

ducted from the value of land and improvements, the remainder being the unimproved value. A landowner can thus tell exactly how much land value tax he will have to pay, and the Treasury is able to estimate with equal accuracy the revenue for the year. That, by the way, is one of the great advantages of land value taxation. If you want to find out the value of a certain estate you may do so on the payment of a small fee, and in return you receive a certificate showing in separate columns the gross or capital value, the value of improvements and the unimproved value. Were I a political leader and wanted to have the land value tax applied I would demand first a proper valuation on the lines of our system. I could then tell exactly how much revenue would be derived from a given tax, and such a method would enable me to "floor" the sophists who harp on the "poor farmer" cry. I have no adverse criticism to offer on our Valuation Act, which is an excellent measure in every way. It is important, however, to have competent valuers. In this country I have met more than one valuer who did not know what the term "unimproved value" meant. That, however, was in the early stages of the Act, and much of the dissatisfaction then caused was not on account of the principle of the Act but on account of its improper application in practice. Nowadays we hear very little complaint about the valuations, and what we do hear is generally the exaggerated statement of some land monopolist who wants to see everything taxed except his own broad acres.

"Unimproved value" is thus defined by "The Government Valuation of Land Act, 1900 (section 3):—The sum of the owner's estate or interest therein if unencumbered by any mortgage or other charge thereon, and which, if no improvements existed, that particular piece of land might be expected to realize at the time of valuation if offered for sale on such reasonable terms and conditions as a bona fide seller might be expected to require."

Such is a hastily composed outline of our chief measures embodying the great principle of land value taxation, as well as a criticism of the same. We have undoubtedly done much to apply land value taxation in practice, and our experience has fully borne out the contentions of those who advocate the taxation of land values. But we have made more mistakes than are to my liking, and these rather than the principle itself have caused some dissatisfaction which has enabled unscrupulous critics to attack the principle with some effect. It is certain that no serious attempt will ever be made to repeal the advances we have made, and I am confident that once the Georgian theory has been carried out in all its entirety the question of taxation will be permanently settled.

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## PUBLIC OWNERSHIP OF PUBLIC UTILITIES AND THE SINGLE TAX.

*(For the Review.)*

By WILLIAM J. OGDEN.

The usual method of argument for or against public ownership is based upon statistics, but these are often found to be confusing and unreliable. It is true that figures won't lie, but some one has well said "That liars will figger."

Right is not a question of numbers, or years, or dollars. If it is, then a plausible argument can be made to show that liberty is a total failure, for it can be statistically proven that liberty is more expensive than slavery; that it is

productive of responsibilities that many are not fitted to bear; that it is the nursery of crime and intemperance; that the slave has no cares, is warmly clad in winter, is fed on wholesome food, is restrained from evil associations, and is contented, which last is a boon never enjoyed by freemen. If the blessing of liberty is to be proven by statistics then the penitentiary has the best of the argument, for the average health of the inmates is better than without its walls, the tasks are selected for each according to his ability, and none is overworked. The hours of labor and rest are regular and well proportioned. No cares of daily provision disturb their slumbers; their clothing is comfortable, and even the cells are heated in winter so that they are never afflicted with cold.

If there is no question of right, no danger to personal liberty in private ownership of public utilities, if the argument for public ownership is on the bare question of expediency or economy, then statistics would not only be important, but absolutely necessary to determine the question. But statistics are dangerous props on which to build faith in a theory affecting human rights.

Any question can be seemingly proven by statistics of facts, but who is to prove the facts?

According to opposing statisticians municipal ownership is a grand success in Glasgow and many English municipalities, and at the same time it is a glaring failure in Glasgow and throughout England!

The statisticians will figure it for us to suit their purposes, and if we wait until the truth is proven by "facts" we will relegate it, like the tariff, to the political jugglers of our grand old parties, and it never will be settled until the Judgment Day.

The common error the advocates of municipal ownership make is in failing to rest their case on the fundamental principles that underlie human association, and too often one hears them define public ownership as a mere question of economy.

"Government should do those things which it can do better than individuals" is one of the loose phrases that leads straight to socialism and depends on statistics only for proof.

There is a public function, and there is a private function; and we are not left to "figures" to find which is public and which is private.

An invariable characteristic indicates distinctively public and private business, and happily it is not a debatable theory but is self-evident to the sight. The highway is the visible line that divides public from private business.

