

recommends itself as being a source from which revenue should be derived."—Sir Edward Grey, Foreign Minister, at Oxford, February 25th, 1899.

"I regard the land values bill as a more important measure than the small holdings bill."—The Earl of Crewe, Secretary for the Colonies, at Rothesay, October 11th, 1907.

"There is one method by which we can get even with the peers next session, namely, by reverting to the rule in pre-Cromwellian days, and placing taxes not on the value of land in 1692, but on the present-day value. Why not bring these taxes up to date? I make that suggestion to the Chancellor of the Exchequer for his consideration during the next few months."—Mr. Keir Hardie, at Barry, December 12th, 1908.

"There seems no longer to be any room for doubt that it is the intention of the Government to include some provision for the special taxation of land values in their next budget."—The Estates Gazette, December 19th, 1908.

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The manifesto which makes the foregoing quotations gives this consideration to the subject in its relation especially to restricted employment:

In view of the problem of unemployment, what relief can we look for from the budget tax on land values? We can look for an extension of freedom, freedom to produce as well as to exchange, an elimination of those conditions which at present restrict the opportunities to work and close the avenues to wealth, enrich the few at the expense of the many, and cause injustice and obstruction in the industrial system. Chief among those restrictive conditions are, first, the power of those who control the sources of livelihood to say on what terms those sources may be utilized, and that they shall not be utilized at all except upon impossible terms; and, secondly, the burden of rates and taxes upon the processes and products of industry, which hamper and kill those processes, and make those products scantier and dearer.

It is true that the taxation of land values would divert such values from those who have not earned them to the community whose collective energy and enterprise have earned them, and thereby destroy the power of the few to impoverish the many by exacting a tribute without rendering value or service in return. But the chief argument in its favor is that, by opening up fresh opportunities for the profitable expenditure of labor and capital, it would tend to bring fresh chances to all of earning their livelihood.

The right to work, and to enjoy the fair and full fruits of work, is the demand which is becoming more and more insistent. The central problem of politics is how to absorb into the body of workers that residuum of unemployed who, earning nothing themselves and always ready to step into the shoes of those who are earning anything, tend continually to bring the rate of wages down to the subsistence level. The widening of the whole field of employment—a larger scope for the application of labor to land in a natural and remunerative way—is the only solution of the problem. The taxation of land values is the first step on the sure and scientific road leading to that solution.

Land valuation will indicate the national sources of

wealth and avenues of employment which are at present neglected, or deliberately closed; and the taxation of land values will be the effective means of securing that those sources shall be utilized, and those avenues opened. By the taxation of land values, the land will be made "less of a pleasure-ground for the rich, and more of a treasure-house for the nation."

If Mr. Balfour and the lords capitulate and allow the Chancellor of the Exchequer's proposals to become law, the first battle of the coming struggle will have been won triumphantly. If they carry insolence so far as to mutilate or kill the budget, the fight will be concentrated on this fundamental issue between democracy, progress and economic justice on the one hand, and privilege, reaction, and monopoly on the other, and the fight will have to be fought to a finish.

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Radical Taxation Reform in Rhode Island.

Astonishing advances in general sentiment regarding taxation methods are reported from Rhode Island, where the Rhode Island Tax Reform Association (vol. xi, p. 685), has been at work for several years and with especial activity for some months. The movement appears to have derived a vigorous impulse from the notable effects of experiments in temporarily exempting industrial enterprises. These exemptions, which have proved highly beneficial, are about expiring; and consequently both from the enterprises that have been encouraged by them and from those that have been incidentally discriminated against, there is reported a general demand for liberty to the thirty-eight municipalities of the State to adopt the Tax Reform Association's proposal for home rule in taxation. A bill for that purpose, now before the legislature, and under consideration by the judiciary committee, is advocated by many of the most respected business men of Rhode Island. The bill would amend the fiscal section of the general laws for municipalities as follows:

Section 1. Section 3 of Chapter 36 of the General Laws is hereby amended so as to read as follows:

"Sec. 3. They may raise by a tax on real or personal estate or on both, or on improvements or on land, or on both personal estate and land, such sums of money as shall be necessary to pay town debts, or to defray the charges and expenses of the town hereinafter set forth; and may include the town's proportion of any State tax which may be assessed, in the assessment of the town tax and pay the same out of the town treasury; provided, the same be voted at a legal meeting of the electors of the town."

Sec. 2. When any town or city shall exempt any class of property from taxation, as provided in the preceding section, said town or city may assess its ratable property in excess of one and one-half per centum of its ratable value.

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State Railroads for Oregon.

