

### An Example of the Fatuity of Privileged Classes.

At this crucial time, when the landed interests of Great Britain are arrayed against the industrial interests, and a proposal to tax land values is exciting the landed interests to madness, they would do well to recall some of the warnings of Richard Cobden.

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In a speech in the House of Commons on the 14th of March, 1842, Mr. Cobden epitomized British fiscal history in words that every British citizen should learn by heart:

Honorable gentlemen claimed the privilege of taxing our bread on account of their peculiar burdens in paying the highway rates and the tithes. Why, the land had borne those burdens before corn laws had been thought of. The only peculiar state burden borne by the land was the land tax, and I will undertake to show that the mode of levying that tax is fraudulent and evasive, an example of legislative partiality and injustice second only to the corn law itself. . . . For a period of 150 years after the Conquest, the whole of the revenue of the country was derived from the land. During the next 150 years it yielded nineteen-twentieths of the revenue; for the next century down to the reign of Richard III. it was nine-tenths; during the next 70 years to the time of Mary it fell to about three-fourths; from this time to the end of the Commonwealth, land appeared to have yielded one-half the revenues; down to the reign of Anne it was one-fourth; in the reign of George III. it was one-sixth; for the first thirty years of his reign the land yielded one-seventh of the revenue; from 1793 to 1816 (during the period of the land tax), land contributed one-ninth; from which time to the present (1842) one twenty-fifth only of the revenue had been derived directly from land. Thus the land which anciently paid the whole of taxation, paid now only a fraction or one twenty-fifth, notwithstanding the immense increase that had taken place in the value of the rentals.

At the present time, to give keener point to Mr. Cobden's words of nearly seventy years ago, it should be said that the land tax of 1692, to which he alluded, yields, not 1-25th of the total revenue—as in his day,—but 1-186th.

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It was to that history of the great land-grafters of England, that Mr. Cobden referred, when at a later day he distinctly warned the landed interests of what seems to be coming to them now, and coming fast:

I warn ministers, and I warn landlords and the aristocracy of this country, against forcing on the attention of the middle and industrial classes, the subject of taxation. For . . . mighty as I consider the fraud and injustice of the corn laws, I verily believe, if you were to bring forward the history of taxation in this country for the last 150

years, you will find as black a record against the landowners as even in the corn law itself. I warn them against ripping up the subject of taxation. If they want another League at the death of this one—if they want another organization and a motive—then let them force the middle and industrial classes to understand how they have been cheated, robbed, and bamboozled.

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### To Abolish Custom Houses.

John Bigelow's suggestion to Governor Hughes serves to further emphasize the fatuity of privileged classes. Mr. Bigelow endeavors to enlist the interest of Governor Hughes, and through him of the public generally, in a plan for improving existing conditions without disturbing vested interests. It is in line with the historic efforts of a certain class of anti-slaveryites to arrange for buying out the slave-owners. Their well meant efforts met with slaveholding opposition, because the slaveholders wanted the power that slavery gave them more than they wanted a price for giving up the power. So was it when Cobden admonished the British landlords that they would be wise to submit to land value taxation. It met with aristocratic sneers, because the landlords wanted the power, which would be questioned and weakened by their yielding to a tax upon their privilege. Mr. Bigelow's proposal of a substitute for tariffs will likewise be disregarded, because the beneficiaries of tariff taxation stand by the system, not to sell out their individual privileges at a price, thereby ending the system, but for the advantages which the system itself affords them. As a monarch's throne is never for sale, but must be pulled from under him before he will consent to the abolition of thrones, so with all other special privileges from greatest to least.

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Mr. Bigelow's plan contemplates the total abolition of custom houses, and "the opening of every port and harbor of the United States freely to the commerce of every nation of the world without any tax or tariff." And he would accomplish this without confiscating any vested rights. That is to say, in order to provide for public revenues he would make the people stockholders or silent partners in every profitable enterprise hereafter authorized by the State or nation—their share to be so regulated and appropriated as not to interfere with the enterprise in its day of small things. Tested by fundamental principles the plan is crude. But crudity is an ineffective objection to plans for abolishing privilege. A plundered people are too impatient to consider the elementary accuracy of proposed readjustments. They would rather "do

things" than think about them. And after all, what could be half so crude as the indirect taxation Mr. Bigelow would abolish?

