

The paper to which we allude is the *Johnstown Democrat*, edited by Warren Worth Bailey. Its influence was felt and appreciated by the Democratic party of Cambria county last fall, which responded to its teachings with a good ticket on a radical platform, and in that Republican county won the election. The influence of this paper, excellent as well for its news service as for its sound democracy and editorial ability, is again to be observed in the platform which the Democrats of Johnstown adopted on the 17th upon nominating a ticket for the municipal election in February. After congratulating Mayor Woodruff for "calling public attention to the folly and injustice of permitting franchise corporations to escape the burdens of taxation for local purposes" this admirable platform pledges the Democratic candidates "to the support of the principle of the equal taxation of all property subject to taxation, especially denouncing "the taxation of homes and industry higher than unimproved property held out of use for speculative purposes," and declaring "there should be no fines upon industry or upon the building of homes." It pledges them further "to the advancement of the principle that franchises are to be considered as real estate values and taxed for local purposes as such," at the same time denouncing "the granting of free franchises for any period long or short," and declaring that "no franchise should be granted for a period longer than 21 years." In pledging them also "to the principle of local option in taxation," the platform proclaims the belief of the Democrats of Johnstown that "each community should be permitted to raise its revenues in its own way." And it concludes with a general declaration for "equal rights to all and special privileges to none," pledging the local Democracy "to do all in its power to promote good government along the lines of equal freedom." If the Democratic party everywhere gave out so true a ring, there would be comfort in suffering repeated defeats under its

banners, but there would be few defeats to suffer.

Whether or not Verestchagin's paintings, now on exhibition in Chicago, are works of art according to conventional art standards, is of secondary concern to spectators capable of appreciating the tremendous truths they reveal. To look upon the Napoleonic and Philippine war pictures is to get a glimpse of hell, and that is an experience which is sometimes wholesome for the conscience. Take, for instance, the hospital episode, told in a series of five pictures, which appear, by the catalogue to be only the sad story of an American sergeant, wounded by a Filipino bullet, who dies while dictating a letter to his nurse for his mother over the wide Pacific. To see these pictures is to stand in the presence of abnormal and gruesome death, and to feel the horror of war as an unspeakable reality. Yet these pictures alone might awaken only emotions of pity for the dying soldier and sympathy for the bereaved. Even a thrill of patriotic gratitude for the sacrifice is possible. But when after this the eye rests upon the "Spy," an intelligent Filipino youth, captured and bound, in the custody of American soldiers and awaiting the judgment of unsympathetic American officers in whose presence he stands—they in his country thousands of miles from their homes and he in his own country which they have invaded—different emotions are awakened. Then the hospital episode becomes more harrowing than a death scene. It can by no possibility appeal any longer to the patriotic sense, for it means that the American soldier has passed through the agonies of violent and untimely death not for a cause, not for his country, but for the wanton subjugation of a distant people. Visions of the execution of Capt. Hale as a spy by the British, spring up in the American imagination; and the Verestchagin series on the Napoleonic invasion of Russia becomes luminous with new meaning. To gratify the same lust of con-

quest for which the French suffered and died in Russia, Americans are suffering and dying in the Philippines. That is at least one lesson of these pictures.

#### THE TRUST AND THE SINGLE TAX.\*

The evil of the trust depends not upon the mere fact of a consolidation of business interests, but upon the nature of the business interests consolidated.

An illustration may be found in the hack service at any country railway station. I select a particular one for the sake of being definite. Hackettstown is a New Jersey station on the Delaware, Lackawanna & Western railway, where the station yard is large enough to accommodate many more hacks than are needed. Several hacks carry passengers between this station yard and any desired place in the town at the uniform charge of a dime. Were more exacted, competition would be stimulated. Realizing this possibility, the hack owners conform voluntarily to what is generally regarded as a fair toll. The business, therefore, is regulated by competition—if not actual, yet potential.

Consolidation of these interests might effect economies. If so, the consolidation would be beneficial to all concerned. Patrons would get better service and pay lower fares; and if displaced employes were hurt by it, their misfortune would be due, not to the labor-saving consolidation of Hackettstown hack interests, but, as is the case with labor-saving machines, to fundamental legal obstructions to business in general. The consolidation would be nothing but a union of interests in hacks and horses, a kind of property that is too easily produced in abundant quantities to be monopolized. Such unions are not in themselves harmful. If they were, all economizing devices would be harmful, and we should have to adopt Tolstoy's conceit and return to primitive methods of production.

But note the effect were the railroad company to confer upon those hack owners exclusive rights to enter the station yard with hacks. As the

\*By Louis F. Post. Reprinted from a symposium in *The Arena*, New York, for October, 1901, by special permission.

station building is so situated with reference to the public highway that competing hackmen could not satisfy the needs of passengers without access to the yard, the privileged hack-owners would control the business as a monopoly. Though they still competed with one another, outsiders could not compete with them. What if they consolidate now? How radical the difference! The consolidated interests would be more than interests in hacks and horses. They would now comprise exclusive rights of entry into the station yard. And therein would lie the power of this local hack trust. Freed from all fear of competition, it could make a standard of service to suit itself, and regulate fares upon the basis of extorting "all that the traffic would bear."

