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THE

# SINGLE TAX REVIEW

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out the World



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THE LATE JOSEPH FAIDY  
( See page 28 )

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## SYMPOSIUM ON THE QUESTION OF INTEREST.

WILL INTEREST DISAPPEAR UNDER THE SINGLE TAX, OR WILL IT PERSIST?  
THE QUESTION DISCUSSED IN ALL ITS BEARINGS.

Following are the articles called forth by the essay on "Henry George's Theory of Interest," published in our Autumn number from the pen of the late Mr. Joseph Faidy, of New Orleans. This discussion has an added interest, owing to the sudden and untimely death of Mr. Faidy, and the enthusiasm with which our late brother espoused the new theory of interest. For ourself we think it unsound. We are disposed, too, to think that even in his discussion of the subject he confused his terms, a confusion which some of our contributors indicate in the papers that follow.

But whether Mr. George's explanation of interest is adequate, is another, though not really an important question. It will be observed that by but few of the writers of the following papers is it regarded as satisfactory. Those who differ as well as those who agree with Mr. Berens seem to balk at accepting Mr. George's theory as the final word on the question. To those who read this, and are not Single Taxers, it may be well to say that these differences of opinion on interest do not affect in the slightest the agreement on the great fundamental proposition which the genius of Henry George made clear to men. Interest is either natural, or it is not. If it is not, it will disappear under the reign of natural law which the Single Tax will inaugurate. But if it is natural, then it will persist, and its persistence will wrong no one. In the rule of economic freedom all laws are beneficent.

It may be of value to point out that much of the difference of opinion in the papers that follow arises from the different definitions that are adopted, or, we should say, from the different methods of statement. Thus, Mr. Chase's contention that men will always be willing to pay interest "because the production of wealth takes more or less time," and Mr. Cummings' statement that interest arises because of the desire of men for a present utility greater than their desire for a future utility, are, it will be seen, practically identical as an explanation of the phenomenon of interest. May we not also observe a shade of the same agreement in Mr. Berens' distinction of "enjoyable" and "serviceable" commodities, since the "enjoyable" commodities are paid (or pledged as future payment, or interest) for the "serviceable" commodities needed for immediate production?—THE EDITOR.

BY LEWIS H. BERENS.

In the fall of 1885, or the spring of 1886, three well-known South Australian Land Reformers, William Liston, A. W. Rayment and Ignatius Singer, were gathered together one evening at the house of the first-named at Kapunda, South Australia. Naturally enough the conversation ranged round the different aspects of the great question in which they were all so keenly interested; but it was only late in the evening that it transpired that each of them, independently of each other, had found himself compelled to reject, as fallacious, Henry George's well-known contention, that "Interest springs from the power of increase which the reproductive forces of nature, and the, in effect, analogous capacity for exchange, give to capital. It is not an arbitrary but a natural thing; it is not the result of a particular social organization, but of laws of the universe which underlie society. It is, therefore, just."

On October 5th, 1886, the present writer gave an address before the Adelaide Allgemeine Deutsche Verein on "Capital," Mr. Singer accompanying him to the meeting. After the lecture, as they were walking home together, he asked Mr. Singer, "Well, was the lecture all right?" "Yes," was the reply, "it was all right; there was, in fact, only one thing the matter with it, and that was that you did not deal with the subject of your address." By this time we had reached my house, and I insisted on my friend coming in; and after we were comfortably seated in our chairs he asked me what I really meant and included under that mysterious and ambiguous abstract term, Capital. I gave him, I think, the definitions and explanations I had gathered from our great Master's immortal and classical work, "Progress and Poverty." He listened quietly until I had finished, and then said, "Yes, I have read all that; but if Capital, the third factor in production, be, as Henry George contends and as I at once admit, 'only a part of wealth—that part, namely, which is devoted to the aid of production,' then a spade may be taken as the type or concrete example of all capital; and I should like you to reconsider your conception of both capital and interest in the light of this view." I think I immediately realized the importance and necessity of my acting on his advice, and I distinctly remember saying, "You have given me something to think about; but I wish you would go now, as I shall not be able to sleep till I have acted on your suggestion." After he had gone I carefully re-read the chapters in "Progress and Poverty" bearing on the subject, viz., Chapter II, Book I, and Chapters III and IV, Book V, and then carefully reviewed in my mind the whole question at issue. It was late, or rather early in the morning, before I went to bed holding practically the same views on the questions of Capital and Interest as I do at the present time, and which I have endeavored to elucidate in my book, "Toward the Light," to which Mr. Joseph Faidy so flatteringly referred in his article under the above heading in your Autumn Number.

