

improved value of all land (one cent in 480 cents), and of the 20 per cent tax on future increases of value. This would be by far the most important official proposal for the taxation of land values that has ever been made.

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Even the small tax of one cent in 480 of present capital value (about 2/10 of one per cent) would make it very difficult for the big English landlords to hold their great domains out of use while English workingmen suffer for want of work. It must be remembered that the land tax in Great Britain has heretofore been so small that even this half penny in the pound of capital value would come with a shock to the land monopolist. And when in addition he learns that of any increase in capital value the government will take one-fifth every year, the shock will seem to him like a fatality. Should these provisions be adopted and maintained, the half penny tax annually on present capital values of land, and the 20 per cent tax annually on future augmentations of capital values, would in themselves nearly destroy land monopoly evils; and the almost certain increase of both taxes would soon make that destruction complete. One necessary step in the procedure, provided for in the budget,—the Imperial appraisalment of land values, or as Joseph Fels describes it, a “national separate assessment,”—in itself carries the principle of land value taxation into the taxbooks of the Empire.

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Unless we have misread the cable reports, the British budget fully warrants all the hysterics of the Tory press and justifies the satisfaction of the progressive press. For in that case the economic revolution has indeed begun in Great Britain. We shall await detailed reports with much interest.

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Insurance against Taxation.

In England there has been extensive insurance recently against loss from changes in taxation. The general principle was introduced over here, it will be remembered, in connection with the presidential election. Policies were taken out against business losses from the election of Bryan. As a business venture the policyholders insured against the wrong calamity. If their insurance policies had covered losses from Taft's election, they would have been in fine financial feather now. But that kind of insurance, when it got over to our side of the water, was in truth merely a cover for election gambling, and, worse still, for influencing

the election corruptly in the false guise of legitimate insurance. We fear that if the custom of insurance against loss by changes in the tax laws were once to obtain in the United States, it would be diverted to extremely evil purposes. As the consumer could not very well be insured against losses from higher prices through taxation, the insurance would furnish a financial refuge only for speculators who thrive upon high taxation—the protected “producers,” for instance. Consequently insurance would be a mere consolidating scheme against reductions in plunderous taxation and in support of higher rates. It would establish an almost invincible financial mechanism for corruptly maintaining systems of Big Business plunderation in the name of taxes and under the guise of insurance.

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Scholastic Protectionists.

It is “up to” the college professors who disputed Byron Holt's statement of a couple of weeks ago at Columbia University, that the economic professors in our universities are shackled by financial interests, to answer a few questions now propounded by him. At the meeting of the Free Trade League at Boston last week, Mr. Holt repeated his Columbia statement, and after quoting the denials of his professional critics, and their assertions that economic professors who have lost their chairs were victims, not of hostility to their independence in teaching, but of their own inefficiency as teachers, he said:

Did Prof. H. C. Adams lose his position at Cornell because of inefficiency or for any other well-founded reason other than that his views on public questions did not meet the approval of Henry W. Sage and other patrons of Cornell? Has he not since, in Michigan University, and in the government service, shown remarkable ability and efficiency?

Was Prof. John R. Commons forced out of Syracuse University for inability, inefficiency, or other proper reason? Has he not since demonstrated great ability and efficiency?

Did Dr. E. Benjamin Andrews “resign” the presidency of Brown University because of inability or inefficiency, or because his views on the money question differed from those of the financial powers behind the college? Has he not always been a model college officer, so far as learning, discipline, and conduct are concerned?

Did Edward A. Ross leave Stanford University because he was not an able and efficient teacher, or because he taught doctrines not in accord with the views of Mrs. Leland Stanford?

Was Prof. William G. Sumner of Yale forced out of the chair of political economy and into a minor position as a teacher of an insignificant branch of sociology because of inability, inefficiency, or for any other sound reason? Was there any connection between this degradation of the most capable, most

honest, and most popular professor of Yale, and the fact that President Hadley could not obtain large contributions from W. C. Whitney, Chauncey Depew, and other rich men while Professor Sumner was teaching scientific economic truths to Yale's students?

Similar questions might be asked concerning many other well-known cases of professors who have lost their positions for teaching plain truths, and of others who have gotten and retained professorial positions because they were willing to bow before Baal and to teach false doctrines.

Is it not clearly evident to all intelligent and impartial men acquainted with the facts, that our colleges have ceased to fulfill their proper functions? Have not our founts of knowledge been poisoned at their sources? Can they live on the "graft" of tariff trusts and other special and harmful privileges without being tainted and contaminated?

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Professor Seligman's Gymnastical Economics.

Professor Seligman's defense of the protection professors in our universities was completely answered at the Free Trade League in Boston on the 30th. Mr. Seligman had said that modern economists are closer to the business world and more inclined to sympathize with producers than with consumers, for which reason they were more practical and more often protectionists than economic professors formerly were. This is not *political* economy; it is plutocratic economy. Here in brief was Mr. Holt's reply:

Calling a dog's tail a leg does not make it one. Changing the viewpoint does not alter the fact. Water does not run up hill when I stand on my head. It is a fundamental fact in economics that production exists because of consumption, and not that consumption exists because of production. We do not wear clothes simply because they are produced; we produce them because we want to wear them. If there were no demand for clothes there would be none produced. Economically considered, it is the business of producers to make clothes as cheaply as possible. It is their function to serve consumers. It is absurd to attempt to teach political economy as a science, after reversing the natural order of things. As well attempt to teach physics on the assumption that gravity works backward.

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Economic Progress in New York.

Corporation influence is reported to have maintained its sway in the New York legislature up to the hour of the final adjournment, which took place last week. But along with whatever corporate corruption there may have been, at least one good measure has gone through. We refer to the requirement that the cost of new subway construction shall fall upon the land of New York in proportion to the resulting increase in its value. The present subway has increased the value of New

York city land (vol. xi, p. 746) to an amount equal to twice the cost of the subway. And the end is not yet, for that land will go on increasing in value as would not have been possible but for the subway. Out of this striking municipal object lesson comes now the law, which the Governor and the Mayor are expected to sign, that will enable the city to place the cost of future subways where it ought to be placed—upon those whose property the subway construction increases in value. Along the line of this policy lies the true course for the municipalization of all social utilities.

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Another New York law is entirely in harmony with the policy indicated by thus making the site owners of New York city pay for subway construction in proportion to the consequent increase in the value of their land. This is the Constitutional amendment (p. 338) which withdraws from the category of public indebtedness, all bonds for self-supporting municipal utilities. The amendment was adopted by the previous legislature; it was adopted a second time, as the provisions relative to Constitutional amendments in New York demand, by the present legislature; and now, also as the amending clause requires, it goes to the people for adoption. Its adoption is regarded as a certainty. When adopted it will enable the city of New York to pledge its credit for the construction of self-supporting public utilities without reference to the present indebtedness for that purpose; it will, in other words, adequately extend the debt limit for purposes of constructing subways, etc. Consequently the city will be at liberty to construct upon its own credit, and to own the subways it is now contemplating; and in addition, under the authority first stated above, to cancel that indebtedness gradually from the increase in land values caused by the subway construction.

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Political "Heckling."

District Attorney Jerome of New York is to be credited with a political innovation of exceptional value. He appeared upon the Cooper Union platform last Sunday, at the regular meeting of the People's Institute which crowds that large hall every Sunday night, to ask permission to report to the public through them at a special meeting upon the conduct of his office, and to answer frankly every question that may be asked from the audience. At first the audience, which evidently were strongly hostile, were disinclined even to allow Mr. Jerome to make his request for a future hearing. Some of them remained unreconciled to