

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 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.

LOUIS F. POST.

Chicago, Ill.



II. THE EVIL OF EXCLUSIVE PRIVILEGES.

“**D**O you believe that the Single Tax would destroy the trust evil, and, if it would not in your judgment completely destroy it, how would it mitigate the evil?”

The form of the question relieves us from all consideration as to whether trusts are good or evil, assuming, as it does, their evil character and rendering unnecessary a detailed consideration of the respects in which they are mischievous. We must, however, settle what we mean by the word “Trust,” for an eminent Republican authority in the last campaign declared that there were no such things in this country as trusts:

Technically, he was correct. When large aggregations of capital first sought to control various fields of industry, they tried to reach this end by placing in the hands of trustees the capital stock of the corporations entering into the combination, with full authority in such trustees to control the operations of the several corporations for the benefit of the depositors of stock. For a variety of reasons—some legal, others of a business nature—this expedient, to which the appellation "trust" properly applied, was abandoned, and of late the word has appeared as a survival, being now given to large combinations represented by a single corporation, controlling, or intended to control, business within definite ranges, but so operated as to be capable of indefinite expansion, and possessing certain monopolistic tendencies.

Analysis of the situation will show that the successful trust, the trust that is dangerous to the public welfare, is one not confined to business in its nature competitive, but one representing business plus some sort of monopoly; and the incidental monopoly we will discover to relate to land simply, transportation (one form of land monopoly, but coupled with a franchise), or patents.

A further understanding of the question before us will be facilitated by bearing in mind that by the term "Single Tax" we mean a tax upon the value of land, exclusive of improvements, and the abolition of all forms of personal tax, including the tariff: the necessary effect being, as contended by Single Taxers, to destroy monopoly in land and wipe out all the evils incident thereto.

I think we may assume that the Single Tax will not prove in any considerable degree remedial so far as monopolies based upon patents are concerned. For instance, corporations controlling patents, and not interested in any other form of monopoly (such a corporation, for example, as the Mergenthaler Linotype Company), are not likely to find themselves embarrassed by the adoption of the Single Tax system of taxation; and, so far as the exclusive monopoly granted by the patent law is oppressive and tends to the creation and preserva-

tion of trusts, the remedy must be sought through other instrumentalities than the Single Tax.

It is to be noted, however, that many monopolies apparently based upon patents are nevertheless coupled with other forms of exclusive privilege, involving a monopolization of land, and as a method of relief against their oppressions a proper system of taxation becomes important. We may illustrate by reference to the Bell Telephone Company. This corporation, constituting in the most modern sense of the term a trust, owns important patents, but in addition it either directly or through its lessees or subordinate companies controls privileges in the use of streets of infinitely greater value than are the patents, and if its franchises in various cities were taxed (such franchise tax being merely a development of a special application of the Single Tax) the power of the Bell Telephone Company would be materially lessened, and at the same moment the company would be spurred up to a better and more complete performance of its public duties.

I am not now discussing as to whether it would be more in accord with just principles of government to meet this particular form of evil through an exercise of the taxing power or through governmental management, but confine myself to pointing out that at least a proper exercise of the right of taxation would prove of material public benefit. In the broadest sense we may say that the particular monopoly now referred to finds its power in the fact that it is a combination of three species of monopoly—patent, land, and transportation; the last in that it often has the exclusive right of using the streets for the purpose of carrying messages.

But would our transportation monopolies, enjoying exclusive privileges in the carrying of freight and passengers and not owning patents or other privileges, be affected by the Single Tax? Assuredly, yes. Such companies require for their existence possession of land, coupled with a franchise permitting them to perform public functions to a degree not permissible to the generality of citizens.

Many years ago Vanderbilt pointed out that the New York

Central Railroad was protected against competition in that it owned immense tracts of valuable land in most of the considerable cities of the State of New York, and, arguing the practical impossibility of any other company buying land equally well located, insisted that successful competition was impossible. He was right, but if, as would be the case under the Single Tax, the entire rental value of land were taken for public uses, destroying the special profit and advantage railroads possess as landholders, then only a franchise would be required by another company to offer successful competition.

There is a certain class of trusts, most dangerous in character, now coming to recognize that the foundation of their strength lies in the ownership of land. The recent testimony of President Schwab, of the Carnegie Company, before the Industrial Commission showed that he considered the power of his company to lie in its vast and increasing ownership of beds of ore. He was, of course, right, and until the Single Tax makes all of our mineral resources equally available to all the community, thus destroying the special profits now accruing to those able to hold land out of use, the most oppressive trusts in existence will find their way clear to retain their power, despite anti-trust laws, interstate commerce laws, and all the publicity we may by law give their operations.

JACKSON H. RALSTON.

Washington, D. C.

III. THE ULTIMATE BASIS OF ALL MONOPOLY.

IF the Single Tax would destroy the trusts themselves it would be a serious obstacle and a serious objection to the Single Tax. In spite of all abuse, the trusts are here to stay—and to make a political issue. Unless we find out what we really condemn in trusts, they will make a confusing issue.

Every trust is essentially a coöperative machine. It is a human machine, an arrangement of materials and parts to get the largest result for the least effort; that is, to save labor. Accordingly, a department store is a trust, and is recognized and