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A Weekly Narrative of History in the Making

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EDITORIAL

Max Hirsch.

Without details but from trustworthy sources comes the news as we go to press this week; of the death of Max Hirsch, of Australia. A truer and finer epitaph could not be written of any man than this from the April "Land Values" of London and Glasgow upon Mr. Hirsch: "Thousands will mourn the loss of one whose nobility of character and sacrifice of self for the cause he had espoused, no less attracted adherents than did his genius." Max Hirsch was best known to thoughtful readers the world over for his profound book on "Democracy vs. Socialism" (vol. iv, p. 709), which is published by Macmillan. Throughout Australia he was known for his untiring work as a leader in sanely radical politics. He was best known, however, and his loss will be most keenly felt, among the adherents everywhere of the cause to which Henry George gave his genius and his name, and to which Max Hirsch devoted his life.

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This able and single-hearted Australian was born in Germany in 1852. He was educated in his native city of Cologne and at the University of Berlin. Coming of a democratic family—his father, a distinguished European economist, having, with his uncle, been banished and had their estates confiscated for connection with the revolutionary uprisings of 1848,—he found his intellectual doors already open to a pioneering career in

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democracy along economic lines. His vocation was that of an expert in tapestry, and in this employment he traveled widely and underwent some extraordinary experiences. By 1879 he had established himself in business at Melbourne, where he became acquainted with the doctrines of Henry George. Convinced of the soundness of their conclusions and the vital importance to mankind of their practical application, although he laid the emphasis on their phase of expediency, rather than on the religious ideal to which George chiefly appealed, Mr. Hirsch abandoned his business to work for his cause. For many years afterwards he lectured throughout Australia, edited the Melbourne "Beacon," wrote many pamphlets, founded many societies, participated actively in politics, and became the leading exponent in Australia of the principles of free trade and land value taxation.

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In the course of his political service, Mr. Hirsch was elected to the lower house of the Victorian legislature, and from a farming constituency notwithstanding his undisguised advocacy of land value taxation. Gaining here general recognition for his genuineness and abilities, he was soon upon the highway of a parliamentary career. But the Australian Commonwealth was formed about that time, and at the request of the national Free Trade leader, Mr. Hirsch resigned his seat in the Victorian parliament to go before a Protectionist constituency for a seat in the parliament of the Commonwealth. The constituency was overwhelmingly Protectionist; yet Mr. Hirsch, in an open Free Trade campaign (vol. iv, p. 130), came within 160 votes of winning the seat. To American readers it may be interesting to know that Thomas G. Shearman of New York and Tom L. Johnson of Cleveland were the principal contributors to a fund for that campaign, which was collected in this country by Mr. Hirsch's personal friend and economic pupil, Melvin J. Foyer, now of Toledo. Although defeated for the seat, Mr. Hirsch nevertheless served the Free Trade party well from the "newspaper box" on the floor of the Commonwealth parliament. His economic and political specialty was statistics, which he read with the readiness of a music master reading music, and throughout the session he served the Free Trade leader with data and explanations of data at every turn in the parliamentary fight. It was "largely through his endeavors," says "Land Values," that "the tariff that evolved was marked by a comparatively low range of duties."

By readers of The Public Mr. Hirsch will be gratefully remembered as the contributor of some of its best special articles (vol. x, p. 319; vol. xi, p. 103; vol. xii, p. 77). His was a useful life, a strenuous life, and—although he died poor in purse and therefore a failure from the plutocratic viewpoint—a life of extraordinary success. We could pay no better tribute to his memory than we do by quoting with cordial approval the eloquent words with which "Land Values" closes its report of his death: "Not in vain was the life of this great selfless man lived. The cause he fought and died for dominates all others in his adopted land. In every Australasian State it has been initiated, except two, where the will of the people has been thwarted by unrepresentative upper chambers. Not in vain, for the many he taught and inspired by word or deed, who looked to him as master with regard that was something akin to reverence, will carry on the work to glorious consummation, and so erect to his memory a monument more enduring than any that could be cast in metal or hewn from stone."

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The Single Tax Among Farmers.

A superstition has long prevailed that the single tax will never be accepted by farmers. It will be found, however, that this depends upon what kind of farmers are meant—the "farmers that farm farms, or those that farm farmers." Farmers have indeed been long misled by the idea that the single tax is a tax upon the work or business of farming; but the agricultural classes are not so unintelligent that plutocratic misrepresentation will make them always blind to the fact that the single tax exempts from taxation all legitimate work, all legitimate business, including the business of agriculture. They are certain to realize sooner or later that the single tax burdens only the monopoly of natural and industrial opportunities for agriculture and for other business. It taxes the farmer who farms farmers; but it exempts the farmer who farms farms.

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In Australasia they are already finding this out. For applications of the single tax are growing both extensively and intensively in Australasia, and quite as successfully in farming regions as in city communities. This is true also of Canada, where very considerable applications of the principle of the single tax are in successful operation in farming regions. And a favorable attitude is showing itself among our own farmers. Witness these resolutions, adopted last autumn by a well-

attended and representative meeting of farmers at Lasita, Kansas, and forwarded to the Country Life Commission of the Federal government:

We believe that the hardships and consequent tendency of people to quit farm life are to a large extent caused by wrong economic conditions. First, a vicious system of taxation. . . . Second, we have a financial system that oppresses the farmer as long as he is in debt. . . . Third, our railroad freights are too high. To remedy these evils we recommend that all Federal taxes be raised by direct taxation on property. . . . In order to check land speculation, and consequent inflation of land values we recommend a graduated land tax. We recommend that improvements on land be exempt from taxation. . . . With these changes in our laws in full operation we believe that the present tendency of decreasing farm population will be checked. Renters will have better opportunities to become owners of farms, our young men encouraged and enabled to buy and own homes, country schools improved, social life promoted, and the home, the real basis of a nation's greatness, reinstated again.

The Kansas farmers who adopted those resolutions are beginning to see through the film of misrepresentation which has so long held their class in subjection to plutocracy. Misled by the notion that the exemption of farm improvements, implements, products and objects of consumption, at the expense of taxation upon land in proportion to its value, would increase the taxes of farmers who farm farms, they have opposed the single tax. But they are beginning to see that the single tax means to them not heavier taxation but lighter taxation. And there are more such intelligent farmers a-coming, and a-coming fast.

* *

Vacant Lot Gardens in London.

London cable despatches of the 10th to the Chicago Record-Herald, report striking progress in the work of the Vacant Land Cultivation Society there. This kind of relief work, which was originated at Detroit by Mayor Pingree some fifteen years ago, is promoted in London by Joseph Fels, who computes, according to the dispatches, "that there are 10,000 acres of idle land in and about London," and who "is pointing out that if, as in America, this land can be made to produce \$225 to the acre, the society would have the means of making a very substantial unemployed relief fund in an unobjectionable way." Mr. Fels says, as the dispatches quote him, "that the land is eagerly sought after, that 90 per cent of the men stick to the work, that they learn it very satisfactorily, and that a great many acquire a real liking for it." He adds, as the dispatches state, that—
It is difficult to move the authorities in the direction of extensive relief schemes connected with the work

on the land, and in consequence much is left to public and private action. Even in the United States, where the same problems exist, it has been found necessary to proceed beyond the ordinary stereotyped relief work provided by the States or towns and find additional means of employment of a more permanent character. The vacant lots associations have accomplished some wonderfully good work in New York, Philadelphia, Cleveland, Buffalo and in other cities, and we mean to imitate them. In Philadelphia 300 acres are under cultivation for unemployed men, who have provided relief for 1,000 families, comprising 5,000 persons. A big meeting is to be held in London next week, when it is hoped to interest wealthy philanthropists in the scheme.

* *

THE "SINGLE TAX" AND "MUNICIPAL SOCIALISM."

I.

An extraordinary pamphlet on "Municipal Socialism" has come to our desk.* It is extraordinary alike for the authoritative character of its origin, the extent of its circulation, and the influence it appears to be exerting. The author, formerly at the head of the financial department of the City of New York as comptroller, is now president of a large real estate corporation—the New York Guarantee and Title Company. In addition to his business qualifications, he is evidently a student of economics; one, however, who thinks for himself. The pamphlet has such scientific sanction as is implied by original publication in one of our great periodicals of political science. Its author's dialectic method withal, is either extremely ingenuous or highly artistic, and therefore well adapted for commanding sympathetic attention to his plea and securing off-hand acquiescence in the argument.

*

Beginning with a statement that revolutionary socialism has made and can make but little progress—the public mind in normal circumstances being averse to revolution,—and yet that there is an unmistakable and steady drift toward a practical socialism in municipal affairs which needs analysis and demands profound consideration, this pamphlet enters upon an inquiry into that subject.

It is essentially the inquiry of a business man. But of a business man who neither ignores economic scholarship nor holds the primary principles of social justice in contempt. The conclusion

*Municipal Socialism and Its Economic Limitations. By Edgar J. Levey. Reprinted from Political Science Quarterly, vol. xxiv, No. 1. Published by Ginn and Company, Boston. 1909.

it reaches is marrowless, however, in so far as "municipal socialism" is in itself concerned. The real strength of the pamphlet is its apparent demonstration, partly stated and partly implied by the author, partly true and partly mistaken, but likely to be unreservedly inferred and accepted by his sympathetic readers, that extensions of "municipal socialism" must rest chiefly upon "the single tax," and that "the single tax" would fall with greatest and increasing weight not upon urban land owners but upon urban rent payers.

The pamphlet is, therefore, in lesser degree a challenge to "municipal socialism" than to "the single tax," and it is as such that we discuss it.

II.

To an understanding of the bearing of this pamphlet upon "the single tax," it is necessary that it be first viewed in general outline as a whole.

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Having declared that we are drifting toward "municipal socialism," the author defines this drift to be a tendency toward the "use by municipalities of the power of general taxation to obtain special advantages which do not inure to the benefit of those who chiefly defray the cost."

He thereupon analyzes the aims of "municipal socialism" into "municipalization of two kinds of human effort"—economic and humanitarian. The former he particularizes as "public ownership, operation or control of industrial functions; especially those which are monopolistic in character, such as water supply, lighting, street railways, and telephone service." The latter he designates as comprehending various forms of "philanthropic improvement of social conditions."

