

Yet we tax the business of building. We meet a man who has just bought a lot and we say to him—"How much money are you going to spend on that?" And when he tells us, we say to him—"Well, that will cost you just so much on the hundred dollars."

If he wants to save money in taxes he must cut down his building estimates.

Yet he will occupy just as much room on the street with his eye-sickening barn as he would with a palace of trade. He takes up just as much space of the common business area and makes the rest far less valuable. He has the same effect upon neighboring property for commercial purposes as if he had started a slaughter-house in a residence district.

Still the city pays him a cash bonus to confine himself to an ugly barn !

And if he has pride enough and civic patriotism enough to erect a splendid building which will add hundreds of dollars to the value of neighboring real estate and give work to hundreds of workmen and attract capital to the city, we impose a fine on him, and make him pay it !

Take some concrete cases.

Did the Morgans damage the neighborhood of Phillips Square by putting up their magnificent buildings ? Are these splendid office buildings on St. James Street depressing the value of the down-town districts ? Are the building operations in Westmount ruining that suburb ?

Take another side of the question. One of the curses of poverty is that the very poor often live in unhealthy, cramped, airless and badly equipped houses. Yet every one of these hovels pays taxes ; and any effort to build better calls down on its head more taxation. Ald. Ames himself was certainly fined for his philanthropic decision to build a model tenement. We protest against privy pits, and yet we mulct the man who puts modern improvements in his little homes for the poor.

Why not have common sense ?

Why not levy all our taxation upon the land which a man uses, and thus leave him absolutely free to spend all that he will upon the buildings he proposes to put on it ? This will give the poor man a better tenement, the street better stores and office buildings, the city better homes, the workman more work, the merchants more trade, and real estate higher value.

It will not "fine" anything but the land which cannot get away. It will make the assessment easier and more just ; for land cannot be hidden or disputed over. It lies right out doors where everybody can see it.

It will settle the Morgan question at a stroke ; for he could not then reduce his taxes by burning down his store and growing potatoes on his lot."



ECONOMICS OUT OF SCHOOL.

(Expressly for the Review).

BY JAMES LOVE, AUTHOR OF JAPANESE NOTIONS OF POLITICAL ECONOMY.

After reading Professor Clark's replies to Post, in the last number of the Review, I feel that if they are to be envied who have no teeth left to be pulled out, they are still more to be envied who have no more Economics to read. However, a society that encourages physical rather than mental excellence, and that inspires the young men of our schools to present their bare backs and shoulders to a camera in order that their muscular development may be half-toned in the newspapers, cannot be other than a thoughtless society. A society of "Economics" developed in accord with "Modern scientific methods" by Seligmans and Clarks !

"The devil take modern scientific methods!" exclaims a testy naturalist at my side. "The devil take them, I say. Zoology that once aroused us to the beauty of butterflies, the cunning ways of squirrels, the plumage, nests and notes of birds, and all the instructive romance of woods and wilds, is now nothing but chapters on protoplasm, bacteria, and comparative anatomy. Giving us fragments only, and talking learnedly of bones, stomachs, and intestinal tracts, they turn the study of 'Animated nature' into a science of guts." These strictures, too severe, of course, upon recent Zoologists, would however, be wholly justified if applied to recent Economists. The earlier writers—Adam Smith, Say, and even Mill, earnest and thoughtful men, though not satisfactory, to be sure, could at least be read with some degree of pleasure. But the late writers—Walker, Marshall, Nicholson, and the rest, who present nothing but paradox, over-population, and evolution; present what they call "Economic science" as a science without principles; a "Science" in which, as one of their number tells us, voicing the teachings of all, "There are no physical or moral laws to be applied without regard to time and circumstance which will save the statesman the labor of working out each case on its own merits." A science which presents a social state where every man is for himself while the devil takes the hindmost as one necessary to "Survival" and growth; these later writers, I say, "Men who are skilled in little more than the trick of concealing the direst poverty of thought under a farrago of never ending chatter," cannot be spoken of justly in words that would not assume the form of malediction.

