

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World.

THE COOPER UNION DEBATE ON THE SINGLE TAX

BETWEEN

LOUIS F. POST AND PROF. JOHN B. CLARK, OF COLUMBIA COLLEGE.

THE debate on the Single Tax between Louis F. Post and Prof. John B. Clark, in the large hall in Cooper Union, on the night of February 20th, was a success, not only in the magnificent way the Single Tax side was presented, but in the representative character of the audience and the number of distinguished single taxers who occupied seats upon the platform. Among the latter were Charles Frederic Adams, John S. Crosby, August Lewis, C. B. Fillebrown, Congressman Robert Baker, Lawson Purdy, and others.

Every seat in the large hall was filled, and the points made by Mr. Post were quickly seen and appreciated. A respectful deference was accorded to Professor Clark, and the debate was marked by courtesy and good feeling.

Mr. Post was late to arrive. His train had been stalled, and at half past eight he had not yet put in his appearance. Pending his arrival the chairman, Chas. Sprague Smith, made a short address, and was followed by John S. Crosby and Charles Frederic Adams, who amused the audience by good natured flings at each other. Both were eloquent as they always are.

About ten minutes of nine Mr. Post came upon the stage. The great audience received him with applause. From that platform beside the great leader and teacher who has passed away, Mr. Post has often stood, before audiences heated with enthusiasm. It was not such an audience that he faced now. There was no whirlwind campaign in the air; the occupants of the seats were sober, reflective, for to that stage the single tax itself has passed. They came to listen to reasoned statements; they anticipated none of the stormy appeals which in '86 and '97, caught the enthusiasm of vast audiences.

Mr. Post began when the applause had died away, speaking in calm, measured tones:

MR. LOUIS F. POST.

MR. CHAIRMAN, LADIES AND GENTLEMEN:

It is a great pleasure to me to stand again upon this platform, and once more face a Cooper Union audience. Especially is it so in view of the fact that I am called here to try to present a subject that has been so often expounded from this same platform by Henry George. And I am glad to have the privilege of meeting Professor Clark in this debate. I have never met him before, except casually on an occasion several years ago, but I have known a great deal of him, and have acquired a very profound respect for his ability,

and through mutual friends I have learned also that he is a good fellow,—as good a fellow as I am. So you need hardly expect to-night the kind of excitement that is generally looked for in a debate. If we are both good fellows, we are not going to make a dog fight of it. We will each, I have no doubt, endeavor to present our point of view in reference to this subject so that you may go away at least with the feeling that you understand the point of view that each of us adopts.

The question—I do not know that it has been stated—but as given to me, is somewhat like this: “Resolved, That all revenues for government, Federal, State, and local, should be derived from tax upon land values. Taxation for police purposes shall not be discussed, and the value of public franchises shall be regarded as chiefly consisting of land value.” So I understand the question.

Now, Mr. Chairman, ladies and gentlemen, reduced to its simplest form, this resolution that I have just quoted asserts that all public revenues should be derived from a tax upon land values. But what does that mean? What are we to understand by a tax upon land values?

Strictly speaking, you can't tax land values, for there is no such object as land values; there is no such object as value of any kind. Value is not a concrete thing. Value is not an entity. It is nothing but a device for comparison, a mode of measurement. As we compare differences of quantity in terms of inches or ounces or quarts, so we compare differences in exchangeability in terms of value. To say that a thing is valuable, is only to say that it is tradable. To say that it has a certain value is only to say that it has a certain degree of tradability.

What the human race lives upon is not values, but food, drink, clothing, shelter, luxuries, the artificial implements that aid in their production, and old Mother Earth, the source of them all. Values measure the exchangeability of those things, but are no substitute for them. All business has reference to those things, in the last analysis, and rests upon them. It can't rest upon value. for value is only an abstraction. No one proposes, therefore, to tax land values, in a rigidly literal sense of those words.

Neither is it proposed to tax land itself. Though we often speak loosely of taxing property, just as we do of taxing property values, that is not what is meant literally. What we tax is neither property nor the values of property, but men. Yet, when the amount of taxes imposed upon men is determined by the quantity or the value of the property they own, it is proper enough to speak of taxing property. And in this way we may speak of taxing land, or taxing land values. The resolution before us is not to be criticised for using the latter term. I am not criticising it. But we must be careful to see that this convenient but indefinite phrase does not confuse our thought.

Now, there are two ways of levying property taxes. One way is to tax men according to the quantity of their property, according to its measurement in feet or inches, in ounces or gallons or acres. This is called a specific tax. The other way is to tax them according to its value, according to its measurement in dollars. This is called an *ad valorem* tax.

Both methods are used in the custom houses, and are known there by those names, specific and *ad valorem*. When you put a tariff of four cents a pound on maple sugar, or forty-five cents a gross on lead pencils, you impose a specific tax; when you put a tariff of twenty-five per cent. of their value upon books, you impose an *ad valorem* tax. The two methods of taxation—specific and *ad valorem*—may be applied to any kind of property, or all kinds, and whether the tax is imposed at the Federal custom house or at the local assessor's office. If you tax a man, for instance, in proportion to the number of acres of land he owns, that is a specific land tax; but if you tax him in proportion to its value, that is an *ad valorem* land tax.

The resolution that we are discussing proposes an *ad valorem* land tax. It is commonly known as the single tax, which is associated with the name and memory of Henry George. Under the operation of this tax all improvements upon land would be exempt. So would every other kind of property that is drawn from land and shaped by human labor to satisfy human wants. Men would be taxed in proportion to their land holdings as measured in terms of value. Those whose land would fetch but little in the market would pay but little tax. Those whose land would fetch much, would pay a large tax. And there would be no other taxation for public revenue.

