

What it probably does signify is that if the Democrats nominate a candidate whom the Republican progressives could not accept, the two principal parties will be split into three. And would the Democratic candidate consequently slip in between the fighting Republicans? This is what Mr. Clark's supporters may expect, but it is an expectation in which they are likely to be sadly disappointed if they get to the experiment. Nearly all progressive Republicans regard Mr. Clark as a life-long Democratic-party war-horse, and this makes him repugnant to Republican voters. His Progressivism is not apparent to them. The same feeling prevails largely among Democratic progressives, both of the old-time and of the recent-convert variety. With a large progressive Republican party in the field, therefore, the whole progressive Republican vote and most of the progressive Democratic vote would go to the third party. In those circumstances the chances are great that with Speaker Clark as the Democratic candidate, the election campaign would be a Taft-Roosevelt primary campaign over again before the summer was fairly gone; and that when the votes were counted, there wouldn't be any Democratic party left—at any rate nothing more than a remnant like that of the Whigs in the early fifties. If Governor Wilson were nominated, the situation might be different. In that event the contest would more likely be dual instead of triangular. It is inconceivable that the progressive Republicans would nominate any one against Wilson; for the progressive Republican vote would be almost united for Wilson, if he were the Democratic nominee. He would probably get all of this vote that either Roosevelt or La Follette could, and he would get a large proportion of the Democratic vote besides. But Governor Wilson might be deserted by Democrats, both progressives and those of the neutral or facing-both-ways variety, in sufficient numbers to turn the scale in favor of Taft. If, however, the Democrats nominate Bryan, not only can there be no formidable third party, but there would be no formidable Democratic defection. Political lines would then be sharply drawn between the reactionary Republican party on one side and the progressive Democratic party on the other, and every voter would go to his own place at the election—Reactionaries of both parties to Taft, Progressives of both parties to Bryan. The Democratic party, thus redeemed from the thralldom of the Interests, would thereupon become the party of progress.



Whoever has had opportunity to consider recent

tendencies of public opinion in both parties regarding Presidential candidates, must have been impressed with the current that has set in toward Bryan since the primary campaigning of Roosevelt and Taft. Not only has it become increasingly evident that none of the other Democratic candidates is in all respects equipped as he for titular as well as actual leadership at the present political crisis, but there are overwhelming manifestations on all hands among the rank and file, of a disposition to rally to his unsought, uncoveted and unattempted candidacy.



Charities and Taxation.

One of the proposals of the Charities and Correction Conference on "standards of living and labor," is somewhat wonderfully, not to say fearfully, made. Recognizing, though apparently in a dim and narrow way, that private monopoly of land values is injurious to the poor, this proposal is for the transfer of a greater share of taxes "from dwellings to land held for speculative purposes." The minority proposal, submitted by Benjamin C. Marsh and Dr. Alice Hamilton, which was defeated, went to the vital point more directly and clearly. It recommended "the gradual untaxing of building and the laying of the tax burden upon the land values." Since the latter form of assault upon the same fundamental wrong was rejected in favor of the other, the proponents of the other ought to explain their *modus operandi* of distinguishing land "held for speculative purposes." If there is any effective way except the taxation of all land *ad valorem*, regardless of the purposes for which it is held, we should like to know it. The only other one we can think of is the confession of the party in interest as to his intentions! But the statement of the majority report is good enough for an abstraction; and for practical purposes with reference to the supporters of charities it may be better than if it were more specific. When you are dealing with the type of privileged person that Tolstoy alluded to in his remark that "the rich are willing to do anything for the poor except get off their backs," to be over-specific is to be under-prudent.



Tax Reform in Missouri.

A report by the committee on municipal finance and taxation of the Civic League of St. Louis, is of general interest and no little value, as indicative of an awakening tendency in professional and business circles with reference to public revenues.

