

## Candidate of the Commonwealth Land Party Talks to Reporter

(Interview in Newark Star-Eagle)

A QUIET, pleasant-faced gentleman, is William James Wallace, Newark's only presidential candidate, the standard-bearer of the Commonwealth Land party, better known, perhaps, as the Single Tax party.

He talked at length last night to a *Star-Eagle* reporter on his life and its purposes; how he had developed them and how far he had progressed in attaining them. His candidacy, of course, is hopeless. He has the backing of probably a quarter of a million people, but that is not enough to seat him in the White House. He entertains no illusions on that score, however, no false hopes. He knows that his selection is a gesture on the part of the comparatively little group of idealists fighting for their principles, but he is willing.

"We know," he said, speaking of his party's chances, "that our candidates will not be elected. You see, this party, like all others built around a principle and still unsuccessful in interesting a majority of the people, can have no hope of election. But it is necessary for us to set up our own candidates as a rallying point, for one thing, and because we can get no recognition from any of the other nominees."

Mr. Wallace lives at 491 Mount Prospect avenue with his wife and sister-in-law. He is president of the Eck Dynamo and Motor Company of Belleville, and he has lived here since 1907.

He was born in 1860, in New York, he said, and educated in the public schools there and in the College of the City of New York. He was sixteen when he went downtown to business. In 1896 he and another man formed an engineering supply company known as Goldmark & Wallace, and ten years later, with another company, his firm bought out the old Eck motor works in Belleville. He has been there since.

### BEGAN STUDIES IN '78

"What is the story of your interest in the Single Tax theory?" he was asked.

"Well," was the answer, "in 1878 I went to a night school at Thirteenth street and Sixth avenue, New York, where I took up political economy under a Professor Murphy. We touched on all the aspects of the present economic system, money, interest, rent, etc., and discussed them at length. And all winter long I read much on the same topic. It was all with one purpose—to ascertain why it was that the average man was unable to make a better and more secure living.

"For five years I read and pondered. Then I came across a book. Here it is."

### HENRY GEORGE SWAYED HIM

He handed over "Progress and Poverty—An Inquiry Into the Cause of Industrial Depression and of Increase of Want With Increase of Wealth. The Remedy. By Henry George." It is the book recognized everywhere as the first lucid statement of the Single Tax theory, as its writer is recognized as the first to bring the subject into the limelight. The book was unusually popular at the time of its publication in 1879 and stirred up a great deal of discussion. In reviews everywhere it was ranked with Malthus' theory of population and Ricardo's theory of rent.

"That book," he went on, "opened my eyes. It is the answer."

Then he went on to elucidate the Single Tax theory.

### A GEOCENTRIC CREED

"Our relation to the earth," he said, "is the basic relation. From the earth man gets all his sustenance. The other elements contributing to the life are air and water, and these are both free; but the earth, on account of its peculiar adaptability to being owned and monopolized, has become the property of a few, and all others are excluded. So that the source from which all get a living is obtained by most only by paying others for it. This very payment of rent is but a result of the demand of the human race for the earth.

"The land should be common property, its distribution vested in proper government. We feel that, as such, it is a proper source of government revenue, and by taking it for government use and renting it for revenue to the people speculation would be discouraged, rents would be lower, building rents would be cheaper. Life would steady itself.

### BACKGROUND OF IDEA

"Henry George's book was a result of his inquiry, and his inquiry and mine were partly outgrowths of the hard times that followed the panic of 1873. For years there was a surplus of labor and a shortage of work, a lack of money and a lack of housing. It was like the period that followed the great war.

"I could find in none of the current theories of economy the answer to my questions, and reason for the conditions of things, except, possibly, in the Malthusian theory of too much population. When I left the night school I joined a society that contributed toward the distribution of information concerning political questions. That, incidentally, was the way I got this book, four years later. The membership list fell into the possession of the Society for Political Education, of which Elliott F. Shepard, a well-known Brooklyn lawyer, was the moving spirit. They sent these books about, and I was convinced.

### JOINED DARLING GROUP

"I went on reading and studying and found nothing to alter my convictions. But it was a long time before my

ideas took form in active work. My family was a conservative one and I did not wish to appear a radical. But in 1910 Joseph F. Darling, of New York, sent out a call for a convention and I attended. We formed then, in a small way, the Single Tax party.