The second time I discussed the matter with my friend, we were seated in a confectioner's shop; and I still remember the smile on his face when he said, "Fancy all the real capital in this Colony being destroyed, and the proprietor of this shop rushing forward with his piles of sponge cakes and sweets, which in common parlance represent his capital, telling his fellow-citizens not to be alarmed as there was still some capital left, which he was willing to place at their disposal. How could such things aid production? They may be regarded as wealth in course of exchange, but not as capital, if this term is to include wealth devoted to or capable of aiding the production of more wealth."

Thus it will be seen that I can claim neither priority nor originality for any discovery of new views on the question of Interest, even though, in Australia at least, owing to other circumstances, my name may have been more closely

associated with them than that of any of my co-workers. As it may interest some of your readers, I will briefly relate these circumstances.

By referring to the files of *Our Commonwealth*, a local Land Reform and Radical newspaper, edited by Mr. Singer, the first number of which appeared in May, 1886, and the last in August, 1887, and copies of which were sent, amongst other people, to Mr. Michael Flurschein, then living in Germany or Switzerland, I find that on July 3rd, 1887, I gave a lecture at the Adelaide Democratic Club on the question, "Would Land Nationalization abolish Interest?" Reading it over to-day, it does not appear to me to be either a strong or a good presentation of the case, but the following extracts may interest Mr. Faidy and others of your readers. In my opening remarks I said :

"At the present time a man in exchange for a certain amount of wealth can secure the legal right to extort tribute *for ever* from any one wishing to live on or utilize certain portions of the earth's surface. This is facetiously called 'investing capital;' and it is really this power so 'to invest capital,' which gives capitalists the overwhelming power they now have. The question to be discussed to-night is, 'Were such means of investing capital abolished, would interest on capital be abolished also?'"

I then continued :

"Most of you know that nationalizing the land simply means leasing it in such a manner or taxing its value to such an extent that its mere ownership would confer no advantage on individuals. The ever increasing land values would accrue to the State, and the use of the land would be secured at its lowest rental value to those who would put it to its best use. \* \* \* What is Interest? Interest may be defined as a return for the use of wealth. But what is wealth? Wealth may be defined as accumulated labor. It is anything bearing the impress of human labor which gratifies, or helps to gratify human desires. Capital is part of wealth, namely that portion which facilitates future production. In my opinion it is restricted to machinery, tools, means of transport, and so on. I shall illustrate this later on; in the meanwhile you will please remember that all wealth is accumulated labor; and, all capital being wealth, capital is also accumulated labor. Interest, then, can be defined as a reward or wages for the use of accumulated labor. I am not going into the question as to whether it is justifiable, but rather as to whether you will be able to get it. I should like to remark in passing that Henry George's justification of interest, as natural and therefore just, is fallacious; that which he declares to be the national basis of interest is, according to his own showing the natural basis of wages."

