

most powerful, and the most absorbent of power, of all the trusts. They may not contract contrary to the Sherman law, they may not conspire, they may not connive and fight to choke competition. But they don't need to. They have it choked to begin with. The Steel trust with its monopoly of mineral deposits and terminal points, and the Harvester trust with its control directly of its lumber supplies and indirectly through the Steel trust of its mineral supplies and terminal facilities, can absorb the earnings of the masses and yet be as "good" as a star-scholar at Sunday school. If Mr. Roosevelt's distinction between good trusts and bad were defined, the difference would probably not be far from this: A good trust is an exploiting industrial organization which has its feet firmly upon the ground, and, reaching out lawfully for what it wants, gets it; a bad trust is an exploiting industrial organization which has its feet in the air, and, kicking about boisterously for what it wants, gets it if the good trusts don't want it.



Secrets of the "Money Trust."

Great anger has been excited among the senior crowd in Wall Street by impudent interrogatories of the Congressional committee investigating the "money trust." Mr. Morgan is reported to be much wrought up over the "impudence" of that committee. Another finance "sharp" of renown "would like to be jailed" for refusing to answer these impudent questions, for then he would "get a writ of habeas corpus and fight the action right up to the Supreme Court of the United States," which "would probably take three years and by that time most if not all of the politicians now in Congress would be out of office." His confidence in the supreme power of the courts blinds him to the fact that if Congress refused to obey the mandate of a branch of the government only co-ordinate with itself, he might have to remain in duration until his financial friends had bowled out those inquisitive Congressmen. These irritated financial gentlemen are perfectly willing to have the "money trust" investigated, *provided its secrets are not exposed!* That is the substance of what they say. But if its secrets are not exposed, how are its crimes to be checked?



Charles Frederick Adams.

Charles Frederick Adams, the New York lawyer of whose interesting career we told two years ago,* has since that time made two lecturing tours

across the continent—through the Canadian Provinces as well as the Middle, the Northwestern, the Rocky Mountain and the Southern States,—and is now devoting three weeks to the filling of daily appointments in Chicago. His speaking style and charming personality have been cordially recognized in every part of the country and by every class of auditor; and his fairness to all persons, theories and interests, his wide and profound learning and clear thinking, his exactness and eloquence yet spontaneity in exposition, make his message universally welcome whatever his special subject may be. The confidence and affection in which Mr. Adams has been held in Brooklyn, Washington and New York from early manhood, have begun to attach to him in the wider society of the whole continent in his maturer years. He is to speak on the 10th, in Kimball's Cafe, at the dinner tendered to Margaret Haley by the Chicago Single Tax Club on her return from the Pacific Coast and in honor of her work in the Seattle Singletax campaign.



TYPICAL OBJECTIONS TO LAND VALUE TAXATION.

The intense weakness, intellectually, of the opposition to land value taxation, a weakness which was demonstrated in the recent anti-Singletax campaign in Seattle, is emphasized in the Missouri Singletax campaign now opening, and also in the campaign in New York City, for progressively shifting taxes from improvements to land values.



In Missouri, an opposition organization has been set on foot which, in the name of "the farmers of Bates County"—though not with the approval of any considerable number, as we venture to hope out of regard for their intelligence—puts forth these extraordinary "arguments" against the Singletax:

That it places the financial burdens of government upon producers, though all receive equal protection and benefits; that when applied to the fullest extent it is destructive of land values; and that in this country land values do not belong to the people as a whole, because the government, which is of the people, has by Constitutional laws duly conveyed the public domain to individuals for a consideration and provided that all property should be taxed.

If it were possible to bring fallacy to the aid of falsity more transparently than do those apologists for land-value grabbing in Missouri, the

*See The Public of June 10, 1910, page 532.

organized real estate owners of New York City would have achieved the feat. Against the Sullivan-Brooks bill, those private-spirited persons argue that the shifting of taxes from improvements to land values would increase taxes on improved real estate, where the value of the buildings is less than the value of the land, thereby lessening taxes on skyscraper property and palaces and increasing them on cottages and vacant land; that it would so reduce the value of vacant land as to wipe out slender equities, thereby causing mortgage foreclosures and panic; that it would encourage intensive use of land, thereby increasing congestion of population; and that the expense of civil government is for the protection and benefit of buildings and their inhabitants and not for vacant land.