With such of these municipalizations as are self-supporting, "so that it is unnecessary to resort to taxation," the author does not especially concern himself. He directs his inquiry only to those phases of "municipal socialism" which are economically unprofitable, or which tend "in any excessive degree to tax one man for the benefit of another." He furthermore confines it to actual conditions in the city of New York, with only enough reference to other cities to indicate that in respect of "municipal socialism," New York is fairly typical.

In New York he finds a "vast increase of debt and taxation" per capita for the decade now drawing to its close, a condition which he attributes to several causes. These are inefficiency and dishonesty in administration, public neglect of municipal problems, expenses incident to the consoli-

dation into Greater New York, and advances in "municipal socialism."

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Waiving then the question of existing high taxes as of minor importance, he proceeds to "consider how the further development of municipal socialism will affect the finances of New York City" with reference to the interests of tax payers who are fearful of "future confiscation of realty holdings, and especially of equities in mortgaged properties."

In his examination into this phase of his inquiry, the author characteristically and rightly thrusts aside minor and alien considerations. All ordinary protective functions—police, fire, courts, correctional institutions, etc.—are specifically ignored. So are all suggestions for social betterment not in "the lines of municipal activity to which the city is already in principle committed." He limits himself to public schools, public recreation schemes, care of public streets, public charities, public supervision of sickness, public markets, and public transportation service, as they now exist, and to their possibilities of logical development in the future. Nor does he believe that New York would willingly part with those conveniences and advantages of government as they now exist. He observes in that connection that "up to a certain point taxpayers are quite content to accept the theoretical injustice which taxes one man for the benefit of another." What he contends for, is that there must be a point at which taxpayers will protest; what he seeks, is an approximation to that point. Such is, ostensibly at any rate, the principal contention and the ultimate object of his pamphlet.

That the point of protest cannot be accurately fixed, since "it differs with the varying tempers of different communities," the pamphlet promptly concedes. But the author assigns it in a general way to the time when taxpayers begin to "realize the extent to which they are being taxed without corresponding benefit to themselves;" or, in simpler form of statement, "when the size of their tax bills strains their willingness to contribute to the public good."

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Passing then once more from generalities "to the more practical consideration of present conditions" in New York, the pamphlet undertakes—with probable reference to the generality just noted—to describe "some of the obstacles which municipal socialism will have to surmount" if the movement persists. It puts them into a two-fold classi-

fication. First, "an artificial obstacle, viz., the limitation placed by the State Constitution on the extent of taxation in municipalities;" and, second, "a natural obstacle, viz., the far reaching economic effects which extremely oppressive taxation would have upon the industrial welfare of the municipality, and which would naturally lead to reaction."

The Constitution being, upon investigation, revealed as "rather a frail bulwark" for an obstruction to "municipal socialism," the author turns finally to the economical effects of the movement itself for the expected limitations upon its progress. From this point onward, through the remaining one-third of the pamphlet, he devotes his inquiry to the question of whether "municipal socialism" can really continue "until it shall result 'in the practical abrogation of property.'"

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"The first and the most important matter," as he characterizes it, which the author in his consideration of that vital question sets for himself "to determine is: Upon whom will the burden of radically increased taxation fall?" For he considers it "obvious that the purposes of municipal socialism will be defeated if its cost has to be mainly defrayed by the very class whose interests it is designed to further."

Here again, and rightly, the author thrusts aside minor considerations. "So large a proportion," he explains, "of the entire municipal revenue of New York is raised by taxes on real estate as to render it hardly necessary to consider other forms of taxation." It is in this connection that he alludes to "the single tax," and seems upon casual reading to have demonstrated that it would fall upon urban rent payers rather than upon urban lot owners. We reserve reply to the supposed demonstration until we shall have completed our general outline of the pamphlet itself. At this place it is necessary only to quote the author's deduction that "while the burdens of oppressive taxation"—real estate taxation, improvements included—"would fall upon property owners far more heavily than upon any other one class, the price of municipal socialism will be paid chiefly by the community at large." Upon that judgment rests the pamphlet's ostensibly ultimate conclusion, which we have characterized as marrowless in so far as "municipal socialism" is in itself concerned. This conclusion is as follows: If "municipal socialism" advances "with due recognition of its economic limitations, it would be difficult now to set the bounds of its ultimate ac-

complishments; but it depends for its future upon economic prosperity and sanity in expenditure."

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Such is the pamphlet—more able by far than might be inferred from a superficial reading of its ostensible conclusion—which is serving as a framework for an exceedingly plausible objection to the fiscal reform that Henry George advocated as a progressive and non-revolutionary method of reaching the goal of socialism in so far as that goal may conform to social justice. While "the single tax," thus coupled with George's name and fame, is considered in the pamphlet only incidentally, and indeed is not specifically named except in a foot note, it appears to be in reality, even though indirectly, the principal object of attack. If the pamphlet be not so intended, it is at any rate so accepted by those whom it impresses. Regarding it as a demonstration against "the single tax," they welcome it as therefore a deadly blow to "municipal socialism."

In the latter respect they are right. Let "the single tax" be condemned, and the movement toward "municipal socialism" would be checked and possibly turned backward. For without "the single tax," the expense of maintaining all but self-sustaining public utilities would indeed fall largely and unjustly upon the community at large, while the social benefits resulting from this "municipal socialism" would be financially translated into larger and larger unearned incomes for the owners of municipal sites. The author of the pamphlet, therefore, and whether such was his intention or not, could have struck at no more vital spot in the movement toward "municipal socialism." If he has really shown, as he implies and many of his readers infer, that the single tax would be distributed in large measure as a burden upon urban rent payers instead of urban site owners, "the single tax" is thereby completely and justly discredited, and the end of the movement toward "municipal socialism" is approximately already at hand.

The vital question, then, which this pamphlet raises, not only from the view point of the followers of Henry George, but also from that of the advocates and that of the adversaries of "municipal socialism," is the probable economic effect of "the single tax" upon urban land owners and urban rent payers.

III.

The objection to "the single tax" which Mr. Levey's pamphlet advances and its sympathetic readers accept as valid, is illustrated in the note

that discloses what seems to be the real drift of the whole argument, both of note and text. The note itself is too long for complete quotation, but we quote as much as is necessary to an understanding of its value.

To support the contention of the text, that real estate taxes do not in practice, as in theory they should, divide "into a tax on the site which cannot be shifted, and a tax on the building which can be," this note estimates the effect of taxation in three hypothetical cases: In the case, first, of property consisting of a \$50,000 building belonging to "B's" ground lessee, upon "B's" lot worth \$30,000 with taxes at 1 per cent on actual value; in the case, second, of the same property, with taxes at 2 per cent; and in the case, third, of the same property with no taxation at all. The tabulated result* is as follows:

	Case 1.	Case 2.	Case 3.
	1% tax on the whole property.	2% tax on the whole property.	No tax on either building or site.
Land	\$30,000	\$25,000	\$37,500
Building value	50,000	50,000	50,000
Total value	\$80,000	\$75,000	\$87,500
Gross rental	\$ 8,000	\$ 8,000	\$ 8,000
Maintenance and operation	3,000	3,000	3,000
Tax on site	\$ 5,000 300	\$ 5,000 500	\$ 5,000
Net ground rent	\$ 4,700 1,200	\$ 4,500 1,000	\$ 5,000 1,500
Tax on building	\$ 3,500 500	\$ 3,500 1,000	\$ 3,500
Income from building.....	\$ 3,000 or 6%	\$ 2,500 or 5%	\$ 3,500 or 7%

We now quote the author's explanation of his table:

In Case 1 the plot would be improved, because B's lessee could get six per cent on the cost of the building. In Cases 2 and 3, we have voluntarily, and to escape unnecessary argument, sacrificed part of our case by adopting the extreme single tax theory, that increased taxes on ground immediately bring about a corresponding reduction of ground value, and that, in like manner, decreased taxes serve to increase ground values. The changes in value of B's ground, as stated in the illustrations,

*It is correctly explained in the pamphlet that the changes of land value in the table from \$30,000 to \$25,000 and then to \$37,500, in response to changes in taxation, "are obtainable by a simple mathematical formula." The pamphlet is right also in not lessening the value of the building. An ad valorem tax on buildings tends to raise rather than to lessen the value of buildings; an ad valorem tax on sites has the opposite tendency with reference to the value of sites.

in accordance with this theory, are obtainable by a simple mathematical formula. This theory of the single taxers might be regarded as true if all buyers and sellers regarded the new tax as irrevocably permanent. Under ordinary circumstances, the predicated result would not follow; and to the extent to which it would prove false our illustrations would be correspondingly strengthened. However, even with this much granted, it will be seen that in Case 2 building would be impossible, and that in Case 3 building would be so profitable that not only B's land but other vacant land inferior to it would be immediately improved. In Case 2, where taxes have been doubled and new building operations checked, the effect in a growing city would be that supply would remain constant while demand was increasing. Rents therefore would continue to rise (thereby shifting an increasing part of the additional tax burden upon the tenants) until they reached that point where new building operations could be resumed. In Case 3, where we assume a total absence of taxation, competitive building would be so extensive that rents would fall. There is apparently, therefore, some fallacy in the economic theory that a ground tax cannot be shifted by the landlord. . . . The fallacy lies in the economic fetic of "monopoly value" and in disregarding the existence of competitive supply.

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Here, then, is the case which this pamphlet, in its effort to discourage the movement toward "municipal socialism," seems to make against "the single tax." An increased tax on urban land values is shifted by landlords to tenants! It is an old objection in a new and subtle form.

Nor is the attempt minimized, as an attempt, by certain verbal reservations that go with it. While those reservations may serve as buffers in case of "single tax" controversies, they do not prevent impressions that the supposed demonstration is destructive of "single tax" theories.

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As a criticism of "the single tax," the illustration is really valueless. Its implication that increased land value taxation would be shifted to rent payers, seems valid only when land value taxation is merged with building taxation into a general real estate tax. If it be objected to this criticism that the author was dealing, as he says, with "existing tax systems," and not with one as yet unadopted, the reply is obvious. Whether or not he has thereby shown a tendency of increased real estate taxation to fall as a burden upon rent payers, and consequently to operate as a check upon "municipal socialism," he has not shown that the single tax, either in moderate or in complete application, would be a burden upon the one or a check to the other. Yet this is the thing to be shown, if the pamphlet is to serve legiti-

mately as an argument against extensions of "municipal socialism."

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And although the implication that the land value tax as an integral part of a general real estate tax would be shifted to rent payers, may seem valid, it only seems so.

