

tion. Therefore, the present campaign is one of education, seeking to interest the progressive minds of all parties, and relying upon the vitality of the principles taught, to direct men in social affairs regardless of their party affiliations. The attitude of the members are well voiced by President Monroe in an interview published in one of the Chicago papers: "The Henry George Association is strictly a non-partisan organization and the work we have planned will not be carried on for the purpose of furthering the interests of any political organization, but for educating the people in the fundamental principles of economics, and in an effort to show the trade unions and capitalists that their interests are identical in the conflict against the monopolists and the beneficiaries of special privileges—their common enemy."

CONGRESSMAN BAKER'S COAL ARTICLE.

A CRITICISM.

Editor *Sing's Tax Review* :

Referring to Hon. Robert Baker's article on coal published in your last number, the problem to be solved is, I take it, how to secure anthracite coal at a fair price; such a price as would obtain under "free competition."

Mr. Baker offers us as the only solution of this problem, "Federal Taxation."

The main premise upon which Mr. Baker bases his arguments for federal taxation, is, that anthracite coal is unique, being found, only in the State of Pennsylvania, and that it is indispensable to the public welfare. He describes it as "an absolute necessity of life; * * * being as truly a necessity in large cities as bathtubs." "In fact," he says, "the general use of bituminous coal in our large cities is more unsanitary than would be the abolition or non-use of bathtubs by their inhabitants. For not merely would outward cleanliness of the individual—especially the toilers—be made impossible, but the very atmosphere we breathe would be polluted, our buildings, public and private, would soon become begrimed, our parks would suffer in loss of beauty and attractiveness; while the little that is artistically pleasing in our architecture and statuary would be well nigh obliterated."

This is indeed a gloomy and depressing picture that Mr. Baker has drawn; and while it admittedly contains much truth it is nevertheless extravagant in the extreme.

Should anthracite cease to be obtainable—should the supply become exhausted and the City of New York, for instance, be compelled to use bituminous coal, its inhabitants would surely suffer many discomforts and inconveniences, and as a consequence would become a far less agreeable place of residence; as indeed would all other com-

munities under similar conditions become in greater or less degree. But there are large communities in the United States, Chicago, Pittsburg, St. Louis, Cleveland and others, where bituminous coal is, if not exclusively, very generally used. The dire consequences Mr. Baker prophesies as happening from such use have not as yet been fulfilled in these places. And I am quite sure that the inhabitants of these grimy and gloomy places would feel greatly insulted at the mere suggestion, that they are less cleanly in their habits than the inhabitants of the City of New York or any other city where anthracite is the main article of fuel. And in spite of the atmospheric conditions that prevail in these states and the attendant discomforts, their inhabitants seem to prefer them. In Great Britain too, where bituminous coal is exclusively used, there are large cities, London, for instance, the most populous city in the world, Liverpool, Glasgow, Manchester and others of lesser size, where the conditions are very much as Mr. Baker describes, whose inhabitants, even the toilers, do manage to keep tolerably clean. Anthracite coal, however much more desirable it may be than bituminous nevertheless is not an "absolute necessity," it is not in any sense indispensable to the welfare of the people of this or any other country. The wheels of industry would continue to revolve after the supply of anthracite had become exhausted. Arguments founded on the indispensability of anthracite coal do not rest on a very sure foundation.

Mr. Baker points out, that the Coal Trust is the offspring of our wrong method of taxation which taxes things that ought not to be taxed, and leaves untaxed things that ought to be taxed. He very properly suggests that. "Free Coal" (that is coal exempt from tariff tax) may be the first step towards the solution of the coal problem." But he fully recognizes that the public appropriation by means of taxation, of the rental value of the anthracite coal deposits will most effectively deprive the "Coal Barons" of their power of extortion. Yet, he raises an objection to the appropriation of these values by the State of Pennsylvania. He claims that under certain circumstances, the State should do so would be levying tribute. Here is what he says on this head: "But if instead of confining land value taxation to anthracite coal deposits, Pennsylvania should extend the system so as to collect from all land having value, its full annual rental, what would then be its relation (so far as these unique coal deposits are concerned,) to the rest of the people of the United States? Is it not clear, that so long as any large part of the anthracite production was shipped without the State, that the State of Pennsylvania would be levying tribute on the people of other States. There are two points in the above statement that I want

to call attention to. One is: Taking the above quotation in connection with its context, it is plainly inferable that, Mr. Baker is of the opinion, that, the State of Pennsylvania, should it appropriate the rental value of all land, (including the anthracite coal deposits) within its jurisdiction, would be levying tribute, but that, should it confine its land value taxation to its anthracite coal deposits, it would not be levying tribute. Reasons for this distinction are not apparent in Mr. Baker's paper. The second point is: That only in case any large part of the anthracite produced should be exported would the State of Pennsylvania be levying tribute on the consignees of exported anthracite. Reasons for this discrimination are not given.