"In my judgment," says Prof. Clark in his reply, "If Mr. Henry George had been solely an Economist all his life without special devotion to the Single Tax, he would have accomplished in the scientific field results for which every Economist in the world would have delighted to honor him." This bit of characteristic scholastic assurance, disclosing the notion of the "Schools" that George has presented nothing of scientific value, also betrays their ignorance of what he really did present. For the Single Tax notion—the notion that man's rights to land are equal and inalienable (a truth often noted before, but by Henry George alone rigidly demonstrated and related to all other truth), the notion that "Land"—the world, the universe, the very foundation of existence, without which man would be a disembodied spirit—is one of the two essential factors (Land and Labor), in the production of wealth and not in itself "Wealth," is the underlying support of his whole system, without which, his life work being as incoherent as their own, "Every Economist in the world" consistently might have delighted to honor him.

The indolent author of the *Castle of Indolence*, who would not rise before ten, there being as he said "Nae motive," is, I think, a type of Clark and Economists generally, who also lack incentive to rise. For knowing that what they now teach brings them the approbation, "Degrees," and pay, that new views, though true, might endanger, they prudently avoid new views. "Adopt new views? No indeed! There's nae motive."

Notwithstanding that the subject for discussion on that February night was the theory that the whole revenue of a State should be derived from a tax on land values, and notwithstanding, as he said, theories composed his whole stock in trade, Prof. Clark evidently felt that it would be safer to abandon theory, and using the ways of a politician rest his objection upon vulgar beliefs. So, using politician Cleveland's words, he "Recognizes that it is not a theory but a condition that confronts us," and proceeds to discuss the matter much in the style of a stump speech. The particular "Condition" that he notes first is, that the "Working people of the United States have almost been forced to put their savings" into land, "Whether land * * * was or was not originally a subject for private ownership is a question for theoretic discussion." But prac-

tically if you take land value away from these men "You take their savings which they have put into it." An argument to assure Single Taxers that Economics has been be-scienced to its dotage. For a long time supported by tonics, porous plasters, stimulants, it has taken at last to crutches significant of its end. The argument of course being nothing more than the re-resurrection of "The widow and orphan," a boggy that we thought had been finally laid,

"The times have been,
That when their brains were out the bugbears died,
And there an end ; but now they rise again,
Despite the mortal critiques on their crowns,
To harp this woe-worn tune."

The workingman does not put his savings into land. He may exchange his savings for land. The other man then would have the "Savings," the working man would have the "Land," but with no higher moral title than the vendor had. "Exchange transfers, it does not create." The last holder of a stolen horse possesses no better title than the thief possessed. Professor Clark has thus shifted the discussion from property in land to the inviolability of property in things that are the product of labor—property in "Wealth"—true property—no part of which can be seized by the State as taxation without violating the moral law "Thou shalt not steal."

Where land has no rental value (for, speculation ceasing, much land would be free of rent) this rent might be taken from the occupier, leaving him in full possession of the land and in full possession of all that is produced upon it in excess of rent, no part of his capital or other wealth being taxed—is a very different statement from Clark's. "If we (the community), take from a man the rent of his land we practically take his land." For like nearly all Economists, unable to grasp the idea "Rent" he holds this to be equivalent to the propositions—"You may keep your cow, but I will take the milk." "You may keep your mill, but I will take the cloth and pay the operatives." "You may keep your whale ship, but I will take the oil." "You may keep your pocket book, but I will take the coin." All of which assures us that he sees no distinction between "Rent" and "Interest," no distinction between property in "Land" and property in "Wealth," no distinction between the commercial appropriation of what has been produced by and thus belongs to the community, and the appropriation by one individual of what has been produced by and belongs to another individual. His propositions really being equivalent to, "You may keep your land, but I will take the entire produce of your labor and capital on the land—not only Rent, but your Wages and Interest. Thus he ignores the true definition of Rent, the share of the wealth produced which the exclusive right to the use of land gives to the owner of the land, saying "It has been customary to define Rent as the income derived from land."