And after a long discourse on Wages, Landlordism, and National Debts, I concluded as follows :

"When the shackles fall off production, they will fall off exchange also. The protection the workers require is not against one another, but against those who are robbing all of them, in all countries, of their wealth, health, happiness, and often of life itself. Wealth to be reproductive must be used either as capital or as wealth in course of exchange. To use same requires labor. Under the new condition of things the wealth will be secured to and accumulate in the hands of the workers. Will those who have accumulated wealth, and wish, as they do at present, to derive incomes from it without working, will they be able to obtain same? I will tell you what will decide this question—the law of supply and demand, which determines values. If the workers have enough wealth of their own, they will give nothing for the use of that belonging to others. If on the contrary the use of increased wealth will increase their earnings, the holders of same may be able to derive an income for allowing others its use. We must remember, however, that most forms of wealth are perishable \* \* \* so that people who do not want to consume their wealth immediately, nor to work with it, may perhaps find some difficulty in preserving it and saving it until they do. Hence it is quite possible that they may be called upon to pay a reward for the preservation of such wealth. The German Economists have already coined a word for this, viz., 'Werthverwahrung.' We can, however, safely leave the law of supply and demand to settle this matter to the advantage of the whole community."

Crudely worded as much of this is, the observant reader will find in it the germs of the same ideas as I have endeavored to work out more elaborately in my recent book.

A few months subsequent to the publication of this lecture my friend and active co-worker, Mr. John Farrell,\* then editing the *Lithgow Enterprise*, wrote

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\* Deceased. See obituary notice in another column.

an article in his paper in which he regretted that some Georgians did not agree with Henry George on the question of Interest, and expressed the belief that such men could not have seen "all the cat." I ventured to take up this challenge, and sent him an article on the question which concluded as follows :

"Wealth to be reproductive must be utilized, and in being utilized is more or less speedily consumed. The owners of same will naturally not allow it to be consumed or utilized by others unless they are secured the return of its value, and, if possible, a premium for its use. But to utilize same requires labor; and, what is equally important, to preserve same requires labor. Hence it may happen that those requiring others to utilize or to preserve their accumulated labor, wealth, may have to pay a premium for its preservation, instead of as now receiving a premium for its use. \* \* \* Neither an individual worker nor any body of workers will pay a premium for the use of wealth belonging to others so long as they have sufficient wealth of their own. \* \* \* Thus we see that it will much depend upon circumstances whether a 'capitalist,' not wishing or able to use his wealth himself, will be enabled to command a premium for its use, or himself have to pay a premium for its preservation. \* \* \* To illustrate my meaning: A has a plane. Now a plane is wealth; it is also capital according to George's first definition of this term. If A puts the plane entirely on one side for twelve months, it will probably depreciate in value, get rusty. If A wants to preserve its value, he will have to look after it, or pay somebody else to do so. Now supposing B is a carpenter. If he has sufficient planes of his own, he will give nothing in exchange for A's plane. But supposing he wants one and that there are plenty As with planes, then one of them will soon be glad to save himself the trouble of looking after it and to let B have its use if he will return him its value. During the year B uses up the plane; the results of his work represents the value of his labor *plus* the value of the plane. The value of the plane he returns to A, and the surplus he keeps for himself as his wages or earnings."

In the next number of his paper Mr. Farrell admitted that for the first time he had been shown what he thought was a fallacy in our common Master's great work, "Progress and Poverty." And when Henry George came out to Australia some two years later, Mr. Farrell on his arrival asked him, with perhaps more zeal than tact, whether he had reconsidered his views on Interest, adding that there were few of those in the front ranks of Australian Land Reformers who agreed with him on that question.

Many passages in George's last work, "The Science of Political Economy," more especially, perhaps, his references to capital, on pages 406 and 414 (Memorial Edition) lead me to think that he was reconsidering his position on this merely academic question; but whether this was due to anything any of us of the Australian school of Land Reformers had said or written, I have no means of judging. But I should like here to express my keen appreciation of the fact that, as was only to be expected from such a man, of whom I am proud to claim discipleship, that he never allowed any such minor differences to diminish his appreciation of any books in which expression was given to them, or of the men who avowed them. And speaking for myself and co-worker, Mr. Singer, I may say that nothing gratified us so much as the warm congratulations we received from him on the appearance of our joint work, "The Story of My Dictatorship." Its great sale in America was, we well know, due almost entirely to his appreciative notice and personal interest in our work, even though he rightly felt bound to warn his followers that "Doctrinally there is only one point on which I would differ. It is in the assumption that the carrying out of the Single Tax would abolish interest. To me it seems that the effect would be rather to increase than to diminish the rate of interest. But this is a matter of only speculative importance, and is not given prominence in the book."