Let us take a bird's-eye view of those objections. There may be interest in the matter beyond the confines of New York and Missouri.



Objection: The Singletax places the financial burdens of government upon producers, though all receive equal protection and benefits. **Answer:** (1) *The Singletax exempts all producers from all taxation.* (2) *It takes for public revenues only land values, those values of land which are due not to individual effort but to general conditions.* (3) *To the extent that those values are untaxed for general use, the benefits of government are not equal; for land owners are thereby allowed private incomes out of a common fund.*

Objection: The Singletax, when applied to the fullest extent, is destructive to land values.

Answer: (1) *As to capitalized land values (selling price), this is true; but as to annual land values (ground rent), it is not true except to the degree that ground rent is now abnormally high because land speculation abnormally lowers the supply of land.* (2) *Both as to capital value and annual value, the Singletax would deprive land owners of only so much land value as is due not to individual effort but to general conditions—approximately to the full if fully applied, and in degree if only partly applied.*

Objection: In this country land values do not belong to the people as a whole, because the government, which is of the people, has by Constitutional laws duly conveyed the public domain to individuals for a consideration. **Answer:** (1) *No government of the past may irrevocably sell in perpetuity the natural heritage of future generations.* (2) *Our government never sold the land values of the present and future; and could not, for that would be in effect the sale in per-*

petuity of a power of private taxation. (3) *As the Constitutions and laws under which our government sold were by their own terms amendable, any rights acquired are subject to that reservation; and when those laws and Constitutions are duly amended, all transactions under them are void if the amendment so declares or to the extent that it so declares. Therefore, the question raised by a Singletax amendment is not whether it would destroy private ownership of land values but whether it is in the public interest. Any of our Constitutions and laws which provide that all property shall be taxed, may be amended without depriving any one of any rights. The power of taxation is a power about which all publicists are agreed that it must not be tied up.*

Objection: The shifting of taxes from improvements to land values would increase taxes on improved real estate where the value of the building is less than the value of the land, thereby lessening taxes on skyscrapers and palaces and increasing them on cottages and vacant land.

Answer: (1) *If taxes were increased on improved property where the value of the building was less than the value of the land, the increase would be at the expense of land monopoly and to the gain of the building trades. What real objection is there to this?* (2) *To exempt palaces and skyscrapers would tend to make palaces and skyscrapers cheaper, and thereby to increase employment and stimulate trade in building lines; to increase ad valorem taxes on vacant land would tend to make all land cheaper, and thereby to increase employment and stimulate trade in all lines.* (3) *To increase taxes on cottage sites while lessening taxes on cottages is quite a different thing from increasing taxes on cottages.*

Objection: It would so reduce the value of vacant land as to wipe out slender mortgage equities. **Answer:** *If the tax were high enough this would be true. If it were enough higher it would wipe out the whole capital value of vacant land. But if it did either, only land monopolists would lose while land users would benefit. Since one or the other must lose, which shall it be?*

Objection: It would encourage intensive use of land, thus increasing congestion. **Answer:** *This objection needs explanation in connection with the one immediately preceding. If shifting taxes from the value of improvements to the value of sites would reduce the value of vacant land, how could it increase congestion? Do people huddle most where land is cheap, or where it is dear?*

Objection: The expense of civil government is for the protection and benefit of buildings and not

of vacant land. *Answer: How much would vacant land be worth in the real estate market of any community where titles to land were not protected? Little or nothing. Civil government increases the market value, not of building but of land. It must therefore be for the benefit, not of buildings but of land, including vacant land. Does any one honestly and seriously deny it?*

INCIDENTAL SUGGESTIONS

REFLECTIONS FROM THE "EASTERN SHORE."