This illustration is so far typical of business in general as to indicate the point at which the evil of the trust comes in to bedevil modern industry. That point is not where competitive businesses combine: it is where competing monopolies come into the combination.

Several examples of the weakness of trusts that do not possess privileges might be cited. A recent one of importance was the dissolution of the wall paper trust. That organization had been triumphantly pointed to as a striking instance of powerful trusts without a monopoly basis. But it was forced to dissolve by the pressure of competition. When really powerful trusts are analyzed, their power is found to rest in some form of monopoly—in some species of privilege. Somewhere in every evil trust, though not always obvious, there is a consolidation of exclusive interests analogous to the station yard monopoly of our illustration. Mr. Charles Schwab recognized this when in his testimony recently before the industrial commission he affirmed that the billion dollar steel trust, of which he is manager, absolutely controls 80 per cent. of the iron ore deposits of this country.

Specifically, these monopoly interests are numerous and various. They consist of such monopolies as railroad rights of way, of pipe-line rights of way, of patented inventions, of water

privileges, of street franchises, of mining rights, of terminal sites, and so on into a long catalogue. But most of them may be properly classified as monopolies of land. Mining rights are plainly land rights. Railroad and pipe-line rights of way, terminal sites, and the like, are essentially so. It is not necessary, however, to trace to land monopoly every special privilege that may not obviously spring from that source. The important consideration is that all monopolies which do not spring from, are necessarily subordinate to, monopolies of land.

A monopoly of iron mines, for instance, confers control over the iron industry in all its ramifications. That control may be limited by a monopoly of rights of way, and especially of necessary terminal points for the shipment or delivery of products of the iron industry. But this makes no difference to the argument, for both monopolies are monopolies of land. And, if these two land monopolies be united in one trust, that trust is unconquerable, except by a trust that monopolizes still more important natural sources of supply or still more commanding terminal sites.

In yet another, a more subtle and therefore more effective way, evil trusts are fostered by land monopoly. This is through general speculation in land. In the hope of profiting by increase in land prices, every one who can afford to invest buys land where he thinks it may become more valuable. Most of the land so bought is either not used at all or only partly used. It cannot be easily obtained for use, because it is held upon speculation at excessive prices. In consequence of this difficulty, the industrial classes are forced like cattle into a corral, for all the processes of industry depend upon land. Workers of all grades are huddled together, begging for some kind of job. Those that are not actually in the corral are in mortal fear of getting into it. In these circumstances, the industrial classes are an easy prey to whoever has a job to give them. To escape the corral, they accept any terms they can get. They cannot contract in freedom, for they must buy a chance to live. The question with them is not one of more or less income, but of life or death. Thus the monopoly power that trusts

acquire from ownership of land is multiplied by the relative weakness of their landless victims. "The destruction of the poor is their poverty." And their poverty, as well as the original power of the trusts, is rooted in, springs from, and is strengthened by land monopoly. The abolition of land monopoly, therefore, is the only radical remedy for the evil of the trust.

Now, land monopoly would be abolished by the single tax. It would be abolished by it in the only way in which land monopoly can be abolished, without reviving it in new forms by turning the state into a monster landlord of unlimited and virtually irresponsible power. While abolishing the monopoly of land, the single tax would preserve private possession under individual occupancy. To make this adjustment, it would take for public or common funds the annual ground rent of valuable land, securing peaceable private tenure in return, and would leave non-valuable land freely accessible to individuals to occupy such parts of it as they might wish, without let or hindrance, and free of all obligation to pay for the possession so long as their holdings would yield no ground rent in the open market. If this principle, the principle of the single tax, were fully applied, land monopoly would evidently be impossible.

Different cases might require different modes of applying the principle. With reference to transportation when right of way and mode of operation were inseparable, and even with reference to some kinds of mines, as gold or silver mines, it may be necessary, in order to destroy land monopoly as to them, to place them directly under public management. Where that is true, I should advocate special modes of applying the single tax principle. But in my judgment little more would be found necessary, in actual experience, than the fiscal method of application proposed by Henry George, which, like the single tax principle, is also known as the "single tax." At all events this method would be effectual in most cases and in the most vital elements of the problem.

Pursuant to that fiscal method, all present taxes except one would be abolished. We should retain none

but the tax now known as the real estate tax, and only so much of that as rests upon the value of sites. Taxes upon improvements would be abolished, along with all other taxes upon industry. As a result of these exemptions, site value taxes would necessarily rise. They could not exceed the full value of sites, but they would rise to that point.