The few departments of government perform their functions only on public land, the means of distribution of their services being located or fixed in the land itself, requiring the actual appropriation of a part of the public highway, which they occupy permanently and exclusively for their purposes. Bounded by the same line, the multifarious employments of the individual members of society are as exclusively performed on the blocks of city land and larger sections of country, formed respectively by the intersecting streets and roads—with the use in common of the street and road surface, but without the right of appropriation of any part of the ground forming the bed of the highway, either on its surface, above it, or under it.

One cannot conceive of mankind without some form of government. Association is the natural order of human beings, and all men, in all parts of the earth, live in societies. It is possible for men to live in small societies, or tribes, without building roads; like the nomadic tribes of the desert and savages—but civilization is only possible with established permanent ways of communication. The great profit in association draws men together. Two men working together can do more than by working separately, and this difference is the profit in association, and it increases with the growth and density of population.

The road is therefore the primary function of human association, and more than one-third of city land is appropriated for streets, while the counties take about one-twentieth of the land for roads. Only thus can a population of millions of people live on a few square miles of land. Certainly it requires no argument to prove that the portion of land so appropriated is public land, and that the maintenance of the roads and streets is a purely public function that can not be safely entrusted to individual ownership—otherwise, the very bond of human association, the profit of it, would be absorbed by those whose power of exacting toll would force every other individual in society to surrender at least all that he would give to remain in such association.

For this reason city streets are everywhere public, and only a few toll roads remain in private ownership.

The sole purpose of a system of roads is to give access to the sections of land formed by them.

The paved streets, the street railways and the great railroads are all mere elaborations of the common road, and are peculiarly the basic and absolutely essential condition of human association in cities, in states and over the vast territory comprising the United States of America. And as it is the first law of human association that its very bond—the profit of it—shall be preserved and distributed to each member, equitably and justly, thereby conserving the very purpose of the institution of government, to secure to all men the equal right to life, liberty and the pursuit of happiness, it is impossible to conceive of the continuance of private ownership for private profit of the roads and their contained utilities any longer than the time taken to educate the people as to their rights and the invasion of them.

The street railway is a public function simply because it is a part of the public street and performs the purpose of the streets to give access to the blocks of land formed by them.

The rails are bedded in the surface of the road, and occupy the highway for their purposes to the practical exclusion of any other rails in the same street. The railway therefore appropriates the property of the people and is as purely a monopoly as is the ownership of the street itself, and, as the only monopoly that is possible under free institutions is the monopoly of government, the street and its physical containments of rails, pipes, conduits, subways and overhead structures are each and all necessarily and conclusively public functions. It remains to prove that all the services of government are street services; that is, they are distributed by the street, and, while the jurisdiction of the state is over all the territory within its boundaries, its actual functions are confined to the public highway. There are two exceptions to this rule, viz.: Education and the care of the poor. But both of these are functions that may be said to be both public and private. In each the state is in the field of private endeavor to guarantee to society, first, an educated citizen, and second, that the misfortunes to which all men are liable shall not totally destroy any of them. But in these two exceptions to the rule I have stated the government exercises no exclusive jurisdiction, and its co-operation with private schools and private charity is manifested in liberal appropriations by the state to institutions of learning and charity.

Every other service of government is contained in the road or street—the street surface for travel with the street railway for rapid transit, the water mains for the health of the people and the protection of property from fire the sewers, the wharves and harbors which connect the streets with the channels of navigation, the distribution of gas and heat, of electrical power, light and telephones—these are the actual services of government. The executive, legislative and judicial offices are simply the divisions of the powers of government;

the various departments, such as street cleaning, lighting, fire commissioners, board of health, building inspector, school commissioners, etc., city engineers and police are simply administrative of the services of government contained in the streets. Comprehensively, the road and its elaborations are the exclusive field of public business, and the blocks of ground formed by the streets are the exclusive field of private business.

The line is visible and ineradicable. No experiment is necessary; no "facts," gathered and arranged by professional manipulators, are required to prove that, with the exception of schools and care of the poor, all public functions are confined to the street and its physical containments, and that the inalienable right to liberty for individual initiative and employment can only be exercised on the blocks or sections of ground formed by the intersecting streets and roads, with the use in common with all other individuals of the streets and roads themselves.