In conclusion may I say, in reply to Mr. Faidy, that I do not agree with him that the acceptance of the view that the withdrawal of land from the market as a means of investment and the concurrent stoppage of the issue of interest bearing bonds by responsible Governments would abolish interest, in any way makes Land Nationalization by means of purchase preferable to Land Nationalization by means of gradually increased taxation of land values. In the first



place, the former is quite outside the field of practical politics, the latter steadily gaining ground in every constitutionally governed country in the world. In the second, to use his own words, "The evil of private land ownership is two-fold; there is the first loss in payment to private individuals of rent for land actually in use; secondly, the strangulation of production due to the holding of land out of use, *and this last is the greater of the two.*" And it is this last that would be immediately broken down and utterly abolished by the adoption of that simple, effective and far-reaching fiscal reform we owe to the genius of Henry George, the Taxation of Land Values.

LONDON, ENG.

BY JOHN FILMER.

In the Autumn Number of the REVIEW, Joseph Faidy, writing under head of "Henry George's Theory of Interest," expresses his disbelief in that theory and his acceptance of that advanced by Mr. M. Flürscheim.\* He also has much to say in his paper in favor of land nationalization by purchase, which he believes would be greatly facilitated by "the new theory of interest."

I do not intend to discuss either Henry George's theory of interest, or "interest" *per se*, but to make a few remarks bearing on the reasonableness of Faidy's statement of what he denominates the true theory of interest, which is as follows:

"Interest exists on account of the opportunity to invest capital in land, which, unlike any other thing that is bought and sold, possesses the capacity of yielding revenue in perpetuity and without labor."

In a note which he places at the head of his paper, Faidy defines economic terms.† In what I have to say, these definitions will be adhered to. Capital, he says, "consists of labor products that are intended, not for immediate consumption, but to aid in further production."

The investment of capital in land is an exchange—the exchange of "labor products intended to aid in the production of wealth" for "land." Each party to an exchange gets something he desires more than what he parts with. The transaction is, therefore, mutually advantageous.

When land is used by its owner "rent" is returned to him in the results of his use of the land; when capital is used by its owner, "interest" is returned to him in the results of its use. In these cases neither "rent" nor "interest" is differentiated from the results of labor, but when a land owner lets some one else use his land and an owner of capital loans it to another to use, "rent" and "interest" are differentiated and separated from the return from labor—wages; the land owner receiving "rent" and the owner of capital "interest."

But, because land can neither be created nor destroyed by man, Faidy assumes that it possesses the capacity of yielding revenue in perpetuity and without labor; and because it possesses these attributes he claims that the opportunity to invest capital in land arises.

That land will yield revenue in perpetuity needs qualification. In perpetuity means without end. Land being indestructible, its capacity to yield revenue would never cease. Facts are opposed to this. Land which in by-

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\* "Private Rent the Mother of Interest" is Flürscheim's way of stating his theory in his book, "Rent, Interest and Wages."

† For the information of persons who have no previous knowledge of political economy and especially of the Single Tax doctrine it may be well to state that the terms land, labor, capital, wealth, rent, interest, are used in the sense in which they are defined in "Progress and Poverty." Land means the earth; labor is all kinds of labor both physical and mental; wealth means labor products, useful for the satisfaction of human needs; capital consists of labor products that are intended not for immediate consumption but to aid in further production; rent is the return from land; interest the return from capital

gone times was densely populated by highly civilized people and yielded revenue, is to-day a barren waste. Its once magnificent cities now lie buried beneath heaps of unproductive "land," the accumulation of centuries. The land upon which these cities stood has for centuries yielded no revenue. Again, the statement that land will yield revenue without labor needs to be modified. For, while it is true that some land has yielded revenue for many generations past and may continue to do for generations to come, without any labor on the part of the owner, yet it is equally true, that if those who occupied the land did not labor it would yield no revenue to either owner or user. But land *values* which come into existence with the presence of population, as we say, and increase with the co-related activities of the people, like all other things that are due to man's presence upon the earth, are perishable. Yet it may be conceded that land *values*, while not so permanent as land itself, are yet more enduring than the material productions of men; some land retains the capacity to yield revenue through many generations of men, while the capacity of products of human labor—capital—to yield revenue ceases with its own existence.