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Premising that "the land, water and sun with its atmospheres are the capital of the whole nation," and whenever the nation "parts with the exclusive usufruct of any portion of its capital to individuals or corporations, it deprives itself and its people of their respective shares of what is thus appropriated"—an acute statement in commercial terms of the greatest truth of political economy—Mr. Bigelow makes an extended argument in behalf of his plan. He would have had the States reserve a share of the profits of all corporations to which they have granted charters, and the Federal government reserve a share in the value increase of every acre of public land it has sold. But as it is too late to make those reservations now, he would have them made with reference to all future charters and all future alienations of public land. "If we were to begin to-morrow to protect the State's interests in the chartered privileges it confers," he predicts, "we would have the seeds of revenue planted that would bear fruit some thirty, some sixty and some a hundred fold before all the machinery for its operation could be fully perfected." Yet its operation "would be so gradual as to allow protected interests ample time to prepare for the change that would ensue, and to transfer their investments if they chose." Governor Hughes does not yet appear to have made acknowledgment of this courteous and urgent and profoundly important proposal of his distinguished fellow citizen.

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Readers who catch a glimpse of Mr. Bigelow's allusion to "such a creature as a Debs or a Gompers," will be justly indignant, if they happen to be of the privileged-plundered class for so many of whom those "creatures" are spokesmen. But this unhappy and quite unnecessary as well as cruel sneer, may be pardoned as the slip of a patrician pen; for Mr. Bigelow in more thoughtful mood recognizes the justice of the cause for the sake of which those same plebeian "creatures" have defied patrician contempt. He points to the regime of privileges, "more lucrative to its beneficiaries than slavery ever was," as he truly says, as having "divided our people again into two classes—one, of the people who have more wealth than they know what to do with, or how to give away, and another of breadwinners who, if they lose a day's wages, even by illness, have to go in debt for the next day's expenses." When this

much has been said, no choice remains among fair minded men, of whom the venerable John Bigelow is one, as to the direction in which their sympathies shall go.

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**The Land-Capital of New York City.**

Land values relatively to improvement values in the city of New York (vol. x, p. 505), as reported by the Department of Taxes, make a significant showing. The statement by Boroughs for the year 1908 is as follows:

	Land Values.	Improve- ment Values.
Manhattan .....	\$2,807,194,281	\$1,400,469,150
Bronx .....	242,925,919	149,152,774
Brooklyn .....	576,647,240	633,642,020
Queens .....	182,629,206	88,111,404
Richmond .....	33,768,951	26,959,174
Total .....	\$3,843,165,597	\$2,293,334,522

Here we have, then, the value of the site of New York as 62½ per cent of the total real estate, the improvement values being only 37½ per cent.

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**Municipal Bankruptcy.**

The "bankruptcy of New York City" has been the subject of general newspaper discussion ever since some of the city authorities last fall reported it as rapidly approaching that condition. But New York City is not approaching bankruptcy in any other sense than a millionaire's heir would be if his guardians were diverting his legitimate income to their own pockets. The legitimate sources of income of New York City have risen tremendously in excess of her expenditures; but the owners of the site of the city divert it to themselves before it can reach the public treasury where it belongs. This is clearly shown by John Martin of Staten Island, in an open letter to the legislative committee on city finances.

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Mr. Martin rightly insists that indications of financial condition by a comparison of population with budget, is misleading. The true comparison, as he correctly urges, is upon the basis of increase of annual taxes relatively to increase of taxable values. Upon this common-sense basis of comparison he proves that New York City, so far from being on the verge of bankruptcy as a municipality, is richer than it has ever been. In 1899, the first year of Greater New York, taxation amounted to \$86,183,768. It has since risen to \$116,542,896—an increase of 35.2 per cent. But in the same period site values alone, with all improvement values eliminated, increased from \$2,749,167,622 to \$4,331,590,384— an increase in mere situation