With these preliminary explanations, let us turn to the merits of the question.

I shall assume that we all agree to the necessity for government. It is true that society is one thing, and government is another. Society does exist, irrespective of government. But it seems necessary that society shall have some organized agency for the administration of common concerns—not of private concerns, but for the administration of common concerns. We must have the peace preserved. We must have highways laid out and kept open. We must have land tenures regulated. These are common concerns. There may be others, but these there are at least. This being so, society must have some kind of organized agency to manage them for the common good; and by whatever name you call that agency, it is a government.

But if we have government, we must make provision for its support. What does that mean? Nothing but this, that the government is composed of men who devote themselves to public business as other men do to private business, and who must be paid for their services. And what does "pay" mean? Not greenbacks, not bank-notes, not checks, not silver or gold money, not certificates of value in any form or of any character. All such things are merely orders for the various kinds of tradable objects our public servants want. They are not the objects themselves. The pay of these men consists, after all, of food, of clothing, of shelter, and of other consumable objects. Moreover, officials must have official equipment, such as public buildings, office furniture, stationery, and so forth. But whether it be the public buildings or the like, which government must use, or the food, clothing, and so on, which government servants really get in payment for their work, all these things are made by men. And not by men of a distant past, but by the men of to-day. They are the current products of current human labor, and in the first instance they belong of right to the men whose labor produces them.

If society is to get these things for the purpose of providing for the support of government, it must somehow take them from their owners; that is to say, it must take them from the individuals who produced them, or who have by trading of some kind succeeded to the original title of those who produced them. It is this taking of individual possessions for public use that constitutes what is called taxation.

The present methods of taxation are so notoriously vicious that the facts need only be mentioned; and why the people should tolerate them passes comprehension. It has been suggested that they are retained by the combined influence of rich and poor—the poor favoring them because they think they are paid by the rich, and the rich favoring them because they know they are borne by the poor. A more charitable explanation perhaps would be that public opinion has not yet realized that there is a better way of getting taxes. But there is a better way. It is the way which the resolution before us proposes.

Consider the matter fundamentally.

There are two possible rules for determining how much each tax payer shall pay. One requires that men be taxed in proportion to their personal ability; the other requires that they be taxed in proportion to the benefits they

derive from society. Now which of these rules ought we to adopt? Should we tax men in proportion to their ability to pay taxes, or should we tax them in proportion to the benefits society gives them? The question answers itself. Taxation in proportion to ability to pay is nothing but legalized piracy. Government has no right to levy tribute. It has only a right to charge for the service society renders, and to charge according to the value of that service.

No other principle would be tolerated by honest men, were it not for the fact that it has seemed as if taxes in proportion to the service society renders to individuals cannot be measured. Because everybody is, in a sense, a beneficiary of social development and governmental protection, the rough and ready plan is adopted of trying to require everybody to contribute to the support of government in proportion to his means. It never succeeds. It never can succeed. It never ought to succeed. Not only is it not just; it is not even excusable, so long as there is a way of taxing in proportion to social benefits. And there is just one way of doing that.

While it is true that all derive benefits from society, and that all receive protection from government if properly administered, it is also true that these benefits, so far as they are equal, are not salable, not tradable, and therefore not valuable. On the other hand, some members of society derive benefits from society and protection from government of a kind that are salable, that are tradable, that are valuable. These benefits are more properly described as advantages.

Let me illustrate. Here is a badly paved street. In course of time the local government improves it and makes a good street of it. You used the street before it was improved. You use it still. You are therefore benefited by its improvement. But you cannot sell your benefit. It is not tradable. It is not valuable. If you offer to sell it to me, I should tell you that the benefits you are getting from this improvement are freely open to anyone who chooses to use that street, and that consequently you have no interest in the benefit for which I will pay you anything. While it is true, then, that this street improvement gives you a social benefit it gives you no social advantage. Not so with the man who owns a building site on that street. He has the same benefit that accrues from the free use of the improved street that you have. But he has an additional benefit that you have not. His building lot on that street is more desirable now. It is therefore in greater demand; and, as the supply of such lots is limited, it is more readily tradable, more easily salable, and it will fetch a higher price. This benefit of his is not a mere social benefit like the one you have in common with him; it is a social advantage, which can be and is measured in terms of value in the open market, and which you cannot enjoy without paying him.

Now which of you two men ought to contribute to the expense of improving that street? If you are both equally able to pay, the advocates of taxation according to ability would say that each of you ought to contribute the same amount. If you are better able to pay than he, they would say that you ought to pay more than he. But we say that you ought not to pay at all, because the improvement gives you no salable benefit. We say that he ought to contribute in proportion to the increased value of his land, which represents a salable benefit.

And mind you, if the expense is not collected of him, but is collected from you, then if you happen to be the tenant of a site affected by the improvement, you will be taxed twice—once by the public to pay the expense of improving the street; and the second time by your landlord to pay for the privilege of enjoying the street improvement you have already paid the public for.

Now that is a crude illustration, but it tells the whole story. For all social advance, all social improvement, all the material progress of society of whatso-

ever kind—and much of its progress that is not material—all the protection of government, tend to raise land values. They tend to strengthen the power of land owners—as a whole, as a class, as beneficiaries of a financial interest—they tend to augment the power of this financial interest to exact higher prices and rentals for the privilege of using socialized land. Just as in the street illustration, the land owner gets the same benefits that others get from society, but he gets an advantage besides: his peculiar property, essentially a monopoly of nature, increases in value.