But why should "capital" cease to yield revenue when it ceases to be profitable to invest capital in land? The market price of land, as we know, is the capitalization of its untaxed rental value. The public appropriation of the full rental value of land will, therefore, leave no rental value for land owners to capitalize. No one then would be willing to exchange capital for land. Both the incentive to *invest* capital in land and the necessity of *buying* land for use would simultaneously disappear.

But Faidy assumes when land ceases to yield "rent" to its owner, that capital will cease to yield a return. As a Single Taxer, he understands that concurrently with the public appropriation of the rental value of land taxes on labor and labor products will cease; that the effect of the former will be to free natural resources to labor, and thus to open the way for many to employ themselves, who are now debarred from doing so; of the latter, to leave to the enjoyment of the laborer a larger proportion of his product; and their joint effect, to liberate a vast amount of pent-up human energy. Demand for wealth, in its various forms and for services that do not result in material forms, that tend to satisfy human desires, would as a consequence be greatly stimulated. Can it be possible that capital forms of wealth would then become super-abundant, and that the owners of capital would stand in the market place begging others to take their capital and use it, asking nothing in return? To answer this question affirmatively leaves out of consideration, it seems to me, the dominant factor—*human* nature.

"Man seeks to satisfy his desires with the least exertion." In conformity with this law capital came into existence and it has increased as human wants have increased. Capital is the mediate means of satisfying the immediate wants of man. An equilibrium exists between the mediate means of production and the things that satisfy immediate wants. In the very nature of things the supply of capital coincides with the demand for all other things which it aids in producing. Demand for bread, for instance, involves demand for wheat or other grain; demand for grain, the demand for agricultural implements, machinery for grinding; the means of transportation, storage, and finally converting into bread. And so likewise the demand for clothing, and for every other thing that satisfies the immediate wants of men, involves the demand for the mediate means—capital—of producing them. Supply is the response to demand, and demand becomes effective in proportion as the source of supply—land—is accessible to labor.

Owing to the mis-appropriation of "rent," the movements of the industrial body have become eccentric. But should "rent" be appropriated for public

use, and the artificial and arbitrary restrictions to production and exchange, which have come into existence in consequence of private appropriation of "rent" abolished, the motion of the industrial body will become centric. The desires of men will then have a natural outlet, the demand for the means of satisfying them greatly stimulated, and will outrun the supply.

Under such conditions, conditions which Single Taxers hope and expect will prevail when the principles they are contending for shall have been established, men, individuals, will still seek to satisfy their desires by the least exertion. They will produce capital as a means to this end, and only with the reasonable expectation that it will yield a return.

It seems contrary to reason, therefore, to conclude that "capital" will cease to yield a return in consequence of the substitution of public for private ownership of "rent."

BROOKLYN, N. Y.

BY S. J. CHUBB.

Joseph Faidy, discussing in the Autumn Number of the REVIEW Henry George's theory of interest, commences with the statement that the fallacy of the theory begins to look like a certainty; but says it is a matter of congratulation "that the new theory, *if it is sound*, [italics ours], not only reinforces the rest of his philosophy from a theoretical standpoint, but will tend greatly to facilitate and expedite its practical accomplishment."

I agree with Mr. Faidy that there is no doubt of the fallacy of Mr. George's theory, and that it is a matter of regret that this defect should exist in his work. And, no doubt, the true theory, when made known and generally accepted, will tend to support the great principles which have become so closely associated with his name, and to hasten the date of their practical application.

