member of the council. While the traction-ring aldermen were chuckling and cracking jokes over the perfunctory farce in which Mr. Leachman seemed to be playing, Alderman Johnson came to the rescue with a motion for a suspension of the rules for the purpose of allowing the representatives of the Federation of Labor and the other organizations that had procured signers to the petition, to address the council on the subject. To the surprise and evident discomfiture of the traction-ring aldermen, and the delight of the applauding galleries, Mr. Johnson's motion was agreed to, on roll call, by 45 to 18. William Prentiss then made the address for the petitioners, admonishing the council, respectfully but plainly of their obligations as public servants to grant no extension of street car franchises until they hear from the people next Spring on the adoption of the Mueller bill.

So gratifying was the behavior and so effective the presence of the citizens who watched these proceedings from the gallery, that we are constrained to urge their attendance every Monday night until the traction question is disposed of. These observers and auditors applauded with enthusiasm, but in an orderly manner, the result of the vote and the points of their speaker; and at the tap of the Mayor's gavel their applause subsided. It was all respectful, determined and impressive. In no respect could their behavior be decently criticized. As to the wholesome effect of their presence and their judicious applause, that was manifest. "Grafting," even respectable "grafting," is not a pleasant occupation when serious-minded people are looking on.

One of the objections raised to the submission of the Mueller act is significant, implying as it does that even if adopted the act would not enable Chicago to municipalize its street car system. But consider. Three points and only three are involved. First, the act would be effective. If so, why object to submitting it to the people? Second, if it would not be effective, the incompetency of the men responsible for it and who professed to be sincere in demanding an enabling act, must have been monumental. Either that, or, third, the act is a "gold brick" for which those same gentlemen are responsible. Which of these three inferences do they prefer to encourage. The gentlemen alluded to are Mayor Harrison, Graeme Stewart, Alderman Jackson, et al.

Among the Republican papers of Ohio which are echoing and elaborating the criticisms of the single tax that Myron T. Herrick, the Republican candidate for governor, put forth at his Sandusky meeting and to which we replied last week (p. 404), is the Ohio State Journal. A specimen editorial appearing recently in that paper under the title "Palpable Injustice of the Single Tax," is in full as follows:

Advocates of the single tax theory, concerning which Ohio is hearing much from Tom L. Johnson and his companion on the stump, Henry George, Jr., claim for the system they urge that it would be equitable. They call attention to the extent of tax dodging under existing laws, and argue that, with their ideas in actual operation, there would be an end of this evil. Their contention is founded on fact, for it is impossible to hide one's land in a safety deposit box when the time for the tax assessor's visit draws near. If land alone were taxed, no owner of land could avoid paying taxes.

But everyone else could and would by authority of law. Men who own railroad or industrial stocks and bonds to the value of millions of dollars would no longer lay themselves liable to prosecution for making false tax returns. They would be required to make no returns. The whole burden of the support of government would fall upon the landholder. The single tax would be a good thing for such millionaires as Mayor Johnson, whose great wealth is invested almost entirely in taxable securities.

Under the system for which Mr. George and Mayor Johnson stand, the small householder would suffer. We will suppose, for example, that a rich man and a poor man own adjoining 50-foot lots in one of the residence districts of Columbus. The rich man builds a magnificent home at a cost of $75,000 on his property. The poor man's cottage is worth $2,000. Each lot is valued at $1,500. Under our present laws the rich man would pay real estate taxes on the sum of $76,500; the poor man on the sum of $3,500. With the tax rate and the rules of appraisement as at present, the rich man's taxes on his house and lot would amount to about $1,530 a year; the poor man's to about $70.

The furnishings of the rich man's house and his horses, carriages and automobiles are appraised for taxation under existing laws at $15,000. The poor man has no horses or automobiles, and the comparatively meager furnishings of his cottage are appraised at $600. The rich man would pay in annual taxes upon this personal property about $300. The poor man's belongings would cost him $12 a year.

The rich man has securities valued at $10,000,000 locked up in the bank, and they bring him a large income. If he is honest, he pays taxes on them. The poor man has nothing but his salary and a little life insurance. He pays no taxes on his securities, because he has none.

Now, under the George-Johnson system of taxation, the rich man and the poor man would pay taxes on precisely the same amount. It is useless to pursue the argument farther. The single tax theory would palpably be cruelly unjust in practice.

The single tax system would work a still greater hardship upon the farmers. They own large tracts of land and make their living from the soil. Their farm buildings and their personal property, as a rule, represent but an exceedingly small part of the value of their whole property. Yet Mr. George and Mr. Johnson would have these usually comparatively poor men taxed on every square foot of their land, while the city millionaire would pay little or nothing toward the support of the government.

The single tax idea has been agitated for years. It is small wonder that it gains few adherents, for it is most inequitable, and the masses of the American people are fair-minded. The inevitable result of the system in operation would be to lighten the burdens of the rich and to increase those of the poor.