Let us take another illustration—one upon a larger scale. Compare the real estate values in Boston in 1901 with those of the same city in 1876, a quarter of a century earlier. I refer you to Boston, because there the value of the land is separated from the value of buildings. This makes a comparison possible, and I submit this comparison to you:

	Land.	Buildings.
1901	\$547,246,600	\$377,790,900
1876	320,133,375	206,024,525
Increase	\$227,113,225	\$171,766,375

In round numbers, in terms of value, there is an increase in twenty-five years of \$227,000,000 for land, and only \$172,000,000 for buildings. That in itself is suggestive. But the thing of chief importance is that the increase in the building values implies more buildings, whereas the increase in the land values does not imply more land. The land is precisely what it was before. The only difference regarding it is that it now is in greater demand. Social advances and governmental protection have enhanced its exchangeability. And they have done so to a degree, in twenty-five years, which is measured in the market by \$227,000,000. This value does not measure the exchangeability of artificial things produced and traded, as does the value of houses; it measures the exchangeability of natural and social opportunities for production and trade.

What is thus true of Boston is true of every progressive community in the civilized world. As a community progresses, the affected area of land increases in value without increasing in quantity or quality, while the sum total of improvements increases in value only as it increases in quantity or quality. Is it not evident that here is a radical difference, of which systems of taxation should take notice?

It is precisely this difference that underlies the principle we have before us. When we say that all public revenues should be derived from a tax on land values, we mean that the taxes exacted of men should be levied in proportion to the value of their land because this is an advantage they derive from society, and not in proportion to what they earn by producing valuable objects, which is a benefit they create for themselves. To use Boston for a concrete illustration, the single tax—this tax exclusively upon land values—would be measured, not by the millions of private improvement values, for those values represent what are justly private earnings. It would be measured by the two hundred and twenty-seven millions of land values; for they represent what are justly public earnings—what are justly common earnings.

Consider what this change in taxation would do. It would exempt industry, enterprise and thrift from fiscal burdens, and thereby foster the production and secure the enjoyment of wealth. That consideration alone justifies the change. But there is more to consider.

Look about you and see the vacant land which is held out of use, or put only to poor use, and yet is measured for exchange in terms of high value. It is held out of use because its owners look to the future, and measure it at more in value than it is worth for present purposes. Let the mind grasp the

facts, and this becomes the most impressive economic phenomenon of our time. You may observe it in every city and town, and all over the country. Nowhere can you escape it, not even in the desert.

Boston furnishes a typical instance. We must go to Boston again for an illustration, because her tax system supplies data. According to the returns of Boston for 1901, the vacant land in that city amounted to no less than 56% of the whole taxed area of the city. And this means vacant land that is absolutely vacant. Land that is improved at all, however inadequately, is not put into the vacant column.

Not only does this phenomenon of valuable vacant land held out of use for higher prices manifest itself there and in other cities, and in the towns and villages of the country; it is to be found, also, in the mining regions, in the timber regions, in the farming regions, and wherever else society has advanced or is advancing.

Think of the tremendous industrial forces that are held in check by that enormous monopolization of land—land which no one can touch for industrial purposes without first mortgaging his future. Men are thereby forced to go to poorer lands, and thus all the productive power of labor as a whole; of business as a whole, is checked. A smaller quantity of consumable objects is consequently produced with a given expenditure of effort—smaller than could and would be produced with the same effort if the natural and social opportunities were not forestalled. The influence of this condition in restricting the production of wealth is incalculable. Its influence in diverting wealth from those who earn it to those who merely appropriate it is enormous. Its influence in perpetuating poverty among the workers, and in stimulating crime in low places and high, is overshadowing.

All those effects of social injustice would sink into insignificance, or disappear entirely, if public revenues were derived exclusively from land values. The explanation is simple. If this reform were adopted, men would be taxed only in proportion to the land they monopolize. They would be taxed not by acreage, but by value—not specifically, but *ad valorem*. They would be taxed regardless of whether their land were used or not, provided only it were tradable for consumable objects and could therefore be measured in the market in terms of value. This tax would necessarily be so high relatively to land values that no one could afford to monopolize valuable land—no one could afford to hold out of use any land for which there was a demand. Consequently, industry would utilize better lands than now; would utilize better lands upon easier terms than it now utilizes the poorer; and with equal or less effort would produce a larger aggregate of wealth and distribute larger shares among the workers.

For competition would be free, and freedom of competition would solve the industrial problem. It would enable all of us to bargain on equal terms. No one would have an advantage of life and death over any one else. Competition would solve the industrial problem, not in favor of the idler, whether poor or rich, but in favor of the worker, whether rich or poor. The plundering power of privilege would be gone.

I am aware of the prejudices against competition. But they have no foundation. Competition, free competition, is not warfare. It is emulation. Its victories are not to be likened to those of a bloody battlefield, nor to those of the fierce struggle for existence among wild animals, where the gains of the victorious are at the expense of the vanquished. The victories of free competition in the industrial world are more like those of the school room, where even he who loses the prize nevertheless retains all that he has gained in his struggle for it. No one's gain is another's loss.

It is not free competition that has produced the monopolies of which we

complain to-day. These are the natural fruit, not of unshackled competition, but of the systems of monopoly with which in varying ways and degrees competition has been shackled all down the centuries. We have not progressed through competition to monopoly. There has been no free competition in historical times. There is such a thing as historical evolution, of course, but evolution produces each thing after its own kind. Monopoly leads to the perfection of monopoly; free competition leads on to the perfection of freedom. We cannot safely depend, then, upon social evolution for the beneficent social conditions we dream of, unless we give to social evolution a beneficent direction. If we foster social disease, social disease will evolve; if we foster social health, social health will evolve. To foster monopoly is to strengthen monopoly, and to tolerate it is to foster it. It is like weeds in a garden.

