

sum which is here shown to have been accumulated by one individual in a lifetime.

"This kind of thrift is the thrift of the pirate who invests his hard-earned savings in a pirate ship and who also takes his life and property in his hands with the hope of gain. You yourself discount your proposition as to the risk in this sort of investment when you state later down in the editorial that if assessments grow, values grow still faster. You say, 'The idea that the lot owner does nothing, as his land rises in value, is never wholly true, and it is altogether untrue in land on the outskirts of a city.' You refer to the heavy taxes on unproductive property and to their prudence and thrift and self-denial. But how about the prudence and thrift and self-denial of the people who come along a little later in time and have to pay this \$8,000,000 or \$10,000,000 increase on the \$40,000? To be sure, speculators make bad guesses as to which piece of property will rise in value, but I deny totally that as land owners they give to the community any return. It is only as workers and creators of wealth that they incidentally give value to their land. It is the community and its activities that create these values.

"The protest of the single taxer is not against the increase of value, but against its going into the pocket of the mere holder of land, in the main a holder of lands out of use, or in only partial use. What the single taxer demands is that the community which creates this value shall take that value in taxation and apply it to the common good, in lieu of all other taxes, which, without exception, whether direct or indirect, are penalties on thrift and productivity, which fine men when they build buildings and discourage the very thrift and industry to which you are appealing.

"The presence and activity of population is the only thing that turns a wilderness into a garden or a blank plain into a city, and the exodus of that population from the city will turn it again into the blank wilderness. Therefore, population should own all values created by itself."

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A pawnbroker was awakened in the middle of the night by a furious knocking at his door. Opening the window, he looked out and asked:

"What's the matter?"

"Come down," demanded the knocker.

"But——"

"Come down!"

The pawnbroker hastened downstairs and peeped around the door. "Now, sir?" he demanded.

"I wan'sh know the time," said the reveler.

"Do you mean to say you knocked me up for that? How dare you?"

The midnight visitor looked injured. "Well, you've got my watch," he said.—Ladies' Home Journal.

THE SINGLE TAX ISSUE IN GREAT BRITAIN.

Portions of an Article in the London Daily Chronicle (Liberal), of November 30, 1908, in Reply to the London Spectator (Tory), on the Former's Proposal to Tax Capitalized Land Values a Penny in the Pound Sterling to Make Up the Treasury Deficit.

"The true principle," says the "Spectator," "is to make men pay according to their ability, and not to penalize a man because he happens to be the owner of a particular kind of property." According to this view nearly all existing taxes are unsound, because each is levied in respect of "a particular kind of property." To say that "not only capital land values, but all capital values, must be taxed," simply means that no alteration in taxation must be made until all the proper alterations can be made simultaneously. A more impracticable suggestion it would be difficult to conceive.

A hypothetical Mr. Smith, we are told, "made £480,000, and invested half of it, or £240,000, in land, and the other half in government securities and in shares in various companies." Dying, he left one-half each to his two (apparently widowed) daughters, Mrs. Jones getting the land and Mrs. Robinson the stocks and shares. Why, asks the "Spectator," should the state take £1,000 a year (1d. on £240,000) more from Mrs. Jones than from Mrs. Robinson? We will not do the writer of its article the injustice to suppose that he meant to convey that Mrs. Jones' land was all vacant, unused, and unimproved. Then, as our proposal was to tax only land value, a deduction must be made for the value of buildings and other improvements. This we put at an average of two-thirds; and on this basis Mrs. Jones would only pay £333 (1d. on £80,000) instead of £1,000. Presumably also some of Mrs. Jones' land is of that kind which is improved by agencies and circumstances over which she has no control and towards which she makes no contribution.

On the other hand Mrs. Robinson would by no means escape scot free, as the "Spectator" too hastily assumes. Shares in companies represent property in land as well as other things, and so far as her shares represented land value Mrs. Robinson would have to pay the tax. This is the extent of the "monstrous injustice."

The "Spectator's" argument is not only wrong in its facts but in its principle. It assumes that every kind of property should be taxed alike, and appears to contemplate a fiscal system under which the citizen would be brought within the net of the tax-gatherer in every relation of his business life. No civilized community would submit to such a system of taxation for a month. It is essential that certain great classes of wealth should be selected as

the standard by which the citizen's "ability to pay" should be measured; and the only important question is whether the value of land is a good selection for this purpose.

