessarily take rank amongst the most eloquent, instructive and inspiring words the Budget controversy has evoked.

If the Tory party, the Constitutional party, as its friends are fond of calling it, the party of Privilege and Plunder, as its enemies term it, decides to throw the country into the throes of a revolutionary struggle, the British democracy need desire no more courageous, far-sighted, or able leader than Lloyd George.

In saying this I by no means desire to disparage any other of our prominent Liberal leaders. Asquith, too, has shown himself worthy of his opportunities and of the confidence of his fellows. Without his support Lloyd George could not have carried the Cabinet with him. Winston Churchill, too, has proved himself staunchly democratic, and to have realized the true inwardness, as well as the seriousness, of the present struggle. Above all others the Lord Advocate of Scotland, Mr. Alexander Ure, has earned abundant laurels during the past few months. His mastery of the subject has made his numerous speeches most effective, so much so as to call down upon him the bitter hatred of the opponents of the budget.

After lesser men, or less prominent men, had failed to disturb him, last week the Right Hon. A. J. Balfour deemed it advisable to indulge in a bitter, and to my mind unwarranted and unscrupulous, attack, unparalleled in recent British political controversy, on the honor and veracity of the Lord Advocate. But this only gave Mr. Ure an opportunity for a most dignified reply, emphasizing the very point which had aroused Mr. Balfour's ire.

And so the great struggle progresses. What the next few weeks will bring forth it is impossible to say. But one thing is certain: the Land Question has come to stay; and in Great Britain the Land Question to-day means, not any question of Small Holdings or Peasant Proprietorship, nor any bombastic scheme of extensive state purchase, but the question of the Taxation of Land Values.

It is with this question that the future of Liberalism in Great Britain is bound up. A rational land system is manifestly impossible in the absence of the rating and taxation of land values. And it is en-

couraging to know that in Great Britain to-day progressives of all shades of opinion would willingly endorse Mr. Lloyd George's contention, which appears in this week's "Nation": "A rational land system lies at the very root of national well-being. Liberalism will commit one of the most fatal blunders of its career if it allows this question to rest—until it is settled."

LEWIS H. BERENS.

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## MARY JACKSON KENT.

Glendale, Ohio, Nov. 15, 1909.

Mary Jackson Kent, one of the most enthusiastic and sincere disciples of Henry George, a constant reader of *The Public* for many years, a veteran of eighty-five who, though in the atmosphere of wealth, was a fundamental democrat of clear vision and sane judgment, passed away at Glendale last week. She became a follower of Henry George soon after the publication of "Progress and Poverty," and from that time to the end of her long life she was ready with testimony for her faith. With convincing logic and in the pure English speech so characteristic of the educated Irish, she charmed all who heard her.

No world movement escaped her attention, no democratic triumph passed her by unnoticed, no apparent disaster to democracy eluded her sympathetic comprehension. A devoted Episcopalian, she found intense satisfaction in reflecting upon the significance of the economic discussions at the last Ecumenical Conference in London; but on the other hand she was depressed by the recent exposure of Trinity Church as a New York landlord.

On the subject of practical methods, Mrs. Kent pinned her hopes to the movement for direct legislation, believing that through this alone could economic justice triumph. For she feared that the great vested interests would persist in narrowing the opportunities of the poor until, driven to bay, they might plunge headlong into revolution.

SALLIE R. McLEAN.

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## NEWS NARRATIVE

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To use the reference figures of this Department for obtaining continuous news narratives:

Observe the reference figures in any article; turn back to the page they indicate and find there the next preceding article, on the same subject; observe the reference figures in that article, and turn back as before; continue until you come to the earliest article on the subject; then retrace your course through the indicated pages, reading each article in chronological order, and you will have a continuous news narrative of the subject from its historical beginnings to date.

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Week ending Tuesday, November 16, 1909.

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### Convention of the American Federation of Labor.

One of the most important conventions of the greatest labor organization on the American continent is that now in session at Toronto. It met on the 9th (p. 1093), in Massey hall, provided for it by the City Council of Toronto, and on that day listened to President Gompers's address. This address was followed by the report of the