In support of the movement in Oregon for construction of State railroads (p. 176), the Portland Chamber of Commerce has come forward with

a strong endorsement, adopted by unanimous vote. Referring to this action, the Oregon Journal of the 12th says:

The most astute and most powerful business men in Oregon are therefore back of the project. A body of them has been to Salem to urge passage of the measure submitting the amendment to the electorate. What else could have been expected? Are a good and indulgent people never expected to become weary of maltreatment? Oregon has been kind to her railroad owners. She was one of the last States in the Union to undertake control of railroads. She was one of the last five to enact a railroad commission law. Never was a people more indulgent. People are always considerate of corporations. They give them, gratis, franchises that become immensely valuable. They give them the right of eminent domain, which is denied the private citizen. They suffer long in discriminations, arrogance and oppression without even a murmur. They endure much in exorbitant freight and passenger rates, in delayed shipments and inadequate service. The history of all peoples is that they have showered kindnesses upon railroad and other corporations. The enormous wealth of these corporations and their integers is proof that the people have been generous, generous indeed, to a fault. The Oregon people have been the most generous of them all. They have been as innocent as lambs born to be shorn. They have been patience and humility personified. They have stood by and seen railroad earnings collected from them sent away from Oregon to build lines in other States. They have seen their money shipped into other States for railroad development there until their own State stands almost at the foot of the list in railroad mileage. They have seen the man who controls the railroads in their own State desperately disputing inch by inch the effort of other lines to enter Oregon, and have scarcely lifted their voices in protest. Have they not been kind, almost overkind to Mr. Harriman? What else then is to be expected, after all these years of meekness and humility, this meekness and humility that has been answered with increasing discrimination, arrogance and exploitation—what else could be expected than that the business and industrial interests reflected by the Portland Chamber of Commerce should determine to free themselves from an ungrateful and ungracious domination?

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Traction Progress in Chicago.

Plans for consolidating the two traction companies created pursuant to the "settlement ordinances" of two years ago in connection with the traction controversy in Chicago (Vol. xi, p. 868; xii, p. 51), were disclosed on the 17th. According to the Chicago Tribune of that date the City Railway Company, which operates the South side system, is ready at any time to consolidate through a licensee company to be organized under the "settlement ordinances"; but the Railways Company, which operates the North side and the West side lines, wishes "to postpone the deal" to the end of its rehabilitation period in 1911. "The city is in a position," says the Tribune, "to compel the consolidation at once, but there are personal, financial

and political considerations that make municipal interference inadvisable." Continuing its explanation the Tribune says:

It was provided in the settlement ordinances that the city might designate a licensee company to take over and operate the lines of either or both companies, and it is proposed that the consolidated company become this licensee. . . . The new company would pay for each company the price at which the city could purchase for municipal operation and a 20 per cent bonus in addition. It would expect to make up this bonus through economies in unified operation of the two systems. The J. Pierpont Morgan and allied interests in the City Railway are committed to this plan as being the most feasible method of achieving consolidation. It is being considered by a joint committee of the two railways consisting of the following members: John A. Spoor, chairman executive committee of the City Railway; Henry A. Blair, chairman executive committee of the Railways Company; Samuel Insull, president of the Commonwealth Edison Company. It recently was reported that all negotiations for the consolidation of the companies had been declared off on account of the failure of the diverse interests to agree on the price that should be given for the holdings in the Railways Company. This was true in a measure. The plan at that time was that the City Railway interests should buy out the Railways Company interests. The negotiations, however, did not get far along on this course before they discovered its futility. As in the Union Traction tangle, the holders of the securities were scattered all over the country and it was a hopeless task to get in communication with them and obtain their consent to the deal. . . . About the same time, however, somebody in the New York office of J. P. Morgan had an inspiration. He saw the favorable possibilities contained in the licensee section of the traction settlement ordinances, and forthwith proposed consolidation under the terms of that section. This section of the ordinance was inserted at the demand of the most radical of the I. M. O.—Immediate Municipal Ownership—contingent during the traction negotiations and was designed as an easy step which the city might take toward municipal ownership in case it could not raise the money to purchase the properties for public operation. That the present street car interests whom the I. M. O. crowd fought so bitterly should be the first to seek to take advantage of this I. M. O. provision is considered in some circles as one of the delicious ironies of politics. Shorn of its legal verbiage, the licensee section of the ordinance includes these provisions: By the acceptance of the ordinance the company is bound to grant to the city the right and the city reserves the right to designate as its licensee any person, firm or corporation authorized to operate street railways in Chicago. This licensee shall have the right to purchase the property and all franchises of the company at the price at which the city could purchase for municipal operation plus a bonus of 20 per cent of that price. The licensee shall not be required to pay the 20 per cent bonus provided that it shall contract with the city to limit its beneficial interest in the enterprise to the return of the actual money invested plus a bonus not exceeding 5 per cent of that sum and interest on the sum and bonus not exceeding 5 per cent a year. In