The choice of a proper measure of taxation is of vital importance to the nation. A tax can either hinder or promote the progress of industry and commerce; and its burden is most grievous, not so much when its amount is large as when it hampers the production and exchange of wealth. The strongest reason for taxing land values lies in the fact that this system of taxation will free and stimulate, instead of hampering, production and exchange. It will operate against the holding of land out of use by making such a practice unprofitable. Those who use their land to produce wealth will have no difficulty in paying the tax; but those who let it lie idle must either pay the tax out of other resources or else put the land to profitable use. When the land now unused is brought into the market the effect upon the manufacturing and trading community—and especially upon labor—will be highly beneficial. Opportunities for employment—i. e., for using land—will be everywhere multiplied. There will no longer be any difficulty in inducing landowners to allow small holdings. Builders will be able to get as much land as they wish for houses, for shops, for warehouses and buildings of all kinds. Every branch of industry will benefit, for all industry requires the use of land.

And this brings us to another argument in support of the tax. So far from being a "special" tax, it will reach all members of the community. All must make use of land for their existence and for the production and exchange of wealth. And, in doing so, all assist in creating and maintaining the value of land, the increment of which is as truly "earned" by the nation as a whole as it is "unearned" by individual landowners. Now, by taxing a value which all assist in producing, we secure some contribution from everybody; and this contribution will, "ex hypothesi," be proportionate to the value of land used or enjoyed by each. Could there be a fairer basis of taxation?

All other taxes—even the income tax—have a tendency, more or less marked, to keep or send wealth out of the country. Even more certainly do they increase the prices of commodities and the cost of living. The tendency of taxes on income to drive capital out of England is only held in check by the burdens laid upon it in other countries. Taxes on food, houses, and other necessities seriously curtail the spending power of the community, and thus reduce both the demand for goods and the demand for labor. But the taxation of land has a directly contrary effect. Land cannot be driven away by taxation, however heavy it may be; indeed, the heavier the tax, the lower will be the price or rent, and the easier will it become to obtain land for useful purposes.

Here, as we believe, is one of the fundamental methods for dealing with unemployment—a social disease caused chiefly by the divorce of labor from land. The widest possible freedom of trade is only concerned with the exchange of wealth, with the buying and selling of goods. But if the production of wealth is hampered, restricted, and rendered more costly, freedom in the exchange of wealth cannot be expected to redress that injustice. What is needed is the application to production of the same liberal principle as we have already applied to exchange—the principle, namely, of freedom. We must free the land, the source of all material wealth, and prevent monopoly and ownership standing between land and labor. To achieve this aim, and at the same time to help the national exchequer, the shortest, simplest, and surest way is to tax land values.

Perhaps the "Spectator" does not admit that land values are unearned by the possessor or that the community creates them, or that land can be taxed separately from the buildings upon it. Take the typical case of a ground landlord in London. A square in Bloomsbury brings the Duke of Bedford £2,000 a year in ground rent. He did not build the houses, and, as it happens, he did not lay out the square. When the leases in the square expire the leaseholders, if they take new leases, have (1) to pay a fine of £600 or so for permission to remain, (2) they have to reconstruct the houses or rebuild them to the satisfaction of the ground landlord, and (3) they have to pay an increased ground rent. The ground landlord takes everything out but puts nothing back. He pays income tax on the income which he did not earn, but the community at present does not seek to recover part of that wealth which it created. Until we have the land valued separately from what is on the land—whether forest, factory, dwelling, or crops—we cannot apply a land tax based on value. If the value increases the owner would not feel a tax which would only deduct a small percentage of that increase; if the value declines he would not suffer, as the tax would diminish accordingly.