"In 1912 we took our first part in an election. We were not on the regular ballot, but a few hundreds in New York wrote my name on the vote for President. In 1916, which was just after Darling's death, we took no active part in the campaign. Things died down for a while. The next year it was revived and we were entered officially on the ballots in sixteen States in the 1920 campaign. This year we will be entered in about thirty-five States.

"Single Tax, of course, is not an entirely new idea. The old Physiocrat party, that followed the revolution in France in 1790 or thereabouts, was essentially Single Tax. Patrick Edward Dove, a Scotch professor and student, wrote "The Theory of Human Progression" in 1850 to advocate Single Tax. But it was George who crystallized the theory and put it before the public."

Then he closed the conversation with a courteous good-night to his interviewer and left with his wife for church.

## Why the Single Tax Cannot be Shifted

A VERY common objection to the proposition to concentrate all taxes on land values is that the land owner would add the increased tax on the value of his land to the rent that must be paid by his tenants. It is this notion that increased taxation of land values would fall upon the users, not upon the owners of land, that more perhaps than anything else prevents men from seeing the far-reaching and beneficent effects of doing away with the taxes that now fall upon labor or the products of labor, and taking for public use those values that attach to land by reason of the growth and progress of society.

That taxes levied upon land values, or, to use the politico-economic term, taxes levied upon rent, do not fall upon the user of land, and cannot be transferred by the landlord to the tenant, is conceded by all economists of reputation.

However much they may dispute as to other things, there is no dispute upon this point. Whatever flimsy reasons any of them may have deemed it expedient to give why the tax on rent should not be more resorted to, they all admit that the taxation of rent merely diminishes the profits of the land owner, cannot be shifted on the user of land, cannot add to prices, or check production. Not to multiply authorities, it will be sufficient to quote John Stuart Mill. He says (section 2, chapter 3, book 5, "Principles of Political Economy"):

"A tax on rent falls wholly on the landlord. There are no means by which he can shift the burden upon any one else. It does not affect the value or price of agricultural produce, for this is determined by the cost of pro-

duction in the most unfavorable circumstances, and in those circumstances, as we have so often demonstrated, no rent is paid. A tax on rent, therefore, has no effect other than its obvious one. It merely takes so much from the landlord and transfers it to the state."

The reason of this will be clear to every one who has grasped the accepted theory of rent—that theory to which the name of Ricardo has been given, and which, as John Stuart Mill says, has but to be understood to be proved. And it will be clear to every one who will consider a moment, even if he has never before thought of the cause and nature of rent. The rent of land represents a return to ownership over and above the return which is sufficient to induce use—it is a premium paid for permission to use. To take, in taxation, a part or the whole of this premium in no way affects the incentive to use or the return to use; in no way diminishes the amount of land there is to use, or makes it more difficult to obtain it for use. Thus there is no way in which a tax upon rent or land values can be transferred to the user. Whatever the state may demand of this premium simply diminishes the net amount which ownership can get for the use of land or the price which it can demand as purchase money, which is, of course, rent, or the expectation of rent, capitalized.

Here, for instance, is a piece of land that has a value—let it be where it may. Its rent, or value, is the highest price that anyone will give for it—it is a bonus which the man who wants to use the land must pay to the man who owns the land for permission to use it. Now, if a tax be levied on that rent or value, this in no wise adds to the willingness of anyone to pay more for the land than before; nor does it in any way add to the ability of the owner to demand more. To suppose, in fact, that such a tax could be thrown by land owners upon tenants, is to suppose that the owners of land do not now get for their land all it will bring; is to suppose that, simply whenever they want to, they can put up prices as they please.

This is, of course, absurd. There would be no limit whatever to prices, did the fixing of them rest entirely with the seller. To the price which will be given and received for anything, two wants or wills must concur—the want or will of the buyer, and the want or will of the seller. The one wants to give as little as he can, the other to get as much as he can, and the point at which the exchange will take place is the point where these two desires come to a balance or effect a compromise. In other words, price is determined by the equation of supply and demand. And, evidently, taxation cannot affect price unless it affects the relative power of one or the other of the elements of this equation. The mere wish of the seller to get more, the mere desire of the buyer to pay less, can neither raise nor lower prices. Nothing will raise prices unless it either decreases supply or increases demand. Nothing will lower prices unless it either increases supply or decreases demand. Now, the taxation of land values, which is simply the taking by