The organization itself is conservative, and the two committee members who prepared the report—F. N. Judson, the nationally distinguished lawyer, and Professor Young of the Washington University at St. Louis—are very far from being reckless radicals. A report on taxation prepared by such men and promulgated from such sources could hardly be expected to make the blood leap in the veins of enthusiastic disciples of Henry George, and there is no probability of its having that effect. But its pronounced recognition of the merits of the Singletax as far as its authors see it clearly, and the halting spirit in which they question the other claims for it, make this report none the less significant as a tribute to the soundness of that reform.



The report has to do specifically with pending amendments to the Constitution of Missouri,* and especially with the one proposing the gradual application of the Singletax in that State. It describes the amendment in these clear and concise terms:

Bonds issued by the State or by its municipalities or other local units are to be exempted from taxation at once. . . . All other forms of personal property, tangible as well as intangible, are to be exempted in 1914, at which time poll taxes, the merchants' and manufacturers' tax, and business licenses of all kinds (except those imposed under the police rather than the taxing power) also are to be swept away. In the case of real property a differentiation is made between land and improvements on land. So far as improvements are concerned, the tax is to be reduced gradually, being levied on three-fourths of the assessed value in 1914 and 1915; on one-half of the assessed value in 1916 and 1917; on one-fourth the assessed value in 1918 and 1919, while thereafter improvements of all kinds are to be exempt. The real reduction would, however, be much less gradual, because improvements to the extent of \$3,000 on each homestead are to be exempt, beginning in 1914. After the year 1919, accordingly, land would remain as the sole object of taxation, except that public utility franchises are also to be taxed, and that it is further provided that the amendment "shall not be construed as limiting or denying the power of the State to tax any form of franchise, privilege or inheritance."



In commendation of that Amendment the Civic League's report argues that it—

has the great merit of doing away with an antiquated, cumbersome, and inequitable system of taxation. The general property tax has been thoroughly discredited by the experience of Missouri and of almost every other State in the Union. The

business license tax is a departure from every sound principle of taxation, is grossly discriminatory, and has no defenders among competent students of taxation. The poll tax is obviously unjust and has already disappeared from the statute books of many American States. The deficiencies of the general property tax are well known. In principle it runs counter to the obvious fact that different kinds of property differ in their ability to bear taxes; in practice it leads to gross discrimination between localities and between individuals, to evasions, fraud and perjury, on the part of taxpayers, and, consequently, to lax standards in the tax administration. . . . Considered on its own merits, and apart from the defects of the present system, the proposed Singletax has certain positive advantages. Its simplicity counts in its favor. It can be efficiently and honestly administered. Its greatest merit, and one that can hardly be overestimated, is that it would effectively remove the sources of all but universal tax evasion, which is not only a school of perjury, demoralizing to our people, but is also a breeder of class hostility; and the moral gain in the removal of these sources of evil cannot be questioned.



Passing from those frankly admitted advantages of the Singletax, this Civic League report refers to others, of which however it cautiously remarks that they "stand possibly on a less secure footing than the ones already mentioned." The most important of these the report bases on the fact that—land unlike other forms of property, is not a product of human industry, but is given by nature. Taxes on land would not diminish its amount. Taxes on other forms of property must, in the nature of the case, exercise a repressive effect on industry. To remove taxes on the products of human industry would, it is urged, stimulate industry, increase the employment of labor and the demand for capital, and lead to the growth of the State in population and wealth. This argument, if sound, is, of course, weighty; but without denying it any validity, it may be submitted that the matter is not quite so simple as it may appear.