But I cannot admit that this new theory, which Mr. Faidy accepts with so much confidence, dividing the honor of its discovery between Messrs. Berens and Flurscheim, is in any degree nearer the truth than that of Henry George. Its promulgation in Mr. Berens' very interesting little book, "Toward the Light," may, however, be the means of leading thoughtful minds to the discovery of the true theory; for, though the light of truth does not seem to have reached the author with the clearness that might be desired, yet the book proves its right to its chosen title by dispersing a good deal of the fog with which that light has hitherto been surrounded, and leading its readers, if not right up to the light, well on the way toward it.

In his chapter on interest, Mr. Berens, quoting some of the words of Henry George, puts the question, "Is interest, or the premium now obtainable for loans, which has now to be paid for the use of wealth, a natural or an arbitrary thing? Is it the result of the laws of the universe which underlie society, and therefore just? or is it the result of a particular social organization, and therefore but the robbery of labor which under social conditions based on natural law, upon justice, would tend to disappear?" In a previous chapter he has shown that "the reciprocal exchange of services is the animating principle of peaceful, voluntary association, the inspiring principle of all social life."

The question, therefore, resolves itself into this: whether in the payment of interest there is such a reciprocal exchange of services between the borrower and the lender. A suggestion of the answer to this question is conveyed in Mr. Berens' classification of wealth in two divisions, the one consisting of "enjoyable," the other of "serviceable," commodities. The latter being such as are usually classed as "capital," those for the use of which interest is paid. Is it not paid in return for their "service" to the borrower?

To the word "capital" Mr. Berens objects, designating it a "mystic and mysterious term, calculated to confuse and perplex rather than simplify and enlighten." He prefers the word "tools" to express those auxiliaries of production commonly known as capital. But here he is met with much the same difficulty, for, while the word "capital," as commonly used, includes too much, the word "tools" has too limited an application; and he has to use it in a broader sense, making it include all those things which he elsewhere classes as "serviceable" commodities. Including the seed of the agriculturist, as well as his spade or plow.

The fact is, the terms in common use will none of them serve for exact reasoning without some modification in their application. When we begin to think more definitely it becomes necessary to use words in a more definite sense to convey our thoughts. The important point in the present case is to have a clear idea of the nature of the distinction which exists between wealth in general, comprising all the products of human industry, and that limited portion of wealth which has relation to interest, and which is usually denominated "capital." If this term has been used variously and with uncertain sense by past writers, it is because their ideas of this distinction were vague, and differed with each writer. While such was the case the substitution of any other term would not have helped the matter, for it is not possible to express a confused idea in clear and definite terms. With a clear idea of the thing itself, the word "capital," properly defined and limited in its application, is, perhaps, the most suitable term that can be chosen for its expression.

While discussing this term Mr. Berens says that "Even the master mind of Henry George seems to have been perplexed when confronted with this elusive and delusive term." George's exceedingly simple and comprehensive definition of capital as "that part of wealth which is devoted to the aid of production" does not seem to indicate perplexity of mind. Indeed, the perplexity seems rather to be in the mind of Mr. Berens, for, while Mr. George makes it perfectly clear that in his view the test of capital is in the use to which the wealth is for the time being devoted, Mr. Berens leaves it vaguely indefinite whether he understands the distinction to be in the use to which things are devoted, or in the nature of the things themselves. George is not inconsistent, as Berens intimates, in including stocks of merchandise, for this is wealth devoted by the merchant to the aid of his labor. It is the chief "tool" of the merchant, using the word in the broad sense adopted by Mr. Berens.

The term "serviceable commodities," if by that phrase is understood, not commodities which are peculiarly serviceable in their nature, but any kind of commodities which are for the time devoted to "service" rather than to "enjoyment," is well adapted to express the distinctive feature of capital. And the use of this expressive term should have led Mr. Berens' thoughtful mind directly to the true theory of interest, for interest is but a payment made in return for the service rendered by a loan of capital. But his confused idea of what constitutes the true distinction between capital and other wealth has prevented him from following the lead of the light he himself carried. He speaks of the counter service rendered by the borrower in preserving wealth for the future use of the lender, and anticipates that competition between capitalists seeking investments and between borrowers seeking loans will determine whether at any time interest shall be paid for loans, or a premium for the preservation of wealth, believing that, under normal conditions, these two services will balance each other, and thus interest will disappear. But no such relation exists between interest paid for loans and the premium paid for the preservation of wealth, for capital is not wealth stored up for future use, but wealth devoted now to immediate use; to a special kind of use which Berens aptly designates "service," to distinguish it from "enjoyment," the