It would seem, if "tribute" at all it would be just as much so, if the amount of anthracite exported from the State of Pennsylvania were large or small; that its being "tribute" would not in the least depend on the relation of the amount of anthracite exported from the State to its total production within the State,

Assuming that the State of Pennsylvania had decided to appropriate for public use the rental value of its anthracite coal deposits, the anthracite coal lands now held out of use would be thrown open to the public. Free competition for sites would ensue. The price paid for exclusive possession would be what the privilege was worth, and no more; and the price of anthracite coal at the pit's mouth would be determined by competition among the producers, and not arbitrarily by the coal barons as under the present regime.

Should the State of Pennsylvania resort to the taxation of its anthracite coal land values, in so doing, its dealings would, whether direct or indirect through the political subdivisions of the State, be with residents of the State. How under these circumstances could it justly be said, that the State would be levying tribute on the consumers of anthracite outside its own jurisdiction? Then again, the State of Pennsylvania, by guaranteeing exclusive possessions of the anthracite coal deposits to those from whom it received rents for them, would be giving an equivalent, the opposite of tribute, which involves the exaction of payment without giving an equivalent in return. Again the possessors of anthracite coal sites could not add the price they had paid to the State in the form of rent for the special privileges the State had conferred on them to the price of their product, how then can it be said with any show of reason that the State of Pennsylvania by appropriating the rental value of its anthracite coal deposits would be levying tribute? But should the State of Pennsylvania impose a tonnage tax it would simply be continuing the present practice of the coal barons (owners of coal lands), and whoever should pay a tax would add it to the price of his coal and pass it along to the

next purchaser as surely as the distiller adds the excise tax he has paid to the price of his product.

In the course of his paper Mr. Baker makes several allegations as to the value of the anthracite coal deposits as a source of revenue to the coal barons on the one hand and to the State of Pennsylvania on the other. He first estimates the "spoliation" of the coal barons to be at least \$1.50 per ton, which on an annual production of 60,000,000 tons would yield \$90,000,000. Further on he says: "The American people inside as well as outside the State of Pennsylvania are 'held up' by the anthracite coal barons to the tune of at least \$120,000,000 annually. * * * Part of it is levied as royalty, but the greater part is * * * triple and quadruple freight rates." And in the next paragraph, assuming the State of Pennsylvania to have abolished every existing form of taxation, including that on real estate, and in lieu thereof should take in taxation the full rental value of the anthracite coal deposits, it would be in receipt of a revenue exceeding in amount all its present expenditures for state, county, municipal and township government, viz.: "One hundred and twenty million dollars, which now goes into the pockets of a few monopolists." And toward the close of his paper he estimates the annual value of the anthracite coal deposits at \$200 for every man, woman and child in the State of Rhode Island; that is, 200 times 428,000 or \$85,700,000.

I do not recall these statements merely to point out their lack of uniformity, but to call attention to the conflicting statements he makes as to the source from which the coal barons obtain their tribute. In all but one of these statements it will be noticed Mr. Baker assumes that this tribute is derived solely through the monopoly of the anthracite coal deposits; but in the one exception he distinctly declares "that the great part of it is squeezed" out of consumers of coal "in treble and quadruple freight rates." The admission that the greater part of the "tribute" of the coal barons is excessive freight rates is important, as it destroys the force of his argument.

If Mr. Baker is correct in stating that the greater part of the "tribute" of the coal barons is obtained through excessive freight rates, as I believe he is, then the opinions he has expressed as to the value of the anthracite coal deposits, either as a source of "tribute" to the coal barons or a source of revenue to the State, must be erroneous. And while it may not be possible to secure full information on the subject, yet sufficient reliable data is obtainable upon which an approximately correct estimate can be formed of the amount of "tribute" the coal barons derive from the monopoly of the anthracite coal deposits. *

Reports of the Board of Directors of City Trusts of the City of Philadelphia.