Whereupon the report condenses several conventional objections, which, however, it offsets with a confession that nevertheless it is easily possible "that an immediate and temporary effect of the introduction of the Singletax would be an increase in building operations." Proceeding then to a justification of the "unearned increment" tax of Germany and Great Britain rather than the tax proposed for Missouri, the report lingers longingly upon the general property tax which, if it *only* could be fairly enforced would be much better than "a system based on an alleged communal interest in a particular kind of property." The report thereupon advises that—

the Singletax on land and franchise values, proposed in the first of the two amendments to the State Constitution submitted by the Equitable Tax-

*See *Publics* of October 6, 1911, page 1030, and Mar. 29 last, page 293.

ation League, is, on purely fiscal grounds, preferable to our existing tax system in that it is simpler and that it can be more efficiently and more equitably administered.



No better tribute to the Singletax could be paid than this, by business interests that might be expected to avoid it if they could, fearing its democratic effects in industrialism, and from able experts who, though they balk at broad principles of communal readjustment, are forced by the logic of circumstances and their own common sense and sincerity, when confronted with the question practically, into the pathway of those very principles. To the Singletax movement this report should be all the more welcome from the manifest reluctance of its assent to radical Singletax doctrines. It is not a profession, the motives of which might be questioned outside the business circles from which it comes; it is a concession, the good faith of which it would be absurd for any one to question even in the absence of the deserved reputation of its authors for probity and ability.



THE SINGLETAX PROGRAM.

When any man of good intelligence, good conscience, a civic mind, and the courage of them all, begins investigating the Singletax, he is on the road to becoming a convert.

His investigation will sooner or later bring him to these conclusions: (1) That the Singletax is just; (2) that the Singletax is the most efficient, unescapable and easily collected tax that can be devised; (3) that the public income from the Singletax will be sufficient to defray the expense of vast government improvements of great utility, which cannot be attempted under the present system of taxation; and (4) that the Singletax will bring about a great equalization of industrial opportunity.



The first objection that rises in a conscientious mind, and in some minds that may not be so conscientious, is the thought of confiscation.

Here, for example, is our friend, John Smith, who has just bought a \$10,000 lot in our town and paid for it with good money of his own, which he has himself earned. Wouldn't the community steal that money from him if it adopted the Singletax?

The case can be disposed of logically in a manner that will doubtless suggest itself to any one at all conversant with human history, human

law, and the natural laws of human association. Smith's lot never was real wealth; neither Smith nor the fellow he bought of ever produced or owned it; its value does not come from either, but from social growth. It cannot be unjust, then, to deprive him of it. He has never owned what any one can claim just title to.

Any attorney of experience will tell you that stolen property belongs to the owner, no matter how innocent the purchaser was at the time of purchase. If John Smith bought of Bill Brown a \$100 horse which Bill Brown had stolen, any court in the land would restore the horse to its original owner regardless of Smith's loss of his own good \$100 of money. In the same fashion, when the people of one generation discover that their planet has been stolen by an earlier generation and is now held by purchasers, they would be perfectly justified in taking it back, willy nilly. This procedure would be, as Kipling puts it, to—

. . . push the logic of a fact

To its ultimate conclusion in unmitigated act.

The daily confiscation from the community of community values, seems to excite no remonstrance from the ordinary citizen. For instance, a friend who purchased a vacant lot last month sells it today for \$1,000 more than he gave for it. Its site-value had increased \$1,000 in one month. Why? Because of the number of new people who had come into the community. Site-value in this instance depends largely upon the number of people who daily pass by the site. If, for instance, it is worth \$1,000 when five hundred people pass it daily, then it may well be worth double that amount when 1,000 people pass it. (I make no effort to be accurate in figures; I use them merely to illustrate a principle.) Since the community, not the purchaser, has created this value—this increment, this premium—does it not belong to the community and not to the purchaser? Is it not clear that our present laws allow our purchasing friend to confiscate just that much of the community's earnings?

As a community grows, it needs more money to conduct its business; what more natural or equitable, then, than that this increased expense be met by increased premiums for sites, by those ground values which directly result from community growth?



If the Singletax were put into effect all at once, it would certainly work a hardship on our friend John Smith, and on all others of his class; but under our present system daily confiscations occur by those in the class with our other friend, and on