The effect, in fact, of such an increase of the real estate tax as is assumed in Case 2 of the author's illustrative table, is to fasten the land value part of that tax upon the land owner. It is not, in fact, shifted to the tenant. This is evident from the table itself.

Consider it. The doubled real estate tax supposed in Case 2 of the table, reduces the net income of the builder from \$3,000 to \$2,500 a year. As this is 1 per cent less than enough to sustain the building business, new building operations would at first be checked, precisely as the author asserts in his explanatory note. Also as he there asserts, real estate rents would then begin to rise, and, demand persisting, would continue rising until they had reached what he rightly describes as "the point where new building operations could be resumed." Since this point would be at a profit of 6 per cent of cost, as the table assumes, the gross income from the entire property would rise (in consequence of the increase of the real estate tax to 2 per cent, as supposed in Case 2), from \$8,000 a year, the amount assumed in the table, to \$8,500 a year, the amount necessary to yield 6 per cent on cost of building. Persistence of demand continuing, as the author assumes, this additional \$500 of gross income would be borne by the tenants, precisely as the author implies. But he evidently errs in his inference from this fact that the tenants would pay the *land value part* of the increased real estate tax—either in whole or in part. His own table contradicts his inference. For the \$500 additional "gross rental" is accounted for in the table by the \$500 increase of "tax on buildings" (from \$500 in Case 1 to \$1,000 in Case 2); and so much of the increased real estate tax as is a land value tax, is included by the table in the item of "tax on site," which is increased from \$300 in Case 1 to \$500 in Case 2. The latter increase is unmistakably shown in the table to be borne by the land owner.

And that the landowner alone does bear it, is confirmed by further examination of the table. Although the "gross rental" were to rise from \$8,000 to \$8,500, by way of reaction from the check upon new building operations caused by doubling the real estate taxes, the landowner

would nevertheless be out of pocket. He would get only \$1,000 "net ground rent" in Case 2 (under the 2 per cent real estate tax), whereas he had been getting \$1,200 "net ground rent" in Case 1 (under the 1 per cent real estate tax); and this makes a difference against him of \$200.

But that \$200, which the landowner would have to bear himself, is indeed not the whole of the increase of real estate taxation from \$800 in Case 1 to \$1,500 in Case 2. Of this \$700 increase, \$500 remains to be accounted for. And that is easily done. It is this \$500, and not the landlord's \$200, that would fall ultimately upon the tenants. Such the fact would be, and such the table and its explanatory note show it to be. This part of the increase, however, which would be shifted to the tenants, is the building part of the real estate tax and not the land value part. The land value part—the "tax on site," as it is called in the table—is the \$200 increase which, as the table shows, does not shift, but is borne immediately, intermediately and ultimately, by the landowner.

It appears, then, by the author's own illustrative example, that so much of the real estate tax as is in any wise comparable with "the single tax," is not shifted, either as "an increasing part" or otherwise, by way of "additional burden upon the tenants;" the part of the real estate tax which is so shifted, being, according to the table, the part which the table itemizes as "tax on building." And that part is the part of the real estate tax which "the single tax" method of raising public revenues would not increase at all at any stage, and would ultimately abolish altogether.

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The fallacy which the author thinks he traces to the "economic fetich of monopoly value" and to "disregarding the existence of competitive supply" of land, does not really lurk in that place. It lurks in his own argument from his own illustrative example. By "monopoly value" he alludes to a statement quoted from Professor Seligman (quoted with misapprehension, as we should suppose), to the effect that land value taxes do not shift to tenants, because the land "supply cannot be increased." Of that explanation of the incidence of land value taxes, the author writes:

As a matter of fact there is no such thing as true monopoly value in urban real estate. From the cheapest suburban lots appropriate for workingmen's homes, to the choicest corners in the heart of the financial district, there is a gradual shading of values which makes interchangeability of use a matter of almost daily experience in large cities. Assuming that a particular city is growing it will be found that on the outskirts of the financial district, for ex-

ample, there are plenty of sites (their number increasing geometrically as the radius of the circle is lengthened) occupied for other than financial uses, which, as demand increases and rents rise, will—possibly with some economic friction, such as the necessity for demolishing old and unsuitable buildings—be brought into competition with the original sites. The same is true a fortiori of sites for dwelling houses. The statement therefore that “the supply cannot be increased” would seem to be a theoretical assumption rather than a fact. Supply as well as demand must be reckoned with in the case of site value as well as in the case of buildings.

All this is essentially true. But, being true, it completely demolishes the author’s inference. It is utterly inconsistent with his notion that the “economic fetich of monopoly value”—that is, the “disregarding the existence of competitive supply”—is the lurking place of what he calls the “fallacy in the economic theory that a ground tax cannot be shifted by the landlord.” If monopoly land value, as he understands it, were a fact, then his contention that land value taxes are shifted, might be true. For if the least desirable land commanded a ground rent of, say, \$100 a year (speculative influences eliminated), a land value tax of \$2 would probably raise its ground rent to \$102, and consequently add \$2 to all the varying values above it in the ground rent scale. It is because there are vast areas of land that have no value (speculative influences eliminated), which radiate (economically, though not always geographically) from the most valuable districts of our cities outward, in diminishing degrees of value down to zero, and not because of land value monopoly in the author’s sense, that land value taxes cannot be shifted from land-owners to tenants. In other words, the economic theory which this pamphlet denies, proceeds from the very principle of differential land values which the author so well describes.

This economic principle of differential land values—this incontestible fact of universal experience, if you please—is what makes “the single tax” invincible as a fiscal reform. It is this also that commends it as the true and only practicable method of making and securing such advances in “municipal socialism” as are in accord with social justice.

IV.

That the single tax—not only in a thoroughgoing application, but progressively step by step, from the mildest application to the most extreme—would in fact tend to operate in the very opposite way from that anticipated by the author of this pam-

phlet, may be demonstrated with his own hypothetical instance, and by means of his own form of tabulation.

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Let us take his supposed building lot, which is worth \$37,500 if untaxed; and his supposed building, which is worth \$50,000 under all tax variations.

Let us adopt his inferences as to expense of maintenance and operation, earning power, rate of alteration in land value under different degrees of taxation, etc.

Let us then indicate in his own form of tabulation the effect of tax changes. We shall begin where he ends, with no taxation at all; go next to where he begins, with a real estate tax of 1 per cent on site and building together; advance then to his Case 2, but raise the equivalent of his 2 per cent real estate tax by increasing the site tax without altering the building tax; and, finally, in order it may be to meet the expense of advances in “municipal socialism,” proceed to a still higher tax on land values without altering the existing 1 per cent tax on buildings.

This is the way in which the hypothetical example of Mr. Levey’s pamphlet* would then work out:

Revenue to be raised	None	\$ 800	\$ 1,500	\$ 1,750
	No tax at all.	1% real estate tax.	3% site tax and 1% build- ing tax.	20% site tax and 1% build- ing tax.
Land value	\$37,500	\$30,000	\$12,500	\$ 6,250
Building value.....	50,000	50,000	50,000	50,000
Total	\$37,500	\$80,000	\$62,500	\$56,250
Gross income.....	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Expense	3,000	3,000	3,000	3,000
	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Site tax		300	1,000	1,250
	\$ 5,000	\$ 4,700	\$ 4,000	\$ 3,750
Net ground rent....	1,500	1,200	500	250
	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Tax on building....		500	500	500
Income from build- ing	\$ 3,500 or 7%†	\$ 3,000 or 6%	\$ 3,000 or 6%	\$ 3,000 or 6%

*The example of the pamphlet is not quite typical of New York City, to which the author’s inquiry especially relates; for the ratio there of building values to site values, so far from being as 3 to 2 (the ratio supposed in the pamphlet), is in fact as 2 to 3. This makes no difference, however, with the principle at issue.

†The effect of this extraordinary profit on building (7 per cent when ordinary profits were 6 per cent) would stimulate the building business, and this would soon express itself in increased land values, thereby reducing

To the extent, then, that Mr. Levey's hypothetical case proves anything as to "the single tax," it proves that as "the single tax" increased it would raise an increasing revenue for public use, while encouraging new building operations, and that it would not increase the rents paid by tenants. Builders would get the 6 per cent hypothetically necessary to make the building business profitable; tenants would pay no more than the old rentals, hypothetically \$8,000 in Mr. Levey's illustrative example; and the public revenue would rise from \$800 under a 1 per cent tax on site and building, to \$1,500 under an 8 per cent tax on site and 1 per cent on building, to \$1,750 under a 20 per cent tax on site and 1 per cent on building, and so on. Nobody would lose but the site owner, and he would lose nothing that justly belonged to him. Even at 20 per cent on site and 1 per cent on building, the site owner would have an annual income in "net ground rent" of \$250, which would be in the nature of a tax upon the community for his personal use—a public tax for a private purpose.*

If locations then rose in value, it would not be from the added taxation, but, (pursuant to the principles of differential rent), because they had

the building profit to 6 per cent. Although the "net ground rent" would remain at the same percentage of capitalization as before, the amount would be larger and the capitalization proportionately higher. The land owner alone, therefore, would profit by the abolition of all taxes, and tenants would suffer. Yet, according to the argument of Mr. Levey's pamphlet, the tenants, rather than the landlord, would be the ones to profit if there were no tax at all.

*If a thoroughgoing application of the single tax were made, the building being wholly exempt and the site value taxed practically to the full, the site owner would still retain something, and the municipality would get nearly \$1,500 a year. To demonstrate this, let all taxes be abolished, except ad valorem taxes on land, and let land be taxed 100 per cent upon its full selling value. What then would that value be? Enough less than annual ground rent to leave to the buyer ordinary commercial interest on his investment—6 per cent in the illustrative table of Mr. Levey's pamphlet—plus risk and wages of land management. Since, then, the gross ground rent of the site supposed in the pamphlet is \$1,500, the selling value of that site under a tax of 100 per cent, would be somewhat less than \$1,500, say \$1,350. Upon this hypothesis a tax of 100 per cent on land value (improvements being exempt), would result as follows:

Ground rent value	\$1,500
<hr/>	
Selling price, subject to 100% tax.....	\$1,350
<hr/>	
Tax at 100% of selling value.....	\$1,350
Interest on \$1,350 at 6%.....	81
Wages of land management and risk.....	69
<hr/>	
Gross income	\$ 1,500

actually become more profitable for use, and were therefore more desirable than before, relatively to the less desirable.