That editorial is not a fair statement of the single tax theory. It implies that the single tax would fall upon "land alone." But this tax would not fall upon land at all. It would fall upon land values; or more strictly, upon men in proportion to their land, to be estimated, not by its area, but by its value. The deliberate object of that unfairness in statement in the editorial under consideration is evident from what follows. If the single tax were described as a "land value" tax, attention would be directed to the land values of cities, mines, railroads, etc., and readers would perceive, what is the truth, that the single tax would bear most heavily upon those immensely valuable monopolies. But by describing the single tax as a "land" tax, attention is diverted from the great landed monopolies to farming land. For farming land, though comparatively small in value, is very large in area. Thus the insinuation is cunningly made that the single tax would fall most heavily upon farmers. And this insinuation the unfair editorial in question proceeds to utilize. The truth is, however, that the taxes of farmers would be much less under the single tax than they are now. The single tax would abolish all kinds of taxes for public revenue except one kind, the kind, namely, which is measured by the selling value of land exclusive of the value of its improvements. In selling value of land few farmers are rich; most of them are poor in such values. Consequently most farmers would be but lightly burdened by the single tax, which is a land value tax exclusively.

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In one respect the editorial in question is near enough right. It admits that "it is impossible to hide one's land in a safety deposit box when the time for the tax assessor's visit draws near," and, consequently, "if land alone were taxed no owner of land could avoid paying taxes." Had the editorial added that the value of land is as difficult to secrete as the land itself, it would have been wholly right on this point. Under the single tax, then, taxation would reach all taxables and reach them fairly. Under that tax, the stupendous values of mines and city lots and railway rights of way and terminal points would be taxed high as compared with the insignificant values of farming land. The proportion, acre by acre, would be thousands of dollars for one, as any intelligent farmer can see. He can see it in an inkling by comparing with the value of his own farm less its improvements, the value of the bare building lots of his neighboring village. If he finds so great a difference in that simple comparison, how enormous must the difference be when all farm land values are compared with all other land values. The aggregate value of farm land in this country is estimated to be only ten per cent. of the total land value. How could farmers suffer by a taxing system which would make them pay only one-tenth of the taxes, when they are now paying probably one-half?

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While the editorial in question is right in saying that the subject of taxation under the single tax could not be secreted, which is one of the recommendations of the system, its inference flies wide of the mark. It assumes that "men who own railroad or industrial stocks and bonds of the value of millions of dollars" would escape because their property would be exempt. But consider what it is that makes railroad stocks so valuable. Two things: Railroad land and railroad improvements. The improvements would be exempt under the single tax. Would farmers have them taxed? Such taxes rebound upon the farmers themselves. Tax locomotive values and you force up freight charges. But tax right-of-way values and you do not force up freight charges. In other words, while taxes on railroad improvements are not borne by stockholders, taxes on railroad rights of way are borne by stockholders. Now the single tax would levy taxes at the point where they cannot be secreted; it would not wait to catch stocks and bonds in a bank vault, but would directly tax the land values of the railroads, those values which belong to the public and not to the stockholders. As with railroad stocks, so with industrials. The chief value of industrial stocks is land value. In the steel trust, for instance, fully two-thirds of its capitalization is a capitalization of land privileges. One of its coking-coal deposits alone is estimated at $60,000,000. Pass on to other certificates of wealth, and you find that most of their value is land value, the tax on which would be collected under the single tax before any of its income reached the certificate holder. Consequently the rich man, with his "securities valued at $10,000,000 locked up in the bank" could not escape. Under the existing method of taxation he does escape. As to Ohio this was demonstrated in 1893 by a commission appointed by Gov. McKinley (afterwards President of the United States) which reported to him that "no appreciable part of the intangible property existing in the city counties is reached," but that "it is the country counties which pay the taxes on personal property."

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The illustrations of the Ohio State Journal's editorial are peculiarly unhappy for its purpose. Where does it find $75,000 homes on $1,500 land? Certainly not on any tax list in this country—not even in Columbus where it locates one of its "homes." The most valuable buildings in the United States stand upon land with only area enough for the foundations, yet worth much more than the buildings. The figures of the Ohio State Journal are all in the editor's eye. Of a piece with these misleading urban statistics is its statement regarding farmers that "the farmers' buildings and their personal property, as a rule, represent but an exceedingly small part of the value of their whole property." This may be true of some farms—those that lie near cities and are affected by city values, and those that are exceptionally fertile. But in most of such cases it will be discovered that the farmers who own them live elsewhere and "farm farmers" instead of farming farms. As a rule, the improvements and personal property of well-equipped farms are worth much more than the land.

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With most farmers who farm their farms, the full annual ground rent of their farms (all improvements excluded) is less than they now pay directly in taxes on their land, their improvements, their personal property, and indirectly in higher prices on the goods they buy at the store. Many farmers who farm their own farms, would find this difference vastly in their favor if the single tax were adopted. The farmers who are trying to grub a living out of the poorest farm land would be still better off under the single tax for they would not be taxed at all. Their farms would have no ground value. Tenant farmers—a class already large and steadily growing—would be in the same category; they would be burdened with no taxes. And this is true also of farm hands, a class of workers who are now taxed heavily in proportion to their means—not directly by the tax assessor, but indirectly in the higher prices of the taxed goods they buy.