use to which other wealth is put. The seed wheat of the farmer, for instance, which Berens includes under the term "tools" in the wider sense in which he uses it, is needed by him for immediate use. If the farmer has any surplus wealth for the storage of which he is willing to pay, it may be that portion of wheat which is intended for family use, but not the seed. It is always "enjoyable" commodities, not "serviceable" commodities for the preservation of which the premium is paid. And so far from the premium commencing with the fall of interest to the zero point, and increasing with the continued increase of competition between lenders, it must rather tend to increase as interest rises, for interest on capital invested in warerooms, and some times in heating or cooling appliances for the preservation of wealth in its different forms, constitutes a good part of the expense of its preservation.

When the purpose is the saving of "wealth," not the preservation of any particular object, for future use, the savings may be, and usually are, through the banks, devoted to use as capital in the mean time. And in these cases, no doubt, the service rendered to the lender in preserving his wealth would alone be sufficient inducement for him to permit its use in this way. But though, by the law of competition, the supply of capital from this source must tend to reduce the rate of interest, it could never actually bring it to the zero point, for the demand is limited by the rate of interest, increasing as the rate falls, and at the zero point; that is to say, with loans to be obtained free in the open market, the demand would be practically unlimited, or limited only by the impossibility of applying more capital in such a way as to increase the production of wealth.

In seeking the answer to his question, "Why should interest be?" Henry George unfortunately fell over a stumbling block dropped by himself in his path; and L. H. Berens, following too closely in his steps, fell also at the same point. On arising they each diverged, but in slightly different directions, from the true path.

The true basis of interest is evidently, as stated by Bastiat, "The power which exists in the tool to increase the productiveness of labor." All capital is not in the form of tools, but it all has the same relation to interest; its use is in all cases to increase the productiveness of labor. Henry George, however, in enlarging Bastiat's illustration of the borrowed plane, introduces a fallacy by which he obscures the truth and deceives himself, making it appear that no increase in the product results from the borrowing of the plane. In the illustration James lends a plane, the result of ten days' labor, to William, who at the end of a year returns a new plane, the old one having been worn out in use, with a plank in addition as interest. Commenting on this Henry George says, "Now, if James had not lent the plane he could have used it for 290 days, when it would have been worn out, and he would have been obliged to take the remaining ten days of the working year to make a new plane. If William had not borrowed the plane he would have taken ten days to make himself a plane, which he would have used for the remaining 290 days. Thus, if we take a plank to represent the fruits of a day's labor with the aid of a plane, at the end of a year, had no borrowing taken place, each would have stood with reference to the plane as he commenced, James with a plane and William with none, and each would have had as the result of the year's work 290 planks. If the condition of the borrowing had been what William first proposed the return of a new plane, the same relative situation would have been reversed. William would have worked 290 days and taken the last ten days to make a new plane to return to James. James would have taken the first ten days of the year to make another plane which would have lasted 290 days, when he would have received a new plane from William. Thus, the simple return of the plane would have put each in the same position at the end of the year as if no borrowing had taken place."

Thus, each man working 290 days with the aid of capital and ten days without its aid, the results of their labor are equal, and nothing is gained by the borrowing of the plane. Which is mathematically correct, but does not illustrate the manner in which intelligent business men use borrowed capital in actual life.