So far as increased taxation of site values is concerned, the tendency would evidently be not toward an increase of rents. It can indeed be demonstrated that the tendency would be toward their reduction.

V.

Mr. Levey's pamphlet is so completely dependent upon the validity of his illustrative example, in so far as the pamphlet relates to "single tax" principles and possibilities, that example and pamphlet really go down together. But a word about one or two points in the pamphlet, which are quite intimately connected with its illustrative example, may not be superfluous.



The reader is assured that in ordinary circumstances lot values would not *immediately* decline under an increasing land value tax, because all buyers and sellers would not regard the new tax as irrevocably permanent. This is probably true. We are unaware of any "single tax" theory to the contrary, although the pamphlet says it is "the extreme single tax theory that increased taxes on ground immediately bring about a corresponding reduction of ground value." So long as the permanency of "the single tax" remained in doubt, vacant lot owners who could afford to "throw good money after bad" might continue to do so. But only a few could indulge in this unsocial luxury of holding building lots out of use at an expense for taxation that would soon absorb any possible profit from any possible modification or even abolition of the tax; and the glut in the building lot market which the offers of less able or less confident owners of vacant lots would produce, would tend to depreciate the selling value of all lots, whether vacant or in use. Owners of vacant lots in cities may be as tenacious as the author asserts, but there is a limit to their tenacity.

Although the theoretical effect of increased land value taxation might not be immediate, it would be inevitable and not very long delayed. The author himself apparently perceives this effect, and if interrogated would probably admit it. For he makes the reservation at this place in his pamphlet that it is not necessary to consider the effect of "a thoroughgoing application of single tax theories," since he is "dealing only with existing systems of taxation."

Upon that reservation we should like to make special comment. The ostensible purpose of the pamphlet is to show that the expense of "municipi-

pal socialism" falls upon the community at large as a tax burden, and in largest and increasing measure upon urban rent payers. That this is true in so far as the taxes required are building taxes we have already seen, and no one with the slightest understanding of the incidence of taxation denies it. But "the single tax" method would stop building taxes where they are, and ultimately abolish them altogether. This would settle the whole tax burden for the support of advances in "municipal socialism" upon the class of property owners who ought to bear it—namely, the owners of that species of property which good government of all kinds, including "municipal socialism," enhances in value. "The single tax" is therefore a method of taxation that would reasonably seem to be a necessary element in any meritorious consideration of "municipal socialism" in its relation to taxation. For surely our present real estate tax is not a sacred "joss," either morally or politically. Surely New York City is not irredeemably bound to continue taxing buildings at the same rate as building lots. The Constitution that proves a frail barrier to the advance of "municipal socialism," cannot be an insuperable obstacle to the adoption of "the single tax." If it appears, then, that desirable extensions of "municipal socialism," would tend to check the supply of buildings should the tax rate on buildings rise much above 1 per cent, but would not tend to check the supply of building lots though the tax rate on lots rose to 8 per cent, 20 per cent, or even higher, why not distinguish improvements from land in the tax rate? And if there is no obvious economic reason for not doing it, why is that consideration excluded from a discussion of "municipal socialism" which points to the incidence of taxation as an insuperable economic barrier to its progress?

The author has the right, of course, to limit his discussion as he pleases. But doesn't an inquiry into the obstructive effect of taxation upon a movement so tremendous as the author concedes "municipal socialism" to be, lose most of its possible value if it "deals only with existing systems of taxation"? And isn't this especially so of an inquiry that is forced, by a world wide discussion of the subject, into pointed allusions to a tax reform which, if adopted, might invest "municipal socialism" with possibilities entirely different from those which "existing systems of taxation" may admit of?

VI.

Would the single tax be unjust? This is a consideration that might well challenge criticism

from the author of the pamphlet in question. He is not one of that diminishing group of students of social subjects who turn contemptuously away from issues of right or wrong. On the contrary, he appeals again and again to the human sense of justice.

Here is a reference to the uses of taxation "to obtain special advantages which do not inure to the benefit of those who chiefly defray the cost." Only a sentence or two farther on is mention of "those earlier ideas of justice in taxation, which required that the users of public utilities should pay for them, each according to the benefit he derived." On the next page is an assertion that "the sense of justice which every man feels (and freely expresses when his own interests are not involved) demands that taxes shall, so far as possible, be equitably imposed." Still farther on in the pamphlet, "municipal socialism" is unsparingly condemned because it is "grounded on injustice in that it proposes to apply the wealth of the efficient for the benefit of the inefficient."

To a pamphleteer who denied a natural law or sense of justice, single taxers might fairly reply that the justice or injustice of "the single tax" was no concern of his. They could fairly say that if might and not right is the social law, then the expropriation of landowners is warranted, no matter how piteous their claims to "equitable" consideration. But to the author of this pamphlet, had he raised the moral question, no such reply would have been permissible. Unless the single tax is just, it would stand condemned at the bar of the moral tribunal to which he appeals.

But "the single tax" is just. It would take for public use only what the public earns as a social whole. The ground rents of a community are the earnings of the community. If they are left to a class to whose property they attach, and taxation of private earnings is resorted to for public revenues, then taxes are not equitably imposed. To the extent that ground rents go into private pockets, the wealth which an efficient municipality produces is applied to the benefit of inefficient landowners. For, however efficient any landowner may personally be, his ground rents are the reward, not of his efficiency but of his accidents. In that respect his fortune is the loss of others. Ground rents inure to his benefit and not to the benefit of those who chiefly earn them. "The single tax" is not alone a just tax; it is the only large tax that is just. It takes not from him who earns his income; but only from him who draws, unearned, a private income from the common wealth.

Besides being guiltless of injustice itself, "the single tax" silences the plea, echoed in this pamphlet, for taxation that is unjust—the plea that it is "impossible to apportion to each citizen his share of the public burden, based on the particular benefits he derives." Precisely this is what the single tax would do.

Of course it would not apportion taxes to particular personal conveniences. That is neither possible nor desirable. But it would apportion them to the particular financial benefits which flow freely to some individuals from the social whole, as distinguished from those which individuals may earn for themselves in free and equal contractual co-operation with their fellows. By taking in taxation the annual value of municipal sites, "the single tax" would take from its citizens as taxpayers what they take from it as site owners. This would be practicable as well as just.

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"The single tax" would, moreover, solve the problem of "municipal socialism." As Henry George wrote thirty years ago, in "Progress and Poverty,"* when "municipal socialism" was making its first and timid advances: "There would be a great and increasing surplus revenue from the taxation of land values; for material progress, which would go on with greatly accelerated rapidity, would tend constantly to increase rent. This revenue arising from the common property could be applied to the common benefit, as were the revenues of Sparta. We might not establish public tables—they would be unnecessary; but we could establish public baths, museums, libraries, gardens, lecture rooms, music and dancing halls, theaters, universities, technical schools, shooting galleries, playgrounds, gymnasiums, etc. Heat, light, and motive power, as well as water, might be conducted through our streets at public expense; our roads be lined with fruit trees; discoverers and inventors rewarded, scientific investigations supported; and in a thousand ways the public revenues made to foster efforts for the public benefit. We should reach the ideal of the socialist, but not through governmental repression. Government would change its character, and would become the administration of a great co-operative society."

That kind of "municipal socialism" which Henry George saw as in a vision of the future a generation ago, the able author of the pamphlet before us recognizes now as far advanced and gathering momentum in his own city of New York. The check

*Book ix, ch. iv, page 454, of "Progress and Poverty" in the Memorial and the Library editions.

to it which he anticipates is taxation—taxation of a species that falls with increasing weight upon the community at large. The requisite to its progress which Henry George proclaimed was also taxation—but taxation of the kind that takes for social uses only the share of wealth which, produced by social growth, is expressed in the increasing value of social locations.

Both are right. If the cost of "municipal socialism" is to be borne by general taxation, while its financial benefits go to site owners, "municipal socialism" will die the economic death. But if its increasing cost is borne by the increasing site values that measure its benefits, there will develop in our municipalities a new and infinitely better social life.

EDITORIAL CORRESPONDENCE

PHASES OF THE LAND QUESTION.

Lurgan, Ireland, Jan. 28.

Fishermen are being driven from Lough Neagh, north of Ireland, where they and their forefathers have been getting their living by fishing for eels, grayling and trout for centuries.

Old charters granted by Charles II and James II have been dug up, and the Irish courts have been appealed to, with success, to have the entire lake declared private property. We are taking the case to the House of Lords. If we fail there we will take it to the court of public opinion, backed up by a well organized body of good fighters who live around the lake.

I think we shall be able to give a lift to the land for the people movement during the struggle.

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We are having exciting times just now in politics.

The Government will be confronted by a very large deficit in their revenue for the present financial year, and we have reason to infer that they are contemplating raising new taxes by a tax on land values and a further tax on excise licenses.

If they go for a tax on land values on straight lines, that will bring the Lords and the people face to face on at least one radical issue. If such a tax is included in the budget bill, it is not in the power of the Lords to revise or amend the clause. But they may throw out the entire bill. It is not often that they have faced that extreme measure, and if they do it in this instance it will show better than anything we could do that they fully understand the meaning of the land value tax.

I am not sure that I should not be better pleased to see the lords throw out the budget bill, for that more than anything else would knit the issue. If they do throw it out, by the living Jingo but we will have a merry splot.

It only requires the government to show firmness to make the people's victory certain. Just at present there is some good spade work being done all over the country. Mr. Alex. Ure, solicitor general for

Scotland, is in the very forefront of the battle. He has been addressing some magnificent meetings over England, Wales and Scotland, and is still carrying on the war with great vigor. His work is by far and away the most important and is having a telling effect. He has full confidence in Asquith, and as he has better opportunities of knowing Asquith's real mind than most of our friends, we feel that the Prime Minister will not disappoint us.

Much will depend on Lloyd George, who is chancellor of the exchequer. If he imposes his tax on right lines the amount will not so much matter. If he gives us the sound principle in his tax we will not complain, for this year anyhow, of the homeopathic character of the dose. We are not so much afraid as to the amount of the tax as we are to its empirical character, in the first attempt to deal with it. To prevent this the land value taxers in all parts of the country are writing to the Liberal leaders, and especially to the Chancellor of the Exchequer, urging their views. If the Government fails us it will be against the light and not from ignorance of what the sound policy ought to be.