Of all monopolies, only two are fundamental; one is enslavement of men, the other is monopoly of land. Abolish all others, but retain either of these, and you have a germ that will propagate injustice in spite of all your philosophies and in spite of all your laws.

Enslavement of men has about passed away. It did not evolve away. It was attacked and destroyed by men who placed moral righteousness above all utilitarian considerations.

Monopoly of land has not yet passed away. The struggle for its abolition is just in its earlier stages. But that struggle has begun, and it is a struggle that will not end until land monopoly has also passed away, like its twin sister in iniquity. This, too, is a struggle of right against might. And in this struggle we find the single tax serving the uses of the pioneer. Not the least of its recommendations is that it offers a simple and practicable method for the restoration to all of their natural inheritance in the land "which the Lord their God hath given them."

For this fiscal theory is a theory that would work in practice. As a matter of fact, every sound theory will work in practice. A theory that will not work in practice is not a sound theory. That has often been said. But even the soundest theory will not work in practice until you put it in practice.

This theory, however, while sound in itself, and entirely practicable, so practicable that it would produce the most useful results, rests upon a deeper principle than utility alone. It rests upon the eternal principle of justice. While we are prepared to defend it upon utilitarian grounds, we believe that the moral righteousness of the proposition is in itself a sure guarantee of its highest usefulness. Any proposition which is morally right will prove to be practicable and beneficial if adopted; and upon that principle, fundamentally, we rest our claims for the single tax.

When Professor Clark arose he was greeted with generous applause.

PROFESSOR JOHN B. CLARK.

LADIES AND GENTLEMEN:

I come here a little unwillingly for one reason, and quite willingly for another. My occupation is that of a teacher, accustomed to address audiences of students, in a very quiet and academic fashion. Only once in my life have I taken part in a public disputation, and by a coincidence which it gives me pleasure to recall, that one occasion was one held in Saratoga many years ago, in which my honored opponent of this evening, Mr. Post, was a disputant on the other side, and in which the honored originator of the single tax movement, Henry George, was on the other side. I yield to no one in the honor paid to Henry George, whose name has been so frequently mentioned from the platform this evening. Indeed I may say I have a little the advantage over some

of Mr. George's admirers in that I have tried to point out, in a public way, certain features of Mr. George's system of political economy which would entitle him to the highest place in that science if he had never said a word about the single tax.

It so happens that a number of economists have made large contributions to the knowledge of this science, but have attached so much importance to one particular feature, that even in their own minds their great discoveries fell into forgetfulness. This is the way with the greatest of German economists, Van Thünen. In my judgment, 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.

Now it is a great pleasure to know that I have so kindly an opponent as I have to-night, and I repeat and make my own all that he said about a pleasant discussion between good fellows, for I do certainly remember that from what I have seen of him in that other discussion, he is an excellent representative of that class. We shall have a friendly discussion to-night, and it is this expectation that has overcome my reluctance to engage in a public disputation.

I am reminded of what was told me an evening or two ago about Rufus Choate. He was such an advocate that he was very difficult to meet, whether he had a good case or not. For when he had a poor case he made such an eloquent speech that he captured the jury. One day he made one of his typical speeches, very elaborate and attractive. He had opposed to him an old Yankee lawyer, who said: "Gentlemen of the jury, I can't make any sech speech as my brother Choate has made. All I can possibly do is jest to state a few p'int's." Now that is all that I will try to do to-night, and I will do it only in a modest and quiet fashion. And the first point I think I will try to state is this: We have to deal with conditions and not primarily a theory. My own stock in trade is theories. That is what I deal out to my students during the hours of the day, but in discussing this particular subject I recognize that it is a condition, and not a theory, which confronts us. And I think the particular condition which is important to notice is the fact that land has become the vehicle into which working people of the United States have almost been forced to put their savings. Whether the land itself was or was not originally a proper subject for private ownership is a question for theoretical discussion, but the fact for practical discussion is, that if you take land value away from these men you take their savings which they have put into it.

Now, I do not suppose there is anybody here who will doubt for a moment that taking something like \$1,800,000,000 in taxes per year on bare land, leaving out the improvements, would take the whole rent of the bare land, unless land could pay more than 9% a year, and I do not know of land that will. I do not suppose that anyone will doubt that if we take from a man the rent of his land, we practically take his land. If you have a cow, and I am the government, and I say, "You may keep the cow, but I will take the milk," I think I shall practically have the cow. If you have a mill and it is turning out cloth every day, and I say, "You may keep your mill, but I will take the cloth and will pay the wages of the operatives," I rather think I shall, to all intents, have your mill. If you have a ship going out to capture whales, and I say, "You may keep your ship, but when you bring her to port I will take the oil," I really have the ship, and I might just as well say "You may keep your pocket-book, but I will take the coin."

Taking the rent of land is practically taking the land. The American people have been very chary about the direct seizure of private property. I speak well within bounds when I say that it doesn't seem right. The State often

wants something, and when it gets it it pays for it and gets the money by some tax on the people. Its taxation may not be equitable, and, so far as unjust taxes go, I am in sympathy with my opponent. In fact, I have a little plan of taxation in my pocket which I think is better than this one. (Cry of "Let us have it.") If there is time by and by, I will give it. I could say more than Mr. Post has said, and could use much time in talking about the inequalities of the mode of taxation that makes it impossible for a man to avoid perjury without subjecting himself to injustice. You lay taxes in such a way that a man with a large fortune is tempted to go down and swear off his taxes by a false statement, and that is the worst of the evils of this system; and the scheme I have in my pocket would avoid that evil.