We would invite the "Spectator" and other critics to assist in solving the Budget crisis in a constructive way. The "Spectator" says that £25,000,000 will be required by the Chancellor of the Exchequer next year. How would the "Spectator" raise funds for old-age pensions, for the other growing charges—for a strong navy, which it always supports, to say nothing of universal military training, which it also advocates? Obviously we must have a new source of taxation capable of expansion. The protectionists call for a tariff tax—a source which the "Spectator" as a leading and most valiant champion of free trade knows would inflict the maximum amount of injury on the nation and its industries, introduce a most mischievous and burdensome form of taxation, and compel us to spend more and more on arma-

ments. Against the protectionist nostrum, which in presence of a negative policy might mislead the ignorant and self-interested section of the people, we put a practical suggestion for a small tax on land values—a tax at once fair, just, equitable, carrying with it a minimum of sacrifice to the individual and a maximum of benefit to the nation.

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THE SINGLE TAX IN NEW ZEALAND.

From a Speech Made at Grey Lynn by the Hon. George Fowlds, New Zealand Minister of Education, During His Recent Campaign for Re-election to the New Zealand Parliament.*

All present recognize that when I joined the Ministry I had to subordinate some of my ideas to those of the Government. The single tax is not the policy of the Government, and therefore can not be the issue of the election, but I do not propose to let misrepresentations of the single tax pass unnoticed.

My opponent has said that a number of poor people owning allotments valued at £120 would have to pay £5 a year if the single tax were brought into operation. I am prepared to accept his figures as correct.

But does not single tax mean one tax, and all other taxes abolished? Did he tell you that? (Cries of "No.")

It is estimated that under the present system the taxation per head of the population is £6 per annum. If you were to add the profits which the importer and the retailer has to add on for the amount paid in customs duties, and the increased price which is put on many goods manufactured in New Zealand on account of those duties, then the £6 is very much under the mark. It is probably double or at least half more. The owners of most of these allotments are married, and, estimating the average family at five, the taxation must be £30 a year under the present system. Do you believe there would be a single elector who would not be willing to pay one single tax of £5, and have the balance remitted? (Laughter.)

Twenty-five pounds would be left as a surplus, and in five years that surplus would pay the cost of their allotments, and thereafter leave them in possession of a pension of £25 a year for the rest of their lives.

My opponent, moreover, has declared that he is not in favor of doing away with the system of rating on unimproved values. That is wise, especially in Grey Lynn, where the people live under the system and approve it. (Applause.)

*Mr. Fowlds was re-elected by an increased majority of 800 (p. 851).

BOOKS

A FAIRY-TALE.

Abdallah, or The Four-Leaved Shamrock. By Edouard René Lefebvre-Laboulaye. Translated by Mary L. Booth. Published by A. C. McClurg & Co., Chicago.

The story is a translation from the well-known French of Laboulaye. Little need to tell it. Foster brothers in their desert boyhood, the base Egyptian Omar and the noble Bedouin Abdallah, go their separate ways in adult life, to meet only in fateful misfortune for both. Abdallah, the pride of his pious mother, has grown in wisdom and grace to leadership among his brave tribesmen. Omar, the rich city merchant's only heir, has lived solely for self and power and gold. As his father before him bribed judges and rulers for monopoly of trade, so Omar, cornering the market and raising the price of wheat to the starving, gluts himself with the power of possession. Abdallah's ambition has been to find the four scattered leaves of the shamrock which Eve plucked hastily when leaving the Garden of Eden and lost forthwith. The dramatic discovery of each leaf—copper, silver, gold, diamond—marks the stages of Abdallah's character-growth toward perfection.

These two men love the same woman. Abdallah fairly wins her; Omar sulks and plots revenge. In that vengeance both die—Omar in shame and hatred, Abdallah in the supreme joy of self-sacrificing love.

To re-read a favorite fairy-story and to find within it a perfect picture of modern commercial graft, of one-man monopoly, of destroying greed, is an annoyance perhaps. But that annoyance is turned into keen pleasure over another picture therein—the effect of freedom and space, of boundless land and the open sky, upon a people's character.

The fascination of the story, the sweep of its action and the beauty of its expression, carry the reader away to the fairy-land of Justice. Through the Oriental atmosphere of pious Mohammedanism and passionate romance, of brave deed and treacherous plot, is seen a familiar and lovely vision—the spiritual triumph of the good and pure over the evil and base, of the beautiful and true over the ugly and false.

ANGELINE LOESCH.

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That which is not good for the swarm, neither is it good for the bee.—Marcus Aurelius Antoninus.

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A new railway was being made, and, the design