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An incident in local rating has lately come up for legal consideration in Glasgow, which ought to help in giving a right impulse to the government. It so happens that we have now in Glasgow a man acting as city assessor who has sympathy with land value taxation views. He examined the rating laws of Scotland and has arrived at the conclusion that rates should be assessed on land whether used or unused, to the amount of the landlord's share. In this contention he has been upheld by the court, and I understand there is no appeal. If this is the case we have now got a precedent for imposing a tax on land, whether used or unused, according to its value.

RICHARD MCGHEE.

NEWS NARRATIVE

To use the reference figures of this Department for obtaining continuous news narratives:

Observe the reference figures in any article; turn back to the page they indicate and find there the next preceding article, on the same subject; observe the reference figures in that article, and turn back as before; continue until you come to the earliest article on the subject; then retrace your course through the indicated pages, reading each article in chronological order, and you will have a continuous news narrative of the subject from its historical beginnings to date.

Week ending Tuesday, April 13, 1909.

The Tariff in Congress.

The Payne tariff bill (p. 346) has passed from the House to the Senate.

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Pursuant to the rule adopted on the 5th (pp. 346, 347) the House went into committee of the whole, where the bill was amended in some respects. Against the opposition of Speaker Cannon, the tariff on crude petroleum was reduced from 25 per cent to 1 per cent, by a combination between "insurgent" Republicans, and all the

Democrats except Broussard of Louisiana. The vote stood 168 to 136. And the proposed duty on tea and the proposed retaliatory duty on coffee were struck out. On the 9th the amended bill was reported out of committee of the whole.

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An effort by Congressman Foss of Illinois to obtain unanimous consent to present the Chicago women's petition against the tariff on gloves and hosiery was frustrated by the objection of Congressman Mann, also of Illinois. A further amendment to the bill placed crude petroleum on the free list. This was moved by Chairman Payne in consequence of his defeat in committee of the whole, which had reduced the rate from 25 per cent to 1 per cent. His motion to place the item in the free list was carried by roll call vote (reluctantly allowed upon the demand of the Democratic leader) of 323 to 46. Tea and coffee went unreservedly upon the free list. So did hides. Lumber remains at the original rate of the bill—\$1 per 1,000 feet; boots and shoes, and steel are reduced to half the existing duty. The bill was passed and sent to the Senate on the 9th by a vote of 217 to 161. Austin of Tennessee was the only Republican voting against it, and Broussard, Estopinal, Pujo and Wickliffe of Louisiana were the only Democrats voting for it.

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Meanwhile the Senate had had the bill under informal consideration by the finance committee, of which Senator Aldrich is chairman. On the 10th they agreed to recommend a reduction of the glove and hosiery tax to the old Dingley rates. Their completed bill was reported into the Senate on the 12th as a substitute for the House bill. To the Democratic criticism to reporting the bill without affording the Democratic Senators an opportunity to inspect it, Senator Aldrich replied that to have proceeded otherwise would have entailed long delay, and reminded the Senators of the minority that the Republican majority alone would be held responsible for the tariff legislation to be enacted by this Congress.

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Municipal Elections in the West.

In Chicago the aldermanic election (p. 326) came off on the 6th. Only minor city offices other than seats in the City Council were to be filled. The public interest was languid, and for the most part the Mayor Busse administration and Big Business interests, appeared to have been strengthened. Professor Merriam of the University of Chicago (independent Republican), is a new member who is understood to stand neither with the "gray wolves" of the old regime nor the "gray hounds" of the new, but is counted with such members as Dever, Zimmer and Sitts. There

are now in the Council 29 nominal Democrats and 40 nominal Republicans. The total vote for the head of the city ticket, City Treasurer, was as follows: Republican, 115,240; Democrat, 110,540; Prohibitionist, 4,792 (2 per cent); Socialist, 12,293 (5 per cent). For aldermen the Socialists polled an aggregate of 14,378. A referendum on a proposed tuberculosis sanitarium tax was carried by 167,230 to 39,410 (a total of 85 per cent of the total for City Treasurer). A referendum for the annexation of Evanston and one for the annexation of Cicero were carried by 131,291 to 56,325 and 131,798 to 50,906 in Chicago, but defeated overwhelmingly in Evanston and Cicero respectively.

Fred J. Kern, the single tax mayor of Belleville, Ill., (p. 247) was elected for the fourth term on the 6th by 682 plurality.

George W. McCaskrin, the Hearst candidate for Governor of Illinois last fall, was elected mayor of Rock Island, Ill., as an independent over the Republican candidate. There was no Democratic candidate.

At Springfield, Ill., an exciting campaign for Mayor, between L. Y. Sherman, formerly Lieutenant Governor, the Republican candidate, and John S. Schnepf, the Democratic candidate, resulted in the election of the latter by 250 plurality. The excitement had been aroused over the question of Sunday saloon closing, Sherman making it his campaign issue, and Schnepf being non-committal. But the defeat of Sherman, although the brewery interests opposed him, was apparently due to his identification with corporation interests, he having voted for the "Allen bill," when in the legislature.

In Detroit, Michigan, the most heated contest was over the school board. By the efforts of women voters at the primaries (p. 300) this question had been forced to the front. It was in the nature of a revolt against Superintendent Martindale. If the vote had been for the city at large the Martindale faction would have been badly defeated; but as it was by wards, this faction carried enough to give it, in addition to the hold-over members, enough to make a bare majority and secure Superintendent Martindale's re-election. The liquor question in the State resulted in 19 counties out of 27 going "dry."

In Milwaukee the Socialists have added another to their membership in the City Council. They now have 10. The significant part of this

increase is the fact that their additional member, Emil Seidel, was elected at large. His vote was 8,555 to 7,576 for the Mayor Rose Democrat, 6,825 for the Republican, and 1,070 for an independent. The position of the Socialist aldermen in favor of liberality toward the public schools (p. 131) is supposed to have contributed to the result. This is credited also with the election of two Socialists to the school board—Meta Berger, wife of Victor L. Berger, and Frederic Heath. The Socialists complain that "in all the Roman Catholic churches," on the Sunday before election, "little dodgers, headed 'Citizens' Anti-Socialist Ticket,' were distributed, containing a list of Anti-Socialist candidates" for school trustees, and that "many of the priests urged the women to get out and vote this anti-Socialist ticket. In Wisconsin outside of Milwaukee the Socialists report a doubling of their vote for mayor at Racine, and that in Manitowoc they lacked only 380 votes of electing their candidate for mayor over a union ticket against them. On the liquor question 200 municipalities voted. All the larger towns went "wet," and most of the smaller ones "dry."

In Brainerd, Minnesota, under the new charter, the Socialists elected their candidate for mayor—Adolph Ousdahl. He succeeds a Republican who defeated him last fall under the old charter, when the Democrats and the Republicans combined against the Socialists. A similar combination was made on the 6th, but Mr. Ousdahl was elected by 86 majority.

In Nebraska the liquor question overshadowed every other. Local option elections were held in every town and city except Omaha. The "dry" victory was large. Some, even, of the German localities went "dry."

In Grand Junction, Colorado, there had been in progress for the past 60 days a strenuous municipal campaign for a charter convention. The movement was bitterly opposed by the public utility companies, by the saloons, by the politicians of both political parties, and by two out of the three daily papers. But the charter convention movement, led by ex-Senator James W. Bucklin, was victorious. The vote stood 1,525 for, to 1,094 against the convention. Every precinct in the city but one was carried for it. Within the next 60 days delegates to the convention will be elected.

The School-Book Trust.

A curious exposure of school book dealings in the public schools of Chicago (pp. 220, 254, 276, 320) for the past ten years is reported by the local

press to have been made by John J. Sonstebly, one of the school board, as chairman of an investigating committee of the board, appointed at his request. After a searching investigation Mr. Sonstebly's committee, aided by John A. Guilford, the business manager of the board, adopted a report on the 12th from which the following, as stated in the press, is quoted:

Of the 120 text-books used in Chicago 62 are being sold elsewhere at prices lower than the Chicago figure. On four of these the difference in price per copy is more than 50 cents. On eleven others the difference is more than 30 cents. Rate discrimination in the last five years has cost Chicago school children nearly \$200,000 annually.

The figures tabulated were received from 80 cities of more than 50,000 population and from State school authorities in 39 States and Territories. The samples of books certified by school officials throughout the country, were referred to the board of district superintendents to report upon their differences, if any, from the corresponding books supplied to Chicago.

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International Combination Against Castro.

Recent events indicate very strongly that the revolution against President Castro of Venezuela (pp. 13, 38, 175, 229) which, in Castro's absence in Europe for a surgical operation, placed the acting President, Vice President Gomez, in the position of President of a reorganized government, was accomplished under the influence of American interests. This suspicion has been engendered by the action of the American government in reference to Castro's return from abroad.

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Castro had sailed from France on board the Guadeloupe (p. 276), when Associated Press dispatches of the 6th from Trinidad circulated the following report:

At the urgent request of the State Department at Washington, communicated to the London foreign office, the British government has decided not to permit Cipriano Castro, former President of Venezuela, to land at Trinidad.

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It was explained in connection with these dispatches that Castro's original intention had been to land in Venezuela, but that the Gomez government, after first forbidding his landing, had subsequently withdrawn its refusal but with an intimation that he could land only at his own peril. The reason for the interposition of the United States government is not explained, except by unofficial statements that Castro is a "pirate"; but it is understood that the action of the British government was solely as a matter of favor to the United States. Having been prevented by the British government from landing at Trinidad,

Castro went on with the Guadeloupe to Fort de France, Martinique, where he landed on the 7th, his vessel having been followed into port by the United States cruiser Montana.

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This French port was the only West Indian territory open to him, the United States having secured the cooperation not only of Great Britain but of all other interests in the West Indies, both American and European, except France. But the intervention of France was promptly secured, and on the 8th a decree of expulsion from Martinique was issued against Castro. It had evidently been secured by the United States through the French ambassador at Washington. Refusing to obey the French decree, Castro was taken by force from a sick bed (the surgical wound having opened and begun to suppurate) and carried upon a stretcher on board the Versailles, which sailed on the 10th.

