

## ECONOMIC AFFAIRS IN THE UNITED STATES.

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*Special for "Land Values."*

The year 1905 is likely to be of utmost importance in respect to economic affairs in the United States. We are now enjoying another spurt of industrial prosperity, not altogether general, but in spots sufficiently strong to make our sanguine people feel hopeful of the future, and to give a strong stimulus to speculations of various kinds.

Stock market speculation is active again and another short era of inflations may be expected in Wall Street. But most active of all is speculation in land.

This land speculation is to be seen especially through the Mississippi Valley; and in some parts of Kansas and Nebraska and northern Texas has for almost a year been very lively. There has also been a good deal of speculation in the North-west, and not long ago the president of a north-western railroad deplored the fact that his company was getting very large prices in the sale of its farming land. Not that this president did not desire to get as much money as possible for his company, but that, as he said, he feared that these high prices did not signify a lasting prosperity, but only a temporary "boom," which would bring a depreciation in its wake, and throw the farmers into bankruptcy. An era of dullness in that region would set in.

This president evidently understood the far-reaching and fundamental workings of land speculation, and apprehended a general industrial depression as a consequence of the active land speculation now operating.

In the cities this activity is quite plain. The real estate departments in most of the newspapers in the larger cities speak glowingly of the rising real estate prices and consequent "prosperity" of the community. Hence we may look forward soon to the crippling of industrial operations by the speculative rise of land values.

This speculation in land values is already having one important effect. It is helping to force up general prices and to increase the cost of living, which is higher now in the United States than it has been for years. Thus increasing rents on the one side and increasing cost of commodities on the other, are bringing the population between the upper and the nether millstones.

Obviously these circumstances would work a marked result of themselves, but what intensifies conditions in the United States is the great debate on the question of trusts. For the last half dozen years corporate combinations have been going on as nowhere in the world's history. These trust combinations might better be called monopoly combinations. They consist of the incorporation of monopoly powers, and then the issuing of huge quantities of fictitious stock and bonds on the expectation that this great era of prosperity will enable the "promoters" at least, to successfully handle such "securities." The main object of the promoters is to "unload" these "securities" upon the public at high prices. By this sort of juggle Mr. Andrew Carnegie, when he sold the Carnegie Company to the Steel Trust, received in first mortgage gold six per cent. Steel Trust Bonds more than fifty millions of dollars in excess of the real value of the Carnegie Company. It is also pretty certain that Mr. Morgan's banking cliques received more than one hundred million dollars as clear profit for "promoting" the formation of the Steel Trust. The country is in a ferment on the great monopolies, and while a thousand remedies are offered, it is certain that the only real remedy, that embodied in the single tax philosophy, is making great headway.

Much is said about progress of Socialism in the United States, and to the superficial Socialism may appear to be making progress by leaps and bounds. But a closer view will show that while the believers in the essential principle of Socialism, namely the taking over by the Government of capital and all productive functions, and the abolition of

competition, may have somewhat increased in numbers in late years, yet the very large seeming increase in the number of Socialists consists of men who take that as the only available means of declaring themselves against present conditions, and for equal rights. The American people, as a people, are essentially individualistic and not Socialistic. "Clear the ways and let alone," expresses the feeling of the average American.

The municipal ownership idea is attracting great attention in our cities, and increasing in strength. It is the idea that the municipality should perform all the public utility functions; that is, just as it conducts sewerage systems in every American city, and the water system in most of the American cities, it should conduct the street railways, and the means of illumination and of transmission of speech by telephone. In New York, Chicago, Cleveland, Boston, San Francisco—in fact all of the principal cities—the "municipal ownership" fight is extremely aggressive. The private companies having these municipal monopolies are very powerful, and scruple not to spend any amount of money necessary to corrupt politics and to bend public officials to their uses. They are determined to make a bitter resistance to the municipal ownership movement.

In New York city two very important steps toward the application of the single tax idea have been taken. The valuations of land have been equalised, and the official publication of the city. "The City Record" has this year for the first time printed the entire tax list, showing what each taxpayer in the community is called upon to pay. Moreover, a separate column shows the assessed value of his land, if he owns such. The next step in the work here will be to have improvements on land removed from the tax list and then to have personal property relieved from taxation. In this way the whole local burden of Government would fall upon ground rents alone. It will be interesting to know that there is a very strong sentiment in the community for the exemption of personal property from taxation. Once this is accomplished it will not require much of a campaign to have improvements on land exempted also.

Another thing to note is that in the equalization of the valuations of land the valuations of vacant lots have been greatly increased, that is to say—instead of being set down by the taxing authorities as formerly, at ten or twenty, or thirty per cent. of their real market value, they have been set down in this year's tax list at very nearly their full value. While the rate of taxation in New York City has not been increased, but on the contrary, has been reduced for this year, the amount of tax burden borne by the vacant lots in question has by reason of the increased valuation been greatly increased. The result of having to pay very much more for the privilege of keeping these lots vacant has greatly discouraged many vacant lot speculators, with the result of causing them to put their lots to use, and in the vacant upper portion of the city there is now considerable building activity.

On the 24th of January—the twenty-fifth anniversary of the publication of "Progress and Poverty," was celebrated by a dinner at the Hotel Astor in New York City. The celebration was under the auspices of a large committee, composed of prominent men representative of the arts and professions, and the speakers endeavoured to show the great and various influence wrought by that book.

**DRAWING A DISTINCTION.**—A fine is compensation exacted by the community for an injury done to it by a single person. A tax is compensation paid to the community for special privileges received by a single person. Fines are at present levied with the idea of discouraging actions injurious to the community. Levied in accordance with the ideal definition given above, fines would still discourage misdemeanours and taxes would discourage the holding of special privileges; both would operate directly to the advantage of the State besides providing revenue.—*Canadian Single Taxer.*