"The American people," he says, "Have been very chary about direct seizure of private property." "Taking a kind of property from the people who now have it is something the American people are unwilling to do. It doesn't seem right." That depends. How about custom-house, excise, and creditors' seizures? While his colleague, Seligman—(In his "Finance"), objecting to any appeal to "Rights" assures him that modern science has "Incontestably disproved this assumption of natural rights." Besides the Professor here chooses to use the term "Private property" in place of "Land." The terms are not co-terminous and such illogical use of them leads him from truth. Since the Professor is confronting not "Theories" but conditions, I will remind him of a condition he may have overlooked. The condition that our private land titles are clearly in contravention both of Divine and civil law. The first declaring that "The land shall not be sold in perpetuity for the land is Mine."

The second (vide the Code of Iowa, and with small variations the law of all the States) reading "Every disposition of property (meaning land) is void which suspends the absolute power of controlling the same for a longer period than during the lives of persons then in being and for twenty-one years thereafter." While in "Washburn on Real Property" we find that "To give validity to a partition of land all persons interested should be made parties to the proceedings. Such parties and none others would be bound by the judgment." Though "Higher Criticism" may have exploded the idea of moral law and set aside the Bible en masse, how can we make these clear declarations of statutory and common law, when justly interpreted to include the first disposition—the first partition—sustain any of our private titles to land? Sustain grants to John Doe, his heirs and assigns forever? Uphold partitions of land against the deeply interested coming generations whom it was not possible to notify and who therefore cannot "Be bound by the judgment"? And the deeds set aside—where continuous millions of minors and married women are interested—can "Adverse possession" be appealed to?

To get back to the debate. "It is the fate of the homes of half our people," he said, "That is now under consideration." "The men who have worked and saved their wages and have invested them in homes which they occupy and love are * * about the last class to single out for a seizure of property." Here in discussing Land he makes the terms Homes and Property, and even Saved Wages, coterminous with it. For the intimation is that Single Tax will "Single out" these poor men and seize their "Savings." It would be a work of supererogation to point out the absurdities of this statement—to show that he knows absolutely nothing of the Single Tax theory, and violates the most elementary rules of logic. It will—by and by—be hard to believe that this statement was uttered in New York City, by a Professor of Economics in the greatest of its schools. Uttered in a city where the census of 1900 showed that over ninety-three families in a hundred are tenants; the larger part of them crowded into uncomfortable and unsanitary tenements!

He cites Minnesota settlers flocking there encouraged by the State. "Settlers have never been attracted to come and pay rent." They flocked into Minnesota at an early day because they knew that the rapidly increasing numbers would shortly enable them to appropriate rent. By the census of 1890 about 69 per cent. of Minneapolis families, and over 15 per cent. of Minnesota farmers were tenants. (The percentages are greater now.) But this indicates but a small part of what is properly "Rent." Men who own land pay rent—the interest of the purchase money or value, added to the land tax, is really rent.

"I do not see what enormous difference it makes if I pay rent at all whether the man who comes to collect is a government official or the * * agent of an owner. I will have to pay in any case." In the first case—as all Single Taxers know—he and all other land users would pay Rent to their own agents for the equal benefit of all. And when the people as a whole thus collect Rent individuals cannot. So, that land or rent speculation will cease, while at the same time the taxation of houses and all other forms of "Wealth" will cease. It seems absurd that twenty-four years after the appearance of Progress and Poverty a professor, assuming to know all about it, needs thus to be "Crammed." But when it comes to really, thoughtful books, Economists generally, adopting Swift's suggestions, either serve them as some men do lords, learn their titles exactly and then brag of their acquaintance, or (which is a profounder and politer way), get a thorough insight into the index, by which the whole book is governed and turned, like fishes by the tail."