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Castro has given out the following protest to the French government against his expulsion:

I hereby protest against the action of the French authorities of Martinique in having me put by force on board an outgoing vessel. First, because I was ill at the time, and because the act imperiled my life; second, because I have committed no offense against the government of France and the authorities of Martinique during the time that I was permitted to remain on that island; and, finally, because the decree of expulsion which orders my deportation out of French territory, compels me to take passage aboard a vessel which will again land me on French territory. Moreover, these considerations aside, the case constitutes a breach of international law and a denial of the rights of individuals. That such a thing should have come to pass in the land which saw the birth of Josephine and from which came the inspiration and presage of liberty, and at the hands of a people who shed their blood by torrents hardly a century ago to maintain unimpaired the rights and prerogatives of man, is inconceivable.

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The Versailles, escorted by the United States cruisers North Carolina and Montana, entered the port of Point-a-Pitre, Guadeloupe, on the 12th, with Castro on board. He made no attempt to land, but was still on board when the vessel sailed for France on the same day. He stated that he considered himself a prisoner of the French government, which paid his passage money, he having refused to do so. He was confined to his berth from his illness. His fortune, he said, had been reduced to a few hundred dollars. The Venezuelan government has forbidden his wife entrance to land from the Guadeloupe on Venezuelan soil.

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All men are originally in a common collective possession of the soil of the whole earth.—Kant.

NEWS NOTES

—The price of wheat for May delivery rose in the Board of Trade at Chicago on the 13th to \$1.28¼.

—The indictment in the Federal court of Oklahoma against Gov. Haskell and others (p. 180), was quashed on the 10th.

—Helena Modjeska, the greatest Polish and one of the greatest English-speaking actresses of her time, died at her home in southern California on the 8th, at the age of 65 years.

—Governor Shallenberger of Nebraska has signed "the daylight saloon bill" (p. 350), which forbids the sale of liquor anywhere in Nebraska between 8 o'clock at night and 7 o'clock in the morning.

—Algernon Charles Swinburne, English poet and essayist, died on the 10th, aged 72 years. Among his best known works are "Atalanta in Calydon," "A Song of Italy," and "Songs Before Sunrise."

—President Taft was reported on the 12th to have invited the Executive Council of the American Federation of Labor to a conference at the White House on the 16th. The object, stated to be important, is not revealed.

—The Illinois Senate adopted on the 7th the House concurrent resolution (vol. x, p. 153; vol. xii, p. 350), requesting Congress to call a Constitutional convention to frame an amendment for the election of United States Senators by direct vote of the people.

—Francis Marion Crawford, author of "Mr. Isaacs," "Dr. Claudius," and a long list of other readable and picturesque works of fiction, died at his home at Sorrento, Italy, on the 9th, in the 55th year of his age. Mr. Crawford was a son of Thomas Crawford, the sculptor.

—For the fourth time since white men have been on this continent, and for the second time this year (p. 180), the Niagara river at the Falls has been frozen solid. The phenomenon occurred on the 11th, following a terrible southeast storm which swept the lake region last week.

—A group of Chicago single tax men and women and their friends who for many years lunched together at one restaurant or another, have revived the pleasant custom. A table is now reserved for them each day at the Mrs. Clark's Restaurant, 116 Wabash avenue, between twelve and one o'clock.

—At a meeting held at Philadelphia on the 7th between committees representing the coal operators and the officials of the United Mine Workers of America, representing the anthracite workers of Pennsylvania, the operators refused all the workers' demands (p. 322) and submitted a proposition to extend the present wages agreement for three years.

—Ethan Allen Hitchcock, Secretary of the Interior under Presidents McKinley and Roosevelt, died at Washington on the 9th, aged 74. His death marks the close of a career the pre-eminent feature of which related to the Western land problems. Mr. Hitchcock directed sweeping investigations and aroused the enmity of powerful political interests. He prosecuted cases against numerous men in

public life and private business, including United States Senator Mitchell of Oregon, who was convicted and died not long afterward.

PRESS OPINIONS

Land Monopoly.

The Daily Oklahoman (Dem.), March 11.—It may well be regarded as a bad sign that the land owners in the United States are decreasing. The middle classes have been the bone and sinew of every strong government and have maintained the civilization of the world. Too little attention is given by our State legislatures to the restriction of land ownership. It means much. Application of the single tax system means more. It would make land ownership undesirable when development was not intended. It would build up and make prosperous the great middle class—the industrious citizens. The single tax appears, in fact, to be the golden sword that may be employed to slay the dragon which is lying in our national pathway.

RELATED THINGS

CONTRIBUTIONS AND REPRINT

TO HENRY GEORGE.

Would thou wert able to revisit earth
 And note the bounteous crop that from thy seed
 Cheers the wide world, sown by thy word and deed
 In days of sorrow and of parching dearth.
 Unceasing wonder that from humble birth
 Come the Messiahs who mankind have freed,
 Recasting human thought, subduing greed,
 Through revelations of life's priceless worth!

If death ends all, which thy belief denied,
 Sleep sweetly in the arms of dreamless death,
 Content with immortality of pen.
 But if, with an imperishable breath,
 Thou in another sentient realm abide,
 O may'st thou feel the gratitude of men!

—Wm. Lloyd Garrison.

Lexington, Mass., March 8, 1908.

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A BARD AT THE BRAES.

Margaret McMillan in the London Woman Worker
 for December 9, 1908.

When Angus, the groom, had helped Mairi to alight, and had himself driven back, leaving her to pursue her way alone in the gathering night, sad thoughts crowded in on her. She was grateful to the gentry for their kindness, and yet, in a dim, confused way, she felt that this kindness, sweet as it was in the taking, had no particular value or meaning. It was very sweet, but somehow it left her here in the dark.

The prisoners were in the cold jail. Tomorrow

perhaps they would be free. But what was *their* freedom?

To go home to labor, and sorrow, and want.

And what would the Lord of the Isles say to them? What terms would he make with them? Their conduct was "disgraceful!"

Disgraceful! To claim the right to a little piece of grazing ground that had belonged to one's fathers for hundreds of years, and been taken away without any word of explanation in 1865! Disgraceful!

Mairi stumbled on through the dark, weary and full of new and troubling thoughts.

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When she reached John Murdoch's home, she had a sudden sense of comfort and trust. John was waiting for her in the little parlor, and there was a meal spread on the table. She did not want food, however. She looked at John Murdoch, and her troubled eyes questioned him.

"The Laird was kind," she said.

"Yes," he answered, indifferently.

Her eyes wandered from his face, and fixed themselves on a portrait which hung on the wall.

It was a strange face—that of the man whose life-like portrait hung there. It was not very handsome like the face of John Murdoch. On the strong features there was the indelible mark of great suffering. The lips, firmly closed and finely moulded, expressed indomitable resolve. But it was the eyes that drew and held Mairi's wondering gaze.

An illimitable and unquenchable hope streamed from them—a hope bolder than any warrior's, and radiant as the sun.

"Who is it?" she whispered.

"That," said John Murdoch, "is Henry George."

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"He is a great, good laird, I suppose," said Mairi, reverently, letting her eyes wander again to the picture.

"Who? Henry George?" said Mr. Murdoch, smiling. "Oh, no," he added quickly, as she looked embarrassed. "He is a great man, Mairi, but he is not a laird."

"Lost all, perhaps, like our brave chiefs in the far lands," said Mairi, thoughtfully. "There will be plenty of love going to him over the great sea."

"But—he is not a Highlander, Mairi," said Mr. Murdoch, trying to win her thoughts of greatness away from the lairds and their tenants. "He was not born a chief and he is not from the islands. Sit down and eat something, and by and by I will try, if you like, to tell you something about him."

"You needn't try," said Mairi. "You can't help telling me. I can see in his face, that is like a star to them that look. But, och me! What

am I talking about pictures?" She broke off as remembrance came back to her. "It's like a child I am here, looking at faces on the wall."

"Did you drive home?" asked Mr. Murdoch, helping her to some fish.

"Yes. They sent the gig with me," said Mairi, cheered a little by the sight of the steaming food and tea. "I drove warm and comfortable, and the laird gave me good news. Lord MacDonald is going to Skye and he'll talk to them himself."

"That's kind of him," said Murdoch, quietly. "But what will he say?"

"Perhaps he'll say and do the right thing," said Mairi, boldly. "If he doesn't, who will? He's a gentleman born. Gentry was gentry in the old days."

John Murdoch laughed.

"The old days were horrible days, Mairi, I'm afraid," he said. "Why, it isn't nearly two hundred years since they burned women alive in Scotland. It's hardly more than a hundred years since a laird starved his wife to death in Dunvegan—watched her dying in her dungeon and received illustrious company soon after the funeral."

Mairi's eyes blazed, and she stopped eating.

"Lairds are not so cruel nowadays," she said after a while.

"Of course not. They've improved. The people are improving," said John Murdoch.

"The people! What had they to do with *that*?" whispered Mairi, aghast. "They would never have consented."

"They did consent," said John Murdoch calmly. "They *always* consent. There was an army of them round that laird, and everyone had to say 'Yea' to his deed. There isn't a single act done in this country this day," added John Murdoch, with sudden fervor, "that the people are not responsible for."

"But the lairds—"

"The lairds are the people in power," said John Murdoch. "They are the Human Nature of today, with the whip in its hand. The hand closes on the whip handle. But it isn't the laird's hand only. It's *ours*—in power."

"But if *I* were a lady," said Mairi, slowly, her eyes fixed as on a vision, "I would not keep the men in jail—I—"

John Murdoch looked at her keenly. "What would you do?" he said.

"Take them out and carry them home," cried Mairi impetuously. "I'd have pipers to meet them at Stromeferry and Portree. They should have dinner at the best hotel here, and plenty of food and clothes for the journey. And they'd have Benlee and the Crofts for a lower rent. And I'd give Mary Nicolson all the tea and meal she wanted, and plenty of things for the children. Oh, the children!" cried Mairi, uplifted by her

own thoughts. "What a day they would have if I had the making of it!"

"Just so, Mairi," said Murdoch, gently. "And afterwards—"

"Afterwards!" echoed Mairi. "They'd be happy afterwards."

"Like the people in your fairy tales," said Murdoch, looking at the picture of Henry George again. "But life *isn't* a fairy tale. Your happy people would soon be miserable again—unless, of course—" he broke off, looking as if he saw no one. "There is a way, of course, but it is steep. This man," he added, pointing to the portrait, "has shown it—or at least the path to the first summit. He has a torch. He has lighted it, and now he holds it aloft. But the people that stumble, can they see it? Ah! What is this?" he exclaimed, as the sound of hurrying steps fell on his ears. "Here is news, surely!"

