

LETTER FROM HENRY GEORGE, JR., TO
ADOLF DAMASCHKE.

THE SITUATION IN THE UNITED STATES.

101 WEST 84TH STREET,
NEW YORK, NOV. 28, 1901.

Herr Adolf Damaschke,
Berlin, N., Arconaplatz 81.

My dear Mr. Damaschke,

I have just received the note of salutation signed by you, Miss Colbron, and other Single Taxers. Please accept for yourself and present to the others my sentiments of warm appreciation of this attention. In accordance with your general request, I hasten to send for reading at your political meeting on December 8 the greetings of American Single Taxers and a brief account of the political and economic situation in the United States.

This country is now in the throes of great speculation. The march of concentration has within the last few years been amazingly quickened, as shown in the merging of railroads, of illuminating plants, of means of communication, and such industrial processes, as we have at their foundation some important principle of monopoly like the possession of mines, of oil wells, of forests, of special agreements with railroads, or of the so-called "protection" of the customs tariff, which, preventing competition from without, confines the supply of domestic needs to domestic producers. To the formation of combinations around some kind of monopoly we have come to give the name of "trust," and these "trust" organisations have grown to dimensions, perhaps, never before heard of in the world—the steel trust having a capitalisation of \$1,400,000,000, which is founded upon the practical monopoly of the best steel-making ore in the United States, and the exclusive possession of all the best steel-making coal in the country, and having besides these many other very important and valuable law-made privileges.

In the present era of general business prosperity these great trust combinations have been and are making large profits. On the basis of those large profits they have reorganised and inflated their capitalisations, selling stock to the public on the presumption of a continuance of present prosperity.

But such prosperity cannot long continue. This kind of stock speculation would alone check it. What will hasten that process is the speculative rise of land values, speculation beginning to be quite active in and about most of the large cities of the country, and also in many of the farming regions, particularly in the States immediately west of the Mississippi River, the wheat and corn country. Land values have already gone up very high in these vast areas, and the time cannot be far off when there must come a reaction, superseding the present season of prosperity with a heavy depression and perhaps a panic.

Mr. McKinley, when running for the Presidency, was called the "advance agent of prosperity." His successor, Mr. Roosevelt, elected by the same party—the Republican party—represents practically the same elements in the community—the great vested interests and monopolies. If there should be any cessation of prosperity, then the party of the ins—that is, Mr. Roosevelt and his party—would, as is always the case in American politics, be held responsible, and would be voted down at the next Presidential contest, which will be in 1904.

What makes the Republican defeat more probable in the next national election is that there is a widely growing and intense feeling against monopolies of all kinds. The Single Tax agitation has, of course, helped the growth of this feeling, and while the Single Tax idea itself is steadily making great numbers of converts, the direction that popular thought is taking just now is not so much toward the Single Tax *per se* as toward the anti-monopoly idea. In New

York State a law was recently passed to classify the franchises of all public service corporations, such as railroads, illumination, telegraph and telephone companies, as land, so that they may be taxed. The Supreme Court of the State of Illinois has just delivered a decision compelling the State Board of Assessors to tax the public service corporations; and in Ohio the Mayor of the city of Cleveland, Hon. Tom L. Johnson, has carried a case up to the State Supreme Court asking that tribunal to compel the State Board of Assessors to make the tax on railroads equal to the taxes on the other forms of property. This is precisely what Mayor Johnson did in his own city, and he is preparing to equalise taxation there—the owners of the poorer land being made to pay far out of proportion to the tax borne by the owners of the more valuable land. To carry on his fight Mayor Johnson has had to go through two election campaigns in Cleveland; but in both of these he was overwhelmingly successful, although he belongs to the Democratic party, while the city of Cleveland is usually strongly carried by the Republicans.

As I have explained, the taxation question is in warm discussion in all parts of the United States, and Mayor Johnson's successful campaigns against formidable opposition in behalf of the taxation of monopolies has attracted attention to him all over the country—so much attention, indeed, that he is talked of by many prominent Democrats as the man who seems best qualified to be the Democratic candidate for the Presidency in 1904. If he is thinking anything about this, Mayor Johnson is saying nothing to the public. His chief concern is to preach and press forward his faith, the Single Tax, and all his efforts are practical steps towards that end. His first aim is to tax the great public service corporations, which are in private hands in this country. By taxing them he purposes to break their power, and thereby make the task of public absorption more easy. Being a millionaire himself, and having made his wealth as a railroad magnate and steel rail manufacturer, though all the while proclaiming his determination to use his money to promote the Single Tax and all that it involves, he knows the weak places in the armour of the opposition, and therefore makes a remarkable leader for the masses of the people in their war upon privilege.

This is a brief survey of the situation here. The Single Tax propaganda itself is flourishing, and beyond this is the great anti-monopoly discussion which is engaging the whole people and entering politics in a variety of ways, and all tending irresistibly to the end we have at heart—the Single Tax. We have but to live to see the Single Tax realised. If we should go, then those who follow us will surely see it.

Yours in the faith,

HENRY GEORGE, JR.

ASSOCIATION OF POOR LAW UNIONS.

At the third annual meeting of the Association of Poor Law Unions in England and Wales, held on Thursday, 14th of November, 1901, in the Crown Room of the Holborn Restaurant, London, the following resolution was carried after a lengthy and interesting discussion:—"That the Council be instructed to introduce a bill for the taxation of site values if no bill is introduced by another authority next session." It was further agreed:—"That no action be taken by the Council on any bill proposing the rate of land values until this Association has been able to consider the matter."

THE difference between serfdom as in Russia and land ownership as in England is more in form than in fact. Whether I own the peasant, or the land from which he must obtain his nourishment, the bird or its food, the fruit or the tree, is practically a matter of small importance.—*Shopenhauer.*