Westover Farm, Md.

Between Chesapeake Bay and the Atlantic lies the Eastern Shore, originally explored from Virginia by people who crossed the bay to "make" salt, by evaporating bay water in "pans" fashioned on the flat, clean, sandy beaches of the Peninsula. While the well-filled "pans" were drying down, excursions were taken into the heavily wooded interior, by way of tide water streams that wound by "many a curve" deep inland from the bay. Settlements were made along the streams, for generations the natural and only highways, which accounts for the late development of country roads. These settlements by individual families were on lands granted by patents from the Crown. Some of the old grants are still held in the families of the original grantees, and the houses first built, of brick imported in ballast, are still in use.

At the head of navigation on the longer streams, clustered settlements became villages and towns. Ships from England engaged in traffic with the factors, merchants, planters of these towns; and many plantations had wharves and docks to receive and ship without aid from middlemen.

Large estates, great areas of land, are of no value to any proprietor unless he can find labor to operate his land; so the lace bedecked cavalier had to have his servants. Therefore English magistrates, from Cromwell down, transported to the Colonies vagabonds produced by industrial conditions, and the captives of pillaged cities, in vast numbers as bondsmen. This form of slavery continued until the importation of Negroes took its place. The labor of those bondsmen and of Negro slaves gave the landowner that life of luxurious ease which sustained the distinction between "landowner" and all others. The "poor white" became a distinct complementary class at the same time.

While landowners as a rule were kind to their slaves, the "poor white," unenfranchised, had no one to pity him or his family. His condition was one of hopeless, helpless poverty and ignorance. At times, invited to the tables of men who despised while they used them, "poor whites" were also complimented by invitations to become "patrollers." Bands of them, led by one "respectable" landowner,

mounted on landowners' horses, armed with raw-hide whips, roamed the highways—"patrolled" the roads at night, lashing till all hands were tired out, every Negro, slave or free, they chanced to find. The landowner spent half his time visiting, and the other half entertaining. Tables groaned with an abundance and quality that gave name and style to a famous cuisine; while a continuous merry-go-round of feasting, hunting, racing, dancing and sport, filled up the year.

Up to 1850 and later, horse-carts, wheelbarrows, even ax helves, were brought from north of Mason and Dixon's line. Store bills were settled once a year, about Christmas time; but there was nothing to exchange but the produce of agriculture. And there was no profit, as it usually took everything produced to meet the year's obligations.

Nature takes care of her own, even as to the fertility of land. A system of agriculture so managed produced its natural results. The land just "quit working," precisely as a starved mule would do. And those who could not find profitable employment on land farms took to the water farms.

These water farms of Maryland were (and might now be) more productive than all her grain fields and orchards. They have stood between labor and its subjugation, by offering a living to everyone who could rent a boat or handle an oyster dredge; proving again, if need were, that no man will accept less for toil for others than he can secure by toil for himself, the one vital factor being freedom of opportunity to toil for himself. Efforts have not been lacking to twist the grapple hooks of monopoly into this form of opportunity.

The partial independence of a labor class is grievous to every type of monopoly; therefore, to "keep the nigger working," as well as every other man not of the elect, various and manifold devices and experiments have been employed. They run from a Prohibition that does not prohibit, to a ballot and a ballot law that has disfranchised at least thirty per cent of the voting population of portions of the State.*

In Maryland, as elsewhere, there have been observed indications of a working understanding between ostensible leaders of presumably hostile party organizations. It is surmised that the proprietors of the minority (Republican) party organization, some of whom hold Federal offices, are not at all anxious to see their party too successful at election times. A chance for a change in party proprietorship might imperil positions now filled to the entire satisfaction of the incumbents. It results that men of all parties who are genuinely democratic feel compelled to oppose the professedly Democratic agents of those very monopolies that Progressives oppose everywhere. They debate the need for a new association of progressives.

The stages of civic development are easily traced.

*Since December, 1911, a new law is to be tried, a law that is ostensibly as fair to one as to any other.—W. G.