A terrible knocking drowned his voice. A moment later the door burst open, and a man rushed in waving something in his hand.

"It's all right!" he shouted. "They'll be freed tomorrow. The prisoners will be out. Hurrah!"

The house rang with joyous shouts, and Mairi cried "Hurrah!" louder than anyone.

* * *

CURRENT BELIEF IN PREDESTINATION.

For The Public.

The newspapers report that a baby was born to Mr. Waldorf Astor, son of William Waldorf Astor, on March 23. This baby is English, having been born in London. Its father was born in New York, but when the grandfather abjured his American citizenship and became a naturalized British subject, his family became British subjects with him. The baby's father, it is announced, will run for Parliament at the next election.

Although this baby is English, it was predestined before its birth to enjoy a princely income derived from a forced levy on the workers of New York City, who contribute several millions yearly for the support of its father and grandfather. In one sense this is not a voluntary contribution, being forced by the laws of New York. In another sense it is a voluntary contribution because the workers of New York consent to such laws remaining in force.

For my own part, I do not consent. The annual income which, under existing conditions, this baby is predestined to receive from the State of New York is very much larger than the annual tax on tea which King George tried to levy on the American colonies before the Revolution. The people of those days refused to pay into the King's treasury an annual tax of a few thousand pounds; the New York people of these days have

not such high strung, patriotic notions. They consent to deprive their families of the luxuries, and even of the comforts and necessities, of life in order to send a few millions annually across the ocean to support the English Astors in magnificent luxury. It is one of the strangest and most unaccountable acts of free born American citizens.

Laws which compel the workers of New York to support a privileged number of people, either English or American, in unearned luxury and splendor, are contrary to natural justice. Therefore they cannot be beneficial to mankind. By the term "workers" I mean laborers, mechanics, employers, business men and all others who carry on the business of the country by their industry and enterprise.

For centuries millions of the human family labored under the fatalistic belief that people before they were born were predestined to an eternal existence in hell or heaven, as the case might be, without regard to their conduct here on earth. That foolish notion was finally banished from the minds of men, on the ground that it interfered with man's free agency.

But as a people we still cling to a belief in predestination concerning earthly affairs. We consent to the idea that the Astor child is justly predestined before its birth to a life of unearned luxury, and the poor man's child to a life of undeserved poverty, although this belief runs counter to the doctrine of free agency for human beings on earth. Predestination in matters spiritual was a horrible doctrine—an abomination in the sight of the Lord; so it is as to temporal affairs.

For one, I reject predestination both as to heaven and earth. I regard it in every case as contrary to God's will and God's justice. Man should be free from the thought or fear that before he was born he was condemned to an eternity in hell; otherwise he may lose his incentive to a good life and good deeds. He should also be free from a like belief or fear as to the affairs of earth. But unfortunately we force the belief on him by the presence of existing facts. Let all have equal opportunity in life, and the horrible belief in earthly predestination will vanish from the minds of men, as in the case of that predestination which referred to heaven or hell.

GEORGE WALLACE.

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THE FARMER AND THE SINGLE TAX.

S. H. Howes, of Southboro, Mass., in *The Rockland (Me.) Opinion* of April 2.

At first thought it might appear that the tax on land values would bear heavily on the farmer, as it is quite natural to think of him as a landowner. Please note, however, that the proposi-

tion is for a tax on land values, and, when values are considered, the farmer is a very small land-owner. Less than 10 per cent of the land values of the State of Massachusetts are held for agricultural purposes; 49 per cent of the land values of the State are in the city of Boston; 83 per cent in 34 cities of the State, and a grand total of 93 per cent in all of the towns of more than 5,000 inhabitants.

The holdings of land per capita are also much greater in the cities. If the land values of Boston were divided among the male poll tax payers there would be \$3,530 worth for each. Divide the land values of my town (Southboro) among the polls, and there would be only \$828 worth for each.

It is impossible to erect in the large cities buildings of as great value as the land they stand on. The bare land of Manhattan island is valued twice as highly as the great buildings that stand on it—66 per cent of the real estate value being land. In Boston 61 per cent of the real estate valuation is land value. It is the same everywhere. What is true of Massachusetts is true of every State in the Union.

The value of land is due entirely to the presence and activity of population. The large populations are in the cities and there is where you find the large land values.

While the city of Boston owns 49 per cent of the land values of the State, yet, that city pays only 35 per cent of the taxes assessed in the State. So it is plain to be seen that the small town and agricultural communities bear the heaviest burden of the State's expenses under our present system of taxation.

The single tax on land values would not fall on production but on opportunities, and must be paid by the owners of land whether they are users or not, whether they cultivate it or build on it or hold it for speculation. The capitalist would get rent for buildings and improvements (products of labor) the same as he does now, but there would be no benefit going to the holders of bare land. All of the increased value to it by the community's growth would be diverted into the public treasury.

We are earnestly opposed to confiscation. At present when a man builds a new house the tax assessor confiscates a part of it in increased taxes for the municipal, State and national expenses. But this confiscation is not necessary. The single tax would leave to every man the full product of his labor, the full earnings of his capital, and only take for the use of government what John Stuart Mill calls the "unearned increment"—the value which is the result of the community's growth and not the result of any individual's labor.

We claim with nearly every political economist of note that all taxes on the products of labor are finally paid by the consumer. Anyone who can

prove that this is not the rule will demolish the single tax theory and win for himself deathless fame. If the consumer finally pays these taxes, then to tax any products of labor anywhere in the course of its development is a downright injustice to the producer. The land value tax would be used by every man who uses land or the products of land or who lives on land.

Under our present system the farmer's tax is from 15 to 20 per cent of his net income. What other business could stand that? Corporations go to the State legislatures and ask for relief from excessive taxation. Why not relieve the farmer's burden? He is the bone and sinew of the nation.

The farmer wants no special favors. He only asks for a square deal. He is tired of trying to reach personal property. He wants to try something else.

The adoption of the single tax would have the tendency of shifting the weight of taxation from the country to the city; but wherever it falls, it will never burden, because it does not touch production or exchange in any form of industry. It means the abolition of every form of taxation which falls on production or exchange, and the opening up of the natural opportunities to labor and capital.

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A TYPICAL INSTANCE.

Vast Public Revenues Confiscated to Private Use. A British Illustration of a Universal Condition. Portions of an Article in the London Daily Chronicle of March 8, 1909.

Every year 50,000,000 tons of coal roll down the Welsh valleys to the sea, and are shipped away to all parts of the world. For Welsh coal is unique. There is nothing like it anywhere else; and the navies of the world cannot do without it.

Cardiff is the center of this vast trade, which has grown up within the memory of men who are now hardly more than middle-aged. In thirty or forty years, the little town on the Taff has become a great city with 200,000 inhabitants. Its huge docks welcome the shipping of the world. Long trains of coal trucks pour into the docks and are emptied almost as quickly as you can count the trucks.

Here, as we walk up St. Mary's street, we are surrounded by fine shops, magnificent hotels, and handsome public buildings. But what is that square keep which blocks up the end of the street, frowning down on the movement of men and business which is going on around it? It is the old castle of the Marquis of Bute, who owns practically all the land on which Cardiff stands—a mediæval castle, with its donjon, keep, and moat, standing grim and gray in the twentieth century.

The old castle is typical of much. In days gone by the Lord of Cardiff dwelt in his castle, with his tenants, and villeins, and serfs around him.

They did their suit and service, ground their corn at the lord's mill, saw their stray cattle taken to his pound, and, as years went by, commuted their services for payments in hard cash.

But can we be so sure that the days of feudalism are really over? In days gone by the tenants of the manor had to do suit and service, but they at least had a livelihood guaranteed them. Now you may see processions of unemployed tramping up St. Mary's street every day, while ground rents and mining royalties are paid with unflinching regularity.

The evils of under-assessment of land are perhaps more glaring in Cardiff than anywhere else. Cardiff castle, with its huge park, lodges and gardens, with a boundary wall of three-quarters of a mile, situated right in the heart of the town, is rated at £924 a year. The land is worth millions. Within sight of the castle, and not more than 200 yards away, is a tailor's shop which is rated at £947.

Under the new act, which will bring the undertakings of the Taff Vale, the Cardiff and the Rhymney railway companies into one concern, Lord Bute will receive a sum of about £205,000 a year in preference stock, royalties, and rents, which represents his share of the Cardiff railways and docks, which have been a source of huge revenue to him for years past.

These royalties seem to extend all over South Wales. When the Barry docks were made Lord Plymouth handed over a strip of foreshore, the two sides of a creek, which, as land, was practically worthless. His lordship was generous enough to present this valuable site to the dock company on condition that they paid him a modest royalty of a halfpenny a ton on all the coal and minerals exported or imported—a mere acknowledgment. But this modest little toll puts about £18,000 a year into Lord Plymouth's pockets. At the same time it must be remembered that the construction of this dock and the Barry railway has added enormously to the value of Lord Plymouth's surrounding land, which is now covered with houses built on the leasehold system, each paying a ground rent.

This dodge of giving land and charging a small royalty is followed in other places besides Barry. There is an interesting example of it near Newport. Some years ago a railway was made in Monmouthshire from Newport to Bassaleg and beyond. For about a mile that land runs through Lord Tredegar's park, along a strip of rock. Lord Tredegar's ancestor, Sir Charles Morgan, kindly offered to bear the cost of constructing this mile of railway which runs through his park, on condition that he was allowed to levy a toll on all the goods passing over it. That there would ever be any passenger traffic was not dreamed of at the time, so the act says nothing about tolls on passengers. Minerals pay a toll of one penny a

ton and merchandise and parcels 2d. A few years ago, during the sittings of a committee of the House of Commons on a private bill, Lord Tredegar's counsel said that these tolls produced a revenue of £12,600 a year. Pretty good, this, for a strip of worthless land a mile long and perhaps forty or fifty feet broad.

It should be remembered that the rates on this strip of land are paid by the Great Western Railway company, which now owns the lines. We talk of the robber barons of the Middle Ages, who issued from their castles and invited contributions from the passers-by! Our twentieth century peers have discovered a much more neat and delicate way of doing things.