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But the benefits of the single tax would not end with lower taxation for farmers. In consequence of its burdensomeness upon mere land grabbers, who monopolize millions upon millions of acres of good land and do not use it—the land grant railroads, for instance, with their alternate sections—a vast continent of excellent farming land would come into market cheap, and opportunities for profitable farming would consequently greatly improve. For the single tax would operate beneficently in two directions. In one direction it would lessen the taxes of the industrious at the expense of mere monopolizers; in the other direction it would increase opportunities for industry while diminishing those for monopoly.

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At its conclusion we find the Ohio State Journal saying that the inevitable result of the single tax in operation "would be to lighten the burdens of the rich and to increase those of the poor." This is the reason, probably, why the rich oppose it! They are not slow to lighten their own burdens and increase those of the poor in other ways, but it seems that they draw the line at the single tax! We suspect that they are moved by considerations very much more sound commercially. Furthermore, we suspect that the editorial writer of the Ohio State Journal shares in that uncharitable suspicion.

AN INGENUOUS MONOPOLIST.

Mr. Andrew Carnegie, in calling to order the Autumn meeting of the Iron and Steel Institute, September 1, at Barrow-in-Furness, Lancashire, England, said, in part (as reported by the Iron Trade Review):

> There have been made and sold without loss hundreds of thousands of tons of 4-inch steel billets at three pounds for a penny. Surely, gentlemen, the limit has been reached here. . . . It is doubtful if ever a lower price can be reached for steel. On the contrary there is every indication that period after period the price of steel is to become dearer, owing to the lack of raw materials. . . . The vital element in the matter is, as we all know, the supply of iron ore. . . . It was because it (the question of supply) forced itself so strongly upon us that we secured such an abundant supply of the best ore obtainable. For sixty years, I think, the United States Steel Corporation is supplied at its present rate of consumption, but sixty years is as nothing in the life of a nation. It is upon future discoveries of iron ore that the future of cheap steel manufacturing, even in America, depends. There are immense deposits in now inaccessible parts. . . . But it would not surprise me if its cost was greatly advanced in the future. . . . It will be a question of increased cost, and therefore of increased price; . . . the world will gladly pay the increased price necessary to obtain it. During the next half century it seems that America is to increase her output at a tremendous pace.

The same journal, in its issue of September 24, says, under the caption, "Dividends on United States Steel common:"

> A statement . . . believed to have come from the office of J. P. Morgan, with his knowledge and consent, was published in Wall street last week in reference to the report that the quarterly dividend of 1 per cent. on the Trust's common stock would be reduced or passed entirely. The statement follows:
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> > There is no probability of a reduction in the dividend on the common stock while earnings remain above $100,000,000 a year. . . . The earnings this year will be $125,000,000. The prices of finished steel have not been reduced in any branch of the business, and if pig iron is lower it will only increase the profits of the steel company, since they are purchasers of pig and not sellers. To me the low price of steel stock is inexplainable.

Now, "putting this and that together," the public will be able to draw some very interesting conclusions.

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Mr. Carnegie frankly informs us that the Corporation has a monopoly of the available ore lands, while Mr. Morgan as frankly informs us that diminished cost of stock "will only increase the profits of the steel company."

Our schools of economics teach, that prices of finished products rise and fall with like movements in cost of raw materials. Mr. Morgan assures us that decline in cost of raw materials "will only increase the profits of the steel company," and Mr. Carnegie explains the reason for it in the fact that the steel company has a sixty years' supply of the best ore obtainable.

If the reader will refer to page 166 of the present volume of The Public, he will find in the last paragraph, first column, these words: "If I own all the mines I will name the price that you must pay for materials—and I will charge 'all that the traffic will bear.'" The United States Steel Corporation does not own all the mines; it owns only a sixty years' supply of the best ores obtainable, as Mr. Carnegie informs us; and Mr. Morgan says that this is sufficient to enable that company to appropriate to itself as profit any diminution in cost of iron bought from outside parties!

No wonder that so conservative an economist as Prof. Richard T. Ely declares that "a reformed competitive system is the practical alternative of socialism."

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Mr. Carnegie says that it would not surprise him if the cost of ore was greatly advanced in the future. "It will be," he says, "a question of increased cost and therefore of increased price," which, he says, "the world will gladly pay."

Now, while there is no doubt that the world will gladly pay the increased price necessary to cover increased cost, and afford a fair profit to the manufacturer, it is possible that, on the other hand, the world will hold that if increased cost justifies increased price, diminished cost demands a reduced price. But Mr. Morgan says that diminished cost "will only increase the profits of the steel company!"

It did not, however, need Mr. Morgan's frank avowal to inform us of the fact; Mr. Carnegie's announcement that he owns the earth instructs us that, if we con-