We should find, therefore, when this simple fiscal reform was complete, that no one could hold any kind of land out of use without suffering serious and continual loss. Land would have to be used, and be well used, or be abandoned. There would be no profit in mere ownership. That goal being reached — indeed, long before it had been fully reached — trade having meanwhile been freed by the abolition of all commercial and industrial taxes, the evil of the trust would be exorcised. With the annual value of special landed advantages applied to common use and no longer retained by private owners, with taxes on industry thus made unnecessary, and consequently abolished, with unused land everywhere freely accessible and the barriers of the industrial corral thus broken down, with demand for productive work thereby made to exceed supply and through the free interplay of all the natural forces of consumption and production perpetually to maintain that excess — with these demonstrable effects of the single tax realized, there would be no more possibility of monopolizing business with paper agreements than of holding back the waters of Niagara with a paper dam.

## NEWS

Whether the unverified reports of victories by the insurgent Liberals of Colombia, noted at page 633, were true or not, it is now certain that a sharp naval engagement has been fought in the harbor of Panama, the Pacific terminus of the Panama canal route, in which the government suffered serious loss and probably signal defeat. The engagement began early in the morning of the 19th with an attack by the insurgent steamer Padilla upon the government steamer Lautaro, the latter being a Chilean

vessel which the Colombian government had seized for defensive purposes, in the face of a vigorous protest by Chili. The total number of vessels engaged was six—three on each side. Particulars of the battle and its result are meager, but it appears to have lasted several hours. The Lautaro and one insurgent vessel were sunk, and Gen. Alban, the governor of Panama was killed. His death is regarded as a great loss to the government cause. At last reports the government troops were throwing up intrenchments at Panama to defend an expected land attack by the insurgents upon the city, a body of insurgents being at Los Llanos, eight miles away. The American government has assured the representative at Washington of the Colombian government that no bombardment either of Colon or Colombia will be permitted; and that if a bombardment is attempted American war vessels will interfere for the protection of American interests in connection with the Panama railway.

Those interests have grown in importance since the passage by the lower house of congress, reported last week, of the Nicaragua canal bill; for a distinct turn in favor of the Panama route has now developed. This was caused by a supplementary report of the Isthmian Canal Commission, submitted to President Roosevelt on the 16th and by him transmitted to the Senate without recommendation on the 20th. In this supplementary report, the canal commission, composed of Admiral Walker, ex-Senator Pasco, George S. Morrison, Lieut. Col. Ernst, Alfred Noble, Col. Peter C. Hains, William H. Burr, Prof. Emory R. Johnson and Lewis Haupt, unanimously recommends the adoption of the Panama in preference to the Nicaragua route. In the original report the Nicaragua route was favored. The reason for the change was the subsequent offer by the owners of the Panama concession of all their rights for \$40,000,000. They had previously demanded \$109,000,000, and it was because the commission regarded this price excessive that it then reported against Panama. The controlling reason for that report having now been removed, its supplementary report reverses the original recommendation and advises the purchase and completion of the Panama canal. According to that report the purchase recommended would include the right of way; 30,

000 acres of land, which, with the lands belonging to the railroad comprise nearly all the territory required for the canal; 2,431 furnished buildings; a large equipment of construction machinery and boats; 36,689,965 cubic yards of excavation, worth \$21,020,386; all the 70,000 shares of the Panama railroad, except 1,100 which are held by different individuals; and a variety of minor assets, including \$438,569 in cash. Against the assets are liabilities hardly aggregating \$3,000,000. The estimated cost of construction is \$46,563,704 less than the Nicaragua canal would cost.

Another important measure in congress which passed through the lower house swiftly has met with a sharp turn in the Senate. It is the Philippine tariff bill. As reported at page 568, this bill, as rushed through the lower house on the 18th of December (p. 583), provided for the application of the tariff schedules of the Philippine Commission to imports into the Philippines, and of the full Dingley schedules to exports from the Philippines to the United States. But when the bill came up to the Senate it was referred to the committee on the Philippines, the Republican members of which agreed on the 16th to amend it by providing that only 75 per cent. of the Dingley tariff be imposed upon Philippine exports to the United States, and that any export duty imposed in the Philippines upon goods coming into the United States shall be deducted from the American import duty. In this form the bill was reported back to the Senate, and on the 21st the debate upon it began, Senator Rawlins leading on the Democratic side. He proposed to relinquish the islands to their own people in the end, and while holding them to give them the benefit of free trade with the United States.

The actual condition of affairs in the Philippines is favorably described by Gov. Taft, who arrived at San Francisco on the 21st. Regarding the necessity for maintaining a large military force in the islands he said:

I have with me the report of Capt. Allen, of the head of the constabulary, in which he says that, in his judgment, in one year from the date of the report, which is December 15, 1901, the force of American troops might safely be reduced to 15,000 men, that force to be stationed in garrisons at convenient points in the islands. The troops would be used only for a show of authority, and in