"Rent paying" he says, "Has never been popular," citing France where

"Land somehow has got into the hands of the cultivator, and France has been covered all over with a new peasantry." "It is a prosperous country to-day under this peasant ownership of land. In North Germany much of the soil is held in bits by peasants free from rent." "This year there is a fair prospect that Ireland will be free from rent paying." In these passages "Land" and "Soil" are used as synonyms, and the implication is that Land—the world—is used only by peasant cultivators, and to produce food. "Rent" is treated, not as something that occurs in the order of nature, but as something that may be avoided by owning the land. "It is a very easy thing for the government to seize the rent from peasant landlords and make tenants pay to the end of time." "But the government wont do it, and the Irish people would vote against it." This again shows the same confusion; one very general among Economic writers, in spite of their definitions, that Rent exists only when one man owns the land and another uses it. Not only will Rent continue after the British government has bought out the great landlords, but it will, I think, be more intense, for the demand for land will not be lessened and the new small landlords can sell out their rights or sub-let them. As to peasant proprietors generally, Professor Volcher, a high authority, says that in Germany and France they are in a much worse condition than English farm-laborers; and Lady Varney, who purposely visited these countries, tells us that in France and Italy they are in a "Pitiable condition." In Italy the women work like sqaws, and sometimes as many as forty families live together in the utmost squalor. In Brittany and elsewhere some of the peasants live in a way that "English agriculturalists would not allow their beasts to live." It is the same in Switzerland, Belgium, and other countries where many of these peasants are tenants to other peasants and are rack-rented more mercilessly than in Ireland. Besides the question is not "Would the people vote against it?" But "Ought they to vote against it?"

How grateful should be those Economists who are not rendered reckless by an uncontrollable gift of gab—their teachings are not impeached, their tempers are unruffled, and they quietly draw their pay. As prudent as "Dorcas Fysche, a visiting Friend, who craving to know whether Friends not being members were permitted to speak, and being informed yea, thereupon held her peace."

"If any man can see a parallel between owning a piece of land and owning a man, he looks at the problem through different glasses from those (with) which I view it." The professor surely looks through a glass darkly. The physiocrats, and many others before and since, have found such a parallel. I can cite only Herbert Spencer. "To deprive men of their rights to the free use of the earth is to commit a crime inferior only in wickedness to the crime of taking away their lives or personal liberties." And Harriet Martineau, "The old practice of man holding man as property is nearly exploded among civilized nations; and the analogous barbarism of man holding the surface of the globe as property cannot long survive." Surely the professor will admit that if another man had a legal title, that he could enforce, to the professor's arms or legs, the professor would be a slave to that other man. Now "Land" is more essential to the professor's existence than his arms or legs. Men do live without arms or legs. But no one can live without land. If the professor had to make terms with the owner of his legs he would feel himself a slave. But he has to make terms with the owner of what is more essential than his legs—the land. But as in most cases rent is not paid so direct—the enormous land values of cities, railroads, mines, etc., are not by the masses (including the economists who pander to them), related to the difficulties of life. And this praedial slavery of our time becomes even more severe than chattel

slavery. Inducing Madam De Stael's feeling remark that her "Faith is weakened rather by the cold indifference of civilized people than by the doings of savages."

That one so wretchedly equipped for the discussion should have ventured to meet Post seems to me like audacity itself, and could I believe that he had ever read so thoughtful a writer as the woman just quoted, I should say, that misinterpreting a passage in her "Germany," he had assumed that such audacity would be thought a quality of genius.

A post-graduate, about to enter upon the study of biology under Agassiz, would be placed before a table on which the professor had placed a lot of corals, or perhaps crinoids, and be asked to "Study" them. But what text book shall I use? Oh! no text book. Simply study these forms. Note their differences and resemblances. Group them into species and genera, and if you can, into families also. This real study of the things themselves, instead of memorizing from text books what others had studied, or at least written, would usually baffle "Students," some of whom, their thinking powers atrophied by long lack of exercise, would abandon the effort in despair. But in Economics, the post-graduate—there being no Agassiz available—usually goes abroad to some German university, there to continue his undergraduate thought deadening ways. But—the course brings him the degree of Ph. D., enables him to quote from Karl Menger, or Wiesser, or Bohm-Bawerk, have his articles accepted by Economic Quarterlies edited by similar men, brings him invitations to chairs of Political Economy, and enables him to write text books which, though nobody can comprehend them, may become stated text books in schools.

A student of Richmond (Va.) college wrote to me in regard to Japanese Notions, "I rejoicingly concur with you in your criticism of Hadley's Economics." Neither he nor any of his class could understand it, but bowing to authority had thought that the difficulty was with them. But, I guess he was the only one who read the criticism. For as he said, "Going to college primarily for a degree, and only secondarily to learn, they usually read nothing but what they had to."