I say the American people are slow to seize a particular kind of property in toto. I am not going to use the word confiscate, which does not always have a kindly sound. I know these gentlemen have the welfare of humanity at heart, and I would be glad to make their general purpose in this respect my own, speaking as energetically as they have spoken in behalf of it; but the taking of a kind of property in toto from the people who now have it, is something the American people are unwilling to do.

It is better to make an effort to distribute the taxation as broadly as you can; and you do distribute it somewhat broadly. In any case, you try to do it, and you will not directly seize a particular kind of property without any compensation. If you ever do it, what kind of property will you seize? I suppose you will look about for some great trust. Possibly it may happen to be a combination that has had some hand in making coal scarce. Possibly it may be a railroad. In any case, if you are looking about for some particular form of property to seize, it will be property that really belongs to some great and oppressive and monopolistic company. Even then, I will take my chance to-right, that an honest vote, taken by the whole American people, as to whether we should seize without compensation a railroad or a mine, will be answered overwhelmingly in the negative. Americans do not do these things. They would take the railroad and pay for it. They would take the mines and pay for them, little as they might happen to like the railroad and the mines.

I believe I can venture on another statement. I can recall the anti-slavery agitation, which was carried on all through the North under the leadership of Sumner, Garrison and others, eager to do everything in their power to put an end to this terrible institution; and what they were trying to do under the special leadership of Sumner and just before the war broke out, was to free the slaves and pay the masters. It was certainly not because they had any respect for the institution of slavery, but it was because, even in that extreme case, it seemed to them more fair that the nation, as a whole, which was responsible for the awful institution, should bear the expense of abolishing it.

Now let us look around and see some of the land monopolists who would be impoverished by the seizure of rents, and let us see whether we can find in their case a parallel offense against the American people, which would go any little distance whatever toward justifying the seizure of the land. Where are they? In great cities, indeed, so many people live in flats that the owning of homes by those who live in them is not common. The average for great cities in the United States is about 23 per cent., that is 23 families out of every 100 live in homes that they own. In smaller cities the percentage of owners rises to 36, while in rural and semi-rural regions it ranges from about 44 to about 66. In the nearer portions of Brooklyn a majority of the people pay rent, but in the remoter portions it is said that a majority are homeowners, and I can take you to country villages where from 80 to 90 per cent. of the people are so. In the country at large, in 1890, out of 12,690,000 families in

the United States, 6,000,000 lived in homes that they owned, and the number has greatly increased since that time. It is the fate of the homes of half our people that is now under discussion.

Now, of these homes which are inhabited by the people who own them, 80 per cent. are worth less than \$5,000, and it is easy to assert, without fear of contradiction, that 80 per cent. of them are inhabited by those whose incomes are derived mainly from labor. Some of them have paid for their properties, and some are in process of paying for them out of their savings. The majority have acquired whatever they have almost entirely by saving their own wages for this purpose, though some have received them from parents who, at an earlier day, earned and saved the money to pay for them. They have come by them very honestly. Men who have worked and saved their wages and have invested them in homes which they occupy and love, are, in my simple judgment, about the last class to single out for a seizure of property.

That does not end the whole story. When we do not buy land, and own homes, we put our money in the savings bank, and the savings bank loans a considerable portion of it on mortgages. It has, of course, the buildings and land as security, and it tries to keep within the margin of safety by not loaning the whole value of the property; but the principal security is the land, for the building steadily deteriorates in value. It deteriorates not merely because it wears out, but because in time some other kind of a building is needed for that site, and that building cannot pay the bare rent of the land. There is many a building in New York which does not rent for as much as the bare land is worth per year, because it is of old fashioned structure. The building is no kind of security for a loan that is going to run any length of time. If, after a while, you have to foreclose the mortgage and take the building, and you do not get the land, you have not much in your hands. Now, I got the opinion of the manager of a good savings bank in Massachusetts—selecting that as a state somewhat favorable to the cause of the single tax—as to how much the savings banks there would probably lose if they had nothing but buildings left, on foreclosing their mortgages; and he told me that, as a conservative computation, it would sweep away, in the State of Massachusetts, considerably more than \$38,000,000 of the undivided fund which is the only reserve of capital of the savings banks of that State, and that it would throw these institutions into liquidation. They would have to suspend payment. Undoubtedly, by utilizing such securities as they have, they would recover for depositors some portion of what they put there; but I do not recommend to people to put money into savings banks which have an experience like that before them, and I don't recommend to people who have money in savings banks to put them through such an experience.

But what is the ground on which we shall take this land, if we take it at all? I will say ditto to every word that is said about the supreme ownership of all land by humanity, or if you so express it, the ownership of the land of a country by the people of the country, and that means ownership by the State as consisting of the people politically organized. As to what shall be done with land, the people have to express their organic will through government, and the government acting for the people, has given to individuals only a limited right of occupation and use. Nobody does absolutely own land. The government can take it as it wants it. The one sole question is whether, in taking it, it shall take the people's savings with it, or shall respect the people's savings and take the land without them. It is not whether the government can take land or not, but whether it will respect people's savings by paying for it.

On what ground will the government refuse to do this? Because the people are monopolists and have taken the land away?