But the factor of taxation is an inseparable condition affecting the proper settlement of the question of municipal ownership. It is common knowledge, not from statistics, but within the experience of every man in every community, that the extension of street services, with the railways, the distribution of gas, water, electricity and sewers that follow the construction of streets cause a rise in land value.

That this phenomenon is universal and as natural as human association itself, and the relation between the street services or public business for which the money raised by taxation is expended and the values attaching to the sections of land formed by the roads and streets is so clearly established that the conclusion is irresistible that this very value, occasioned by the expenditure of public money, is the natural fund from which to supply the money needed to maintain public business. The fact that there is a profit in human association is proof positive that the fund of rental value of the land of any community is greater than the annual tax to support the government.

No other value is so related to public business, and the assessment for taxation of buildings and personal property is absolutely unnecessary, and is done to the great injury of mankind in two ways—first, by absorbing in unjust taxes nearly the entire profit of association that should be enjoyed by the active members of society; and, secondly, by conferring gratuitously upon land speculators the great values so occasioned, thus enabling them to hold out of use the land, the very value of which indicates the pressing demand of men who are denied the use of the natural opportunities that the expenditure of their own money taken by taxation has occasioned.

The double effect is higher rents and higher taxes imposed on the active producers of all wealth and, on the other hand, the creation of a small class of "great estates," whose unearned incomes are only a part of the great values annually conferred upon them, the larger part of which they waste by holding out of use the natural source of all wealth.

This condition thwarts the movement for municipal reform.

What profit is it to save a member of society half his gas bill, and half his railroad fare, and half his telephone and electric light and power expenditures—supposing public ownership would reduce the charges for these services so much—if his rent advances enough to cover the reduction, and his taxes advance still further upon his income?

This is the anomalous condition that the expert statistician exploits to prove the failure of benefit from municipal ownership in England and elsewhere.

He finds poverty with high rents and high taxes, crowding of the poor, congested centres of population and discontent—along with "municipal trad-

ing," as they call it—and he cries: "We are better off with private ownership and higher charges, and our people are prosperous." And then he advises that all we need is more laws to prevent "watering," so as to give better values to the issues of stocks and bonds in which the "great estates" are investing their surplus.

Objectors to public ownership warn the people against the politicians, and especially of the dangers of centralization of power, and these they predict will combine to ruin the country.

Political leaders are not necessarily evil. The present vicious type of city boss was unknown forty years ago.

The marvellous growth of public service corporations, and the development of the modern street with its elaborate containments opened the door for legislative abuse of power in the granting of franchises, and the political machine and its boss are the illegitimate offspring of a surrender of public business and property to private control and exploitation. Private ownership of public utilities created the boss and public ownership will destroy his evil influence.

The argument that the enlargement of public business will be dangerous to our liberties overlooks the incongruity of private ownership of public business.

No possible harm can result from government assuming its normal functions. Centralization of power is only dangerous when personal liberty is thereby curtailed, but the opposite is true when personal liberty is enlarged. And it must be remembered that the functions of government are none the less actual and potential when exercised by private corporations; and centralization of power with all its worst effects is revealed to-day in the disclosures of rebates and other forms of direct invasion of the rights of the people by the powers of the general government granted to and exercised by the railroad corporations. Abuse of power is always possible under government ownership and operation, but it can be checked and corrected, while a greater abuse is inevitable under private ownership, and the attempted regulations by Congress and the states of private control of governmental functions is not only theoretically absurd, but these abortive efforts of legislatures and courts have revealed an unmistakable tendency toward the private control of all the powers of government—the very monstrosity of centralization!

The consummation of free government will only be achieved when government shall assume the exclusive performance of all strictly public business and taxes shall be drawn solely from the value of the land comprising the jurisdiction. All men can then become land owners, and the profit of association will be enjoyed by every man and in exact proportion to the measure of each individual's participation in the making of it.

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## PHILOSOPHICAL ANARCHISM AND THE SINGLE TAX.

(*For the Review.*)

By JAMES F. MORTON, Jr.\*

The common notion of the anarchist, sedulously fostered by gross misrepresentation in press and pulpit and on the political rostrum, is that of a deep

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\* The author of the foregoing article is an old friend of the editor of the *Review*. He is, as he tells us, a recent convert to the Single Tax, and we are glad to welcome this earnest minded thinker to our ranks. Certainly none of us will presume to deny that Mr. Morton's conception of the ultimate form of society may not be the true one—these are matters beyond