"Uneducated" Lincoln, so Mrs. Tarbell tells us, said "When I was a mere child I used to get irritated when anybody talked to me in a way I could not understand. I do not think that I ever got angry at anything else. But that always disturbed my temper and has ever since." It was well for his peace of mind that "Economics" was never thrust upon him. The Distribution of Wealth, for instance, by John Bates Clark, Professor of Political Economy in Columbia University; which book, the author says, is an orderly arrangement of articles that have appeared in various Economic Quarterlies since 1881.

In this book "Land" is ignored as a factor in producing wealth, and "Rent" as a factor in its "Distribution." The distribution being into Wages, Interest, and Profits. But—Profits—Heaven help us!—he tells us are composed of Compensation for Risk—Interest and Wages.

The distinction between "Capital" and "Capital" goods is the great work of the author. One has a herd of cattle, let us say. The cattle themselves are capital goods—they come and go—are reared and consumed. But the value of the herd \$20,000, let us say, must be maintained, or society would be endangered. "The most distinctive single fact about what we have termed capital is the fact of its permanence. It lasts; and it must last, if industry is to be successful. Trench upon it—destroy any of it, and you have suffered a disaster. Destroy all you have of it, and you must begin empty handed to earn a living by labor alone. Yet you must destroy Capital Goods in order not to fail. Try to preserve capital goods from destruction and you

bring yourselves the same disaster that you suffer when you allow a bit of capital to be destroyed."

"Capital is perfectly mobile, but capital goods are far from being so. It is possible to take a million dollars out of one industry and put them in another. * * It is however, quite impossible to take bodily out of one industry the tools that belong to it and put them into another." I should think that my child could see that the "Million dollars" are not in an industry and cannot be taken out. The industry might be exchanged for a million dollars.

"Ground rent we will study as the earnings of one kind of capital goods—as merely a part of interest." A foot note says "It will be seen that this is not calling land capital," etc. He can only see interest as the return for the use of money. "Five per cent. of itself per annum is something that a building cannot earn, although the money invested in the building may." But, the money is not in or about the building. It was exchanged for the building and some one else has it.

At the end of the fourth volume of the autobiography of Tristram Shandy, we learn at least that Tristram was born. But at the end of the voluminous "Distribution of Wealth" we learn nothing. His suggestions, never resting on logical truth, are invariably wrong, like a neighboring church weather arrow, that from its feathered end having rusted away has lost direction and balance. It points directly away from the quarter it should, and downward, and may be something of a guide only as one remembers this. The great distinction between capital and capital goods does not even seem to be the distinction between a thing and the value of the thing. It is on a par with Seligman's idea that one can lose the value of a thing and the thing besides—lose the value of a cow and all the milk and calves it might have yielded besides. Passing from "Static Economics" to "Dynamic," Clark says at the close of his book "There is in mundane affairs little of importance for humanity that does not fall within its scope. But the task of developing it * * will occupy generations of workers * * and will lure them to a work that for difficulty and for fruitfulness will surpass any which has thus far been undertaken." This rhetorical flourish announcing an Economic New Jerusalem in which the Clarks, Van Thunens, and Marshalls of the future are to cover the whole field of human science, human effort, and human aspirations—Economics becoming all in all—might cause a ripple of laughter to pass over the face of a cat.

But so it has always been. The power to think exists outside, not in the schools, whose authorities represent merely popular beliefs. So far back as four centuries before our era Plato had cause to exclaim—"They teach nothing but those dogmas of the vulgar which they approve in their assemblies and call 'Wisdom,' just as if one were to learn the temper and desires of a great and strong animal; how it is sometimes gentle, or savage, then calling this wisdom, apply himself to the teaching thereof. And define the good, or beautiful, or true, or just, with no knowledge of them at all, or how they differ from each other except the opinions of that animal. Do you not, by Zeus, think him a ridiculous teacher?"

There is no good reason why a direct State tax is not as desirable as a direct local tax. In fact, all the interests of good and safe government are served by the people knowing how the government is maintained, and feeling the burdens which the temptation to multiply departments, increase officials and maintain sinecures entails.

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