I once lived for a considerable time very near to the frontier of this country. I lived in Minnesota, when that was a frontier State, and traveled to and fro on the very frontier journeying over the prairie when there was no house in sight. I saw how a State could be created out of nothing, and how value was created by the coming of a population. While traveling over the prairie one day, looking for the nearest town, I came to a place called Rice City. It consisted of surveyors' stakes driven in the prairie, and these did not afford much shelter, so I had to go further. But in a very few weeks, people had come there and had taken up little pieces of land and paid for them at low prices, and had put up houses on them and made the land valuable. They got an increase of value of their own land the most of which they themselves created; and, for the most part, that was what was happening at that time over all the frontier. Were they doing it contrary to the will of the people of Minnesota? On the contrary, the State of Minnesota was doing everything to induce them to do it. It was building railroads to make it easy to get there. It was using school lands. It was passing homestead laws and doing everything it could by statute to make the settler's condition better. And it was using all ingenuity to enable him to expedite the process of taking his land in fee simple, occupying it and building up the State. They did not overlook the possibility of getting revenue from that land. If the State had taken the full rent of land when it was worth \$1.25 an acre, it would not have gotten much. If it takes $1\frac{1}{2}\%$ when it is worth \$10 an acre, it gets a great deal. In my judgment, it is a pretty good thing to tax buildings, too; because you get more revenue in that way and get it much more easily.

The coming of these settlers was not an aggressive usurpation. It was not contrary to the will of the people of Minnesota, the sovereign owner, whose will, as I concede, is supreme. The people did everything to bring that about. It was the will of the State that its lands should be used in that way. Not long ago, the State of Argentina, South America, was very eager to get settlers, and it sent emissaries to Europe and offered to give to each immigrant a good sized farm for nothing, to pay his passage across the sea, to furnish some seed and stock, and to give him a stipend in money, which, if I rightly remember, amounted to \$8 a month for six months, to help him to pay his grocery bills during the first half year of occupancy. The Argentine Republic did not regard the people who came in response to that invitation as usurpers. I can imagine a man in Italy—the greater portion of them came from Italy—saying to himself: "I can't go to Argentina; it is not fair to take away the land from the people of Argentina." Would the agent say: "You are right." On the contrary, he would say, "Argentina wants to do the best thing that it can for itself by means of this land, and it has made up its mind that the best thing to do is to induce you to come and take it. It has made up its mind that the land with you on it is worth more to the State itself than the land without you." So Argentina and the settlers have agreed together to build up an empire.

That policy has always worked well wherever tried, and the opposite policy has worked ill. Settlers have never been attracted by invitations to come and pay rent.

I do not see what enormous difference it makes, if I pay rent at all, whether the man who comes to collect it is a government official, or an owner or the agent of an owner. I will have to pay it in any case. I live in a rented house myself, and I think that if I were short of money, I would rather see my good natured landlord than a tax collector.

Rent paying has never been popular. It was not popular in France just before the French Revolution; and after that there was not much of it paid. Somehow much of that land got into the hands of the cultivators, and France

has been covered all over with new peasantry, working very hard to be sure, but working so industriously and with so much thrift, that when the country had to pay an enormous indemnity to Germany, enough was pulled out of the old stockings to pay it. It is a prosperous country to-day under this peasant ownership of the land.

About that time the Germans were in a bad way. The occupants of land were paying rents to the nobility, who were, in one sense, a sort of local government; and the great Chancellor Von Stein devised a scheme to help them by enabling them to become owners of land they had formerly tilled. Much of North Germany is now given up to peasant ownership. Its people are honest farmers each living on the bit of soil which he holds free from rent. If you were to go there and ask them whether the government did right in that case, I really don't think there is much doubt how they would answer. But if the theory of government taxation up to the full rental value is the right one, the thing that Chancellor Von Stein ought to have advocated was simply to take the income from the land from the noble landlords and make the peasants pay rent to the end of time. That is what this principle calls for. Will you refer to the peasants in Germany the question whether they want to pay rent forever?

This year, for the first time in modern history, there is a fair prospect that Ireland will be free from rent paying. The government has an entirely workable scheme for buying out the landlords. It will cause the land to be sold on very easy terms to the occupants. The government will loan its credit and will absolutely pay a portion of the cost, and the occupant of the land will pay the remainder in easy installments at a low rate of interest. If this plan goes through, you must see that it will have what, from a single tax point of view, is the very unhappy effect of making those people free land holders. Is that a bad effect? If it is, you should send a committee very early to Ireland, and agitate this year against the measure. There is still time to do it. It is a very easy thing for the government simply to seize the rent of the land from the present landlords, and make the present tenants pay rent to the end of time. But the government won't do it and if you ask the Irish people whether they will have the government do it, I do not think there is much doubt of the answer.

I see I have exhausted my time. I will say something else in that same line a little later.

MR. POST'S REPLY.

Of course you will not expect me to cover every point that Professor Clark has raised. I shall simply try to summarize his argument as I understand it. It seems to me that, as a whole, it was addressed rather to a body of voters called upon to decide whether they will have this reform, and not whether it is a reform they ought to have. The question, as I understand it, is, "Should we have this reform?" It is not whether some men who get some little advantage out of the present system, and think they get more than they do, would rather not have it for fear they would lose the advantage.

The savings of workingmen put into land! Why those are not savings in any substantial sense. There is investment but not saving. A man makes a commodity. He trades it for a certificate of value and buys a piece of land with that. He has thereby bought a power to levy tribute. It is not in the nature of savings. It is the same thing as if in slavery days he had invested his money in a colored man. The same argument would have been made, the same arguments were made at that time, even down to the poor man who "only had one nigger," not worth \$5,000 either, even down to the poor man, and

the widow and the orphan. Professor Clark has not spoken of the widow and orphan to-night; but I often have them thrown at me. And at such times I think of our friend Mr. Dooley, of Chicago—I believe you have him in New York now. About four years ago Mr. Dooley was writing about the franchise question in Chicago. We have about \$60,000,000 of water there, “invested savings,” some would call it; and the question is whether it shall remain water to be dumped into the gutter, or shall be turned into gold by law. Mr. Dooley was writing about that a few years ago, and he made special reference to a member of the city council, an absolutely honest man, who without knowing it, got bribed by the street car lobby. The first appeal made to him was about somebody’s widow and somebody’s orphan who were interested in that watered stock. After awhile he picked up a little of it himself, just as an investment, and then there came a time when from being absolutely opposed to one of the bad street car measures before the Council he voted for it. Mr. Dooley says in conclusion: “I tell you, Hennessy, I wouldn’t hang the franchise men if I could, and I wouldn’t hang the councilmen if I could, but I would hang every widow and orphan from the city hall to the stock yards.”