The Girard estate derives a large part of its revenues from coal lands in Schuylkill and Columbia Counties, Pennsylvania. In the year 1899 nearly 1,250,000 tons of anthracite coal were mined and shipped to market from each of the above counties as had been leased; royalties on which amounted to a little less than \$442,000. The highest royalty paid being 55 cents and the lowest 15 cents; the average for the entire marketed product being a little less than 42 cents per ton.

Most of the Girard leases expired in 1899 and were renewed for another period of 15 years at royalties ranging from 40 to 5 cents per ton the average for the year 1900 being nearly 29 cents per ton.

Higher royalties than the above may have been, or may now be paid, to other of the coal barons than the Girard estate. But it may fully be claimed, I think, that royalties throughout the anthracite region averaged for that year about the same as those paid to the Girard estate, viz. 42 cents, which on 60,000,000, the number of tons named by Mr. Baker (as the annual product), would yield \$17,500,000, about one-fifth of the smallest item named by him as "tribute" to the coal barons.

I am inclined to believe that Mr. Baker is correct in stating that at least \$1.50 of the price paid for a ton of anthracite coal at tide-water is "tribute." In this respect he is supported by the fact that since 1895, the price of anthracite has been advanced from \$3.12 to \$4.00. per ton (stove size.) Conceding therefore that 50 cents, instead of 42 cents per ton, the highest average royalty ever paid to the Girard Estate, is now taken in royalty by the anthracite coal barons, there remains \$1.00, or two-thirds of the "tribute" they receive to be accounted for.

The fact which was brought to light in the course of the investigation of the Coal Trust affairs before the Inter-state Commerce Commission, that, \$1.00 per ton was charged for hauling a ton of anthracite from the mines to tide-water, New York, about double the charge for hauling a ton of bituminous coal a similar distance, tends to sustain Mr. Baker's charge in this regard.

The coal barons collect "tribute" through special privileges. Tribute thus collected represents the untaxed value of these special privileges, viz: The monopoly of the anthracite coal deposits, and the monopoly of transportation, that is the railroads.

The anthracite coal problem therefore, is not simple but complex. In order to solve it, not only must the rental value of the anthracite coal deposit be appropriated for public use, but also, such public control of the railroads as will obtain uniform rates, and prevent exorbitant freight charges, must be established.

The grounds upon which Mr. Baker bases his arguments for Federal Taxation, as the solution of the anthracite coal problem, proves to be unstable, in fact, a veritable

quicksand. There are sound reasons for not adopting this course. Should the United States appropriate by taxation the rental value of the anthracite coal deposits, the people of Pennsylvania would be deprived without due compensation of a valuable source of public revenue which justly belongs to them; that is, without giving them an equivalent; to do which is to exact "tribute."

JOHN FILMER.

"WHAT'S IN A NAME."

To the Single Tax Review:

Single Taxers are proud of their name, as they may well be; for to them it means a principle, a policy, almost a religion, for the uplifting of humanity and the reign of justice on earth. In the short space of twenty-five years it has penetrated from San Francisco to every part of the United States, and from the United States to every nook and corner of the earth, carrying its message of hope. It has stimulated man with a new ideal, and nations with a new purpose. It has changed the direction of legislative thought. Often enough it has been said, and true enough it is, that no great reform has accomplished so much in so short a time.

But admitting all this, is it not true that it is the idea, not the name, that has accomplished so much? Is it not true that the name has been a hindrance, not a help, to the cause? Is it not true that every Single Taxer, when challenged for the faith that is in him must waste much valuable time in explaining what the Single Tax is not before he is permitted to state what it is? And is it not true that every opponent of the Single Tax opposes it on false assumptions of what it is? Finally, is it not true that the misunderstandings and misconceptions are all or nearly all due to the name "Single Tax?" when in fact and in truth it is not a tax at all. The major part of every Single Tax discussion is made up of denials of alleged beliefs and purpose of which Single Taxers are absolutely guiltless. It is aggravating to be constantly told that you believe thus and so, and you want this and that, that no Single Taxer ever believed or wanted. Intelligent and even scholarly men are filled with crude misconceptions of the Single Tax.

Even Professor Seligman objects to the Single Tax on the ground that no "Single Tax" is expedient. He shows historically that various kinds of "Single Taxes" have been advocated, thus classing this with a Single Tax upon expense, or houses, or windows, or incomes, or capital; and says: "The Single Tax of Henry George is thus simply the last of many similar schemes that have been proposed." Evidently he derives a theory of what the Single Tax is from its name.