A fund of untaxed wealth lies ready for the chancellor of the exchequer in South Wales. Instances might be multiplied indefinitely, both there and in other parts of the kingdom. At Bridgend, at Neath, at Swansea, the same thing is going on. The extension of industries is doubling and trebling the rateable value of the towns, and yet it is impossible to acquire land except upon exorbitant terms. The community does everything towards increasing this value, yet when it wants land for public purposes it has to pay even more than the additional value which its own growth has created.

* * *

THE REWARD OF MONOPOLY AND THE WAGES OF INDUSTRY.

A British Political Brochure, Put Out by the Land Values Publication Department, 13 Dundas Street, Glasgow.

When the Lusitania is under full steam she consumes (according to the Shipping Gazette) 70 tons of coal per hour—a quantity equal to 1 ton, 3 cwt. and 37 pounds a minute, or 1,680 tons per day of 24 hours.

The stoke-hole crew consists of 120 coal trimmers, 192 firemen, 21 greasers—total, 333 men.

"Royalty" is a payment extorted by the landowner from the producers of coal, and ranges in amount from 4d. a ton to 3s. 6d. It is a part of economic rent. Where rents are high wages are low.

The highest rate of wages paid to men sailing out of the port of Liverpool has never exceeded:

£4 10s. a month for coal trimmers, equal to 3s. per day.

£5 a month for firemen, equal to 3s. 4d. per day.

£5 10s. a month for greasers, equal to 3s. 8d. per day.

Royalty on the best Welsh steam coal amounts to 1s. 3d. per ton, so that on a consumption of 1,680 tons the landowner, who does no work whatsoever, pockets £105 a day.

How does this amount compare with the daily wages of the entire stoke-hole crew?—

	£	s.	d.
120 trimmers at 3s. each per day.....	18	0	0
192 firemen at 3s. 4d. each per day.....	32	0	0
21 greasers at 3s. 8d. per day.....	3	17	0

333 Total wages of 333 laboring men.. £53 17 0

The royalty on coal consumed in one day, £105, thus amounts to £51 3s. more than the total wages paid to 333 men.

The rate of wages works out at 1½d. an hour for laborer, and the royalty at £4 7s. 6d. an hour for landowner.

The passage from Liverpool to New York occupies five days; allowing an equal period for return, the round trip will occupy 10 days, and the coal consumption amounts to 16,800 tons.

Royalty on the round trip (16,800 tons at 1s. 3d. a ton), £1,050.

Wages on the round trip:

	£	s.	d.
120 trimmers	180	0	0
194 firemen	320	0	0
21 greasers	38	10	0

Total wages paid to 333 men..... £538 10 0

Royalty paid to one man exceeds the wages of 333 men by £511 10s.

Judging by reward, one landowner, who does no work, is worth as much as 700 trimmers or 630 firemen who work hard in the stoke-hole of the Lusitania.

Putting it as a case of man to man, the landlord gets more as royalty in one hour than the trimmer receives in wages for 29 days' work. The royalty for one day equals two years' wages, and the royalty on the round trip—just think of it—is equal to the 20 years' wages of a coal trimmer.

For worker, on the round trip, 30s.

For non-working landlord, 700 fold that sum, 21,000 shillings, £1,050.

For each and every penny the trimmer receives as wages the landlord gets as royalty 58s. 4d. It follows, therefore, that the difference in social value between a landlord and a coal trimmer is only 70,000 per cent.

	Royalty.			Wages.		
	£	s.	d.	£	s.	d.
Per hour	4	7	6	0	0	1½
Per day	105	0	0	0	3	0
Per round trip.....	1,050	0	0	1	10	0

The entire amount of royalties on coal and all other minerals, great as the total may be, is only a very small portion of the colossal plunder due to our system of landlordism.

The firemen and trimmers work hard for their miserable wages. What do the landlords give for their princely share? Nothing. Picture to yourself some up-to-date bookkeeper in a shipping office writing in his cashbook this item, "Paid to mine-owner for permission to go over the Atlantic, £1,050," and you get at once the truth and the grim humor of the situation. It is protection

from the spoliation of landlordism that the workers need, and the taxation of land values, which includes mining rents, royalties and way-leaves, will bring the much needed relief from this injurious burden.

BOOKS

FILLEBROWN'S FISCAL THEORY.

A B C of Taxation. With Boston Object Lessons, Private Property in Land and other essays and addresses. By C. B. Fillebrown, President Massachusetts Single Tax League. Published by Doubleday, Page and Company, New York. Fixed price, \$1.20.

This volume, which contributes at least one new and highly important point to the single tax controversy, is the work of a business man, who thinks as a business man and writes as a business man to business men. Inasmuch then, as it reaches the practical conclusion to which Henry George came, it is unique.

The distinguishing doctrine of the book is this, "that investments in land are exempt from taxation." That being so, it manifestly follows that land owners as such are favored in their investments; and the author demonstrates by facts that it is so, and confirms his demonstration with citations from authorities. For his argument he sets up two propositions which embody his whole contention: (1) That "the land owner of today, who has purchased since the present tax was imposed, escapes taxation upon his investment"; and (2) that "the burden of a land tax cannot be made to survive a change of ownership." Proceeding to establish these propositions, the author reminds his readers that any person willing to pay, say \$300 ground rent for a city lot to build upon, is not bidding for soil, for he could get soil much cheaper. Neither is he bidding for area, for that also could be got for much less. What he is bidding this price for this lot for, is "the accompanying and incidental use of a great many expensive things outside of the piece of land," such as "right and ease of access to water, health inspection, sewerage, fire protection, police, schools," etc. Assuming the lot to be free of incumbrances, and the current rate of interest 5 per cent, he would commute the \$300 annual price into a capitalized price of \$6,000. But if there were a tax of \$100 a year, he would deduct the capitalization of that tax, which, with interest at 5 per cent, would be \$2,000, and therefore pay only \$4,000 for what otherwise would be worth \$6,000. He consequently buys exemption from taxation so long as the tax remains unaltered. For, being willing to pay \$300 a year ground rent, he pays \$200 to the owner in the capitalized or commutation sum of \$4,000, and the other \$100 in taxes from year to

year to the tax collector—making \$300 a year in all, which is what he would have to pay to the seller if there were no taxation. "It follows, then," as the author truly says, "that, under the present system, assuming free competition, the selling value of land is an untaxed value, and land owners who invest today are exempt from taxation—not indeed upon their land, but upon its annual net or income value to them, or, in other words, upon their investment." And "as this exemption of the present owner holds true today, so it will be true in the future, of each new purchaser subsequently to the imposition of any new tax," which shows that "it is in the very nature of things that the burden of a land tax cannot be made to survive a change of ownership."

By similar reasoning the author proves that a tax on houses, while not paid by the owner, is paid in higher rent by the occupant.

It is a new process, this of Mr. Fillebrown's, of demonstrating the long accepted principle that taxes on labor products tend to increase prices (the tax being an addition to the cost of production), whereas a tax upon ground rent tends to reduce prices (the tax being a burden upon the monopoly and thereby increasing the market supply). No doubt this new demonstration will reach the business sense better than the older and more academic process.

But the result is the same, and could not be better stated for practical purposes than Mr. Fillebrown states it in a note at page 41: "Landlords who own and let both land, and tenement houses, apartment houses and business blocks thereon, escape the burden of the tax on their land and at the same time shift upon their tenants the building tax, thus avoiding all share in the tax burden."

The practical lesson is obvious. It is to transfer gradually to land all those taxes now raised from buildings, improvements and personal property, thereby gradually reducing the selling value of land and ultimately making ground rents the sole source of public revenue.

To the objection that this would be confiscation, the author asks what is taken from the owner. "No land is taken." "No right of occupancy or improvement or sale or devise is taken." Nothing is taken from the owner "except the right to collect natural taxes from other people and to be himself exempt."

Mr. Fillebrown's argument is most impressively supported by precisely the facts that would appeal to business men of honest impulses. His collection is too voluminous to be even summarized here, but space may be afforded for one example. It contrasts the alterations in the land values and the building values for 1898 to 1907 on Winter street, Boston, from Tremont to Washington streets:

Land.				
		Per sq. ft.	Per acre.	
1898	\$5,142,600	\$61.57	\$2,681,989	
1907	8,272,000	97.50	4,247,100	
Increase of land values..		\$3,129,400	\$35.93	\$1,565,111
Buildings.				
		Per sq. ft.	Per acre.	
1898	\$675,000	\$8.08	\$353,836	
1907	605,200	7.13	\$10,532	
Decrease of building values....		\$69,800	\$.95	\$48,254

"Here," says the author, "is for nine years an increase of 58 per cent in land and a decrease of 11 per cent in buildings." One might very well ask why the property which depreciates, as buildings necessarily do, should be taxed, while the property which appreciates, as building sites do, should be exempt.

Mr. Fillebrown has made a distinct contribution to the subject of fiscal science. For practical purposes at any rate, and probably for theoretical purposes also, the contribution is as well a highly valuable one, not only to fiscal science, but also to the movement to secure for all a just participation in the benefits of social growth.

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AMERICA AS A LOST OPPORTUNITY.

Land, Labor and Wealth. The Coming Civilization.
By Lee Francis Lybarger, of the Philadelphia Bar.
Published (1907) by The Public Publishing Company, Chicago. Price, 25 cents.

Since Emerson said that "America is only another name for Opportunity," many changes have occurred to transform that one-time truth into a present-day falsehood. America "no longer stands for Opportunity," says Mr. Lybarger, "but for Monopoly."

This is his explanation of the poverty for workers and the plenty for idlers that he contrasts in the first part of his book, which is devoted to proving the concentration of wealth in a few hands. The remaining three parts respectively explain the cause, propose the remedy, and make the argument.

Throughout the little volume a clear distinction is steadily held between land (which alone, in the last analysis, furnishes opportunity to labor), labor (which alone utilizes land and produces all that is humanly produced), and wealth (which is the resulting product). The argument stalks on without halting, and the presentation is lucid and eloquent. It is interesting not only to readers who may already have accepted the author's view, as being concrete in method and somewhat novel in form, but also to such as have been stirred by the problems it attacks without having yet assented to any solution.

PAMPHLETS

Single Tax Catechism

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British Taxation.

No better indication could be found of the tendency of British opinion in a certain direction than in its editorials on land value taxation which the London Daily Chronicle is now publishing in pamphlet form. (Price 2 pence; postpaid 3 pence. The Daily Chronicle, 31 Whitefriars St., London, E. C.)

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+ + +

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+ + +

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—Sir Thomas More's "Utopia."

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