Compensation for rights like these? Compensation, yes; but our friends on the other side have different ideas of compensation from ours. It is the people who have been deprived of their natural rights, and not those who have been enjoying them, that should be compensated. I know a good single taxer down in Texas. He was an old slave holder. His father had been Chief Justice of Louisiana and he himself was once Secretary of State of Texas. When he became a single taxer he became a democrat. He thought he was a Democrat before, but it was with a big “D.” The single tax philosophy made him a democrat with a little “d.” He was talking with me once about this question of compensation for the abolition of wrongs and he said: “I used to own a nigger, and my daddy owned his daddy, and my granddaddy owned his granddaddy, and Lincoln set them free. Ought our family to have been compensated for the loss of the labor in the future of those slaves? Why, no! If anybody ought to have been compensated it was the niggers for their past labor, and not us for their future labor.” That may be a rough way of stating it, but the principle is all there. It is the people who have been suffering from a wrong who ought to be compensated when it is abolished, and not those who have been profiting by it.

But why talk of compensation? We are proposing a tax, and did you ever hear of compensation for being taxed by getting back the taxes? Sometimes men have dogs in a village, and the dogs get too plentiful. The law encourages dogs, because it recognizes men’s right to own dogs. After awhile the village taxes dogs so that no one can afford to have them. They want to keep them out of the village. Now, are you going to compensate dog owners for having lost their dogs? The very object is to get rid of the nuisance.

But there is more than that. This is a question of taxation, and most of these homes that we have heard of are worth less than \$5,000. I have no question—I don’t believe it can be disputed—that on every home worth less than \$5,000, the owner would pay less in taxes under the single tax than he pays to-day. For under the single tax he would pay only on the value of the site, which is the least of the values of these homes. He would pay no taxes on his building, no tax on his furniture, no indirect tax on what he buys, and there would be no custom houses to burden him. He would get his clothing and his food all free of tax. His taxes would be measured by the value of his site, and by that alone, which is the very least of his values.

The man who would suffer confiscation—I use the word without any hesitation: it means simply taking property into the public fund—are such men as

those who hold the anthracite coal regions of Pennsylvania. They use but little; they shut down the earth as if it were a cellar door, over nearly all those thousands of acres of land in which lies anthracite coal. The 147,000 miners who struck are men who know how to produce coal. If they could have equality of transportation they would have no difficulty in getting the necessary capital to open up the unused anthracite lands of that region; and the very fact that they could have opened up the unopened lands would have secured them against the necessity of a strike. They could have done this under the single tax, and the fact that they could have done it would have brought their employers to terms. These anthracite coal mine owners are types of the men who would lose their power under the single tax. It is not the man with a little home—most of it mortgaged.

I deny the right of government to give a perpetual title to the earth. It is the function of government to regulate land tenures, not to put them beyond the power of its regulation. Government exists from generation to generation as the agent of society. We have got to have tenures regulated; but when the government, now or five hundred years ago, gives a title for as long as grass grows and water runs, that government has gone beyond its power, and its act is *ultra vires*. The government that sells the earth, instead of regulating its tenure from generation to generation, does an act which has no other validity than such as might alone can give.

I think there is a difference between paying rent to a tax collector and to a landlord. The difference is this: even if the landlord is a nice man, he puts the money into his own pocket, and you never get any of it back; but the tax collector has to turn over at least some of it into the public treasury.

I shall close simply with an allusion to the Irish question. I am glad Professor Clark has brought it forward. Here is a proposition to tax the people of England and Ireland in order to compensate a lot of men who for generations back have been living on the labor of other men—living in the sweat of other men's faces. And England proposes to pay them, as a matter of justice and not because she can't help it, for ceasing to live in the sweat of other men's faces! The landlords are to be bought out. But that isn't all. Another set of landlords is to be set up in business. The land bought from one lot of landlords is to be turned over to the tenants, and that it is supposed will benefit the laboring men, because the tenants will be able to pay higher wages—which they will do of course! That is not making the land common property, in any true or just sense. This proposition to buy off the English land owner, will not benefit the great mass of the Irish people. The man who has been a tenant, and has had rows with his landlord, will have succeeded in getting into his landlord's shoes; and whereas the landlords used to live in the sweat of the tenants' faces, the tenant will become landlord and live in the sweat of the faces of the other people of Ireland. That is all it amounts to. It is landlordism over again with a new outfit of landlords.

PROFESSOR CLARK'S REJOINDER.

Still less than before am I able to meet Mr. Post in the way of effective speaking. Still more than before am I dependent upon my few "p'int." And I admit that it was a telling statement that the government of England proposes to pay the Irish landlords, when we reflect that the Irish landlord has not been an altogether exemplary person through the whole period of English history. I introduced that illustration as bearing upon my side, and for all I can see, it bears on that side still. For what it shows is this: that in the case of a great wrong committed by a body of property owners, the people, who could easily escape all expense in the way of compensating them, volun-

tarily take that expense on themselves because, in the judgment of these people, it is right. It would be undoubtedly cheaper for England, and much cheaper for the people of Ireland not to pay them a cent, and there would be the pretext of wrong in the past, and possibly some wrong in the present to justify it. But the moral sense of the people who have the bills to pay is against doing it, and in favor of compensation.

Now, I am indebted to Mr. Post for kindly supplying the widows and orphans. I had not time to introduce them here, and possibly I had no intention of doing it; but it does occur to me that if you want to "hang them" this is about as good a measure for doing it as any I know.

Now, about the negroes. If anybody can see a close parallel between owning a piece of land and owning a man he looks at the problem through different glasses from those which I view it. When we freed the negroes, we did it because we found the negroes, the chattels in the case, the things that were owned, had some rights of their own. We are talking about owning land, and the land is an inert thing. If the land is a conscious being having rights of its own, and if it is suffering and groaning because it is under an owner, it is a good time to make it free, and we want an Emancipation Proclamation to free it from oppression. But somehow, the land does not seem to suffer under the plough. It gives forth its fruits as though it enjoyed it, and unless you can find some slave in the case other than the land, I don't think it is well to take the land from its owner on the ground which justified the Emancipation Proclamation. Freeing the negro is a thing done in the interest of the negro, the thing owned. In the case of the land, if you made it absolutely free and without an owner at all, I really do not know what the poor land would do, for somebody would have to till it; and I think that the land itself, if it could think and feel, would prefer to be tilled by an honest owner who loves it and puts much of his life into it than by a mere leaseholder.

A man who owns land now pays a tax of, let us say, $1\frac{1}{2}\%$ on the land and buildings. Under the single tax he would pay no tax on the buildings but on the land would pay a tax equal to its whole rental value. It would be strange if that did not greatly exceed the present tax. If it did not exceed it, how would you pay the whole expense of the national, the state and the local governments from the proceeds of the new tax? That is simple arithmetic.

If a man has a piece of land valued at \$5,000 and a building that has cost \$5,000, he has an estate which is worth \$10,000. On the whole, taking city and country, the improvements are more valuable than the land, but in these little villages, where the home owners live, valuations are not very uneven, as between land and buildings, while in the case of farms, the land predominates. If his house is worth \$5,000, because it cost \$5,000 to build it, and his land is worth \$5,000, and you take the whole value of the land, how much is he worth? I think what it would cost to build another house, that is \$5,000. Before you took it he was worth \$10,000. You will undoubtedly free him from some particular taxes which he now pays; but I do not think that will console him for the loss of a half of his estate. The proposal to make owners of land carry the whole burden of the federal government, besides the state and local governments, will not impress them as a proposal to relieve them from taxation.

About the coal we can all speak feelingly. I had my little opinion, as you had, about the monopoly of coal lands. I don't like it. And that is the best illustration that I know of, distinguishing between what is and what is not a land monopoly. I don't think the land of France, held by the little peasant farmers is held under a monopoly. If one person held it all, that would be a

monopoly. If one person or corporation has the whole anthracite coal region, I call that a monopoly. I should be very much in favor of breaking it up. It is very important that there should be competition, actual or potential, in the steel business; but if the Steel Trust should ever become the exclusive owner of the mines which produce the steel making ore, so that nobody could enter the steel business except itself, and could charge what it pleased for its products, I should be very much in favor of breaking up that monopoly—of breaking up their holdings and letting other people have some of them. It would not be unreasonable to suggest that the government should take these special lands and let people work them, paying rent to the government. But in that case, I should still adhere to the good old Saxon principle of fairness to the existing order; for little as I love them, I am sure the people would try hard to be fair to them. They would not think, that even in that extremest of cases, it would be fair to take the mines without compensation. Much less, then, would it be fair to take without compensation the little pieces of land held under honest tenure by the working people of America.

The Chairman having asked Mr. Post, as Professor Clark sat down, if he had any reply to make, Mr. Post responded: "I do not want to reply. It would not be proper that I should, for Professor Clark is entitled to close. But I do wish to ask Professor Clark a question—not in the way of cross-examination, of course, but to take up a loose thread in the debate. It is a question which I think he would be glad to answer. If I understood him he made a distinction between compensation for freeing slaves and compensation for abolishing land ownership, the slaves having rights and the land not having rights. I would like to ask whether, as a matter of justice and fair dealing, he does make that distinction. That is, does he consider that in justice and fair dealing investors in land should be compensated if land ownership is abolished, whereas justice and fair dealing do not require compensation for slaves set free by the abolition of slavery."

To this Professor Clark replied: "I think there is a very fair distinction between these cases. If a man holds a piece of property which it is inherently criminal to hold then on the ground of criminality you might punish him by taking it away. On the basis of higher law it was a crime to hold slaves. In accordance with the laws of the particular States, it was not a crime to hold them, and in deference to the rights created by the laws of the particular States, a sense of justice on the part of the people of the United States would have demanded that we should strain a point in order to make compensation for slaves; but there would have been a very strong argument against it. In the case of the land there is no such argument."



THERE is no doubt that the policy of raising revenue by indirect taxation leads to extravagance, and the burden of the cost of government is increased unnecessarily.—*Binghampton (N. Y.) Leader.*

THE *Journal* has been printing a series of papers on Success. Among the contributors to the symposium, have been college professors, clergymen, bishops, and priests. About the only ones that appear to have been written by Christians are those from the pens of Messrs. Bolton Hall and Ernest Crosby.

THE March number of *What's The Use*, a small monthly magazine published at East Aurora, N. Y., contains contributions from John B. Howarth, William S. Rann, Bolton Hall, and others. The motto of this attractive little publication is "There is plenty of room at the top; what we want is more room at the bottom."