No intelligent man would borrow capital in the form of tools, and after using them until completely worn out, go back to his old methods, and, out of the meager income thus obtained while working at a disadvantage without the aid of tools, attempt to save enough to repay the loan. Had William taken time to replace the borrowed plane before it was completely worn out he might, working with the aid of capital, have made a new one in a day, and thus have saved nine days' labor; which would have given him nine more planks as the result of his year's work, out of which he could easily have paid one as interest and profited by the transaction. Mr. George says, "The fallacy which makes Bastiat's illustration pass as conclusive with those who do not stop to analyze it, as we have done, is that with the loan of the plane they associate the transfer of the increased productive power which a plane gives to labor." This is not a fallacy, for the sole reason for borrowing capital is the increased productive power which it gives to labor; and it is only out of the resulting increase that interest can be paid without loss to the borrower. William does not borrow the plane because he has not the skill to make one, but because he can make planks more rapidly with the aid of capital than without its aid.

Having, as he supposes, refuted the theory that the basis of interest is "the power which exists in the tool to increase the productiveness of labor," and knowing that people do pay interest on loans of capital and profit by the transaction, he seeks for another basis of interest, and thinks he has found it in the power of spontaneous increase possessed by some forms of capital through the action of the reproductive or other forces of nature. Interest, he explains, is paid for the use of capital in the form of tools because the owner might have had his capital in the form of live stock or growing crops, having a power of natural increase, and is unwilling to lend his tools for less than the return he would obtain by the use of his capital in these forms. But the unwillingness of the owner of capital to lend without interest would not enable William to pay interest for a loan which, as shown in the illustration, in no way increases the product of his labor.

Berens accepts George's reasoning as a complete refutation of Bastiat's theory of interest, but objects to the new theory of the basis of interest being found in the powers of increase possessed by certain forms of capital, rightly claiming that there is no such distinction in the relations of different forms of capital to interest, for man always in every industrial operation utilizes both the material and the forces of Nature. This is made very clear by J. S. Mill, in the first chapter of his work on the "Principles of Political Economy," part of which Mr. Berens quotes. Mr. Mill says, "If we examine any case of what is called the action of man upon Nature, we shall find that the powers of Nature, or in other words the properties of matter, do all the work when once objects are put into the right position." And for illustration he calls attention to several mechanical operations where these forces come into action, as the force of cohesion uniting the fibres in the weaving of cloth, and the chemical forces and heat developed by setting a match to fuel placed under a boiler resulting in the power of steam, which has so many applications in connection with human industry.

But though Mr. Berens rejects Mr. George's theory he offers another very closely resembling it. He attributes the demand for interest on loans to the fact that the owner of capital has the option of exchanging, not for other forms

of capital, but for land; and will not lend his capital for less than he could obtain for its equivalent value in land. This theory, like that of Henry George, does not explain how William is able to pay interest for a loan which does not in any way increase the product of his labor, though the owner of capital may be ever so unwilling to lend without interest. And the idea that the rate of interest is controlled by the amount of rent which may be obtained for a given value in land, or in other words, by the relation between the price and the rent of land, does not harmonize with his statement, when treating of rent, that "The market price of any given holding of land is simply so many times its revenue; when land is saleable at ten years' purchase, at ten times, when at twenty years' at twenty times its revenue, and so on." He does not say why it sometimes sells at ten and sometimes at twenty years' purchase, but evidently this depends upon the rate of interest which prevails at the time of sale. In common language the price of any given holding of land is the capitalized value of its rent; that is to say, it will sell for a sum which at the current rate of interest will yield an amount equal to the rent. (This, of course, does not include "speculative value," which it is not necessary to deal with now). The price of land is thus controlled by the prevailing rate of interest. How, then, can the rate of interest be controlled by the ratio between the price and the rent of land?

#### CAUSES WHICH INFLUENCE THE RATE OF INTEREST.

While discussing Bastiat's theory of interest, Mr. George says, "If the power which exists in tools to increase the productiveness of labor were the cause of interest, then the rate of interest would increase with the march of invention." This by no means follows. The amount of increase which capital has in any given case is the measure of its utility to the borrower, while the rate of interest is the commercial value of the service, and will be controlled by competition, and will, therefore, depend on the relation between the demand for and supply of capital. As expressed by Mr. Mill, "The rate of interest will be such as to equalize the demand for loans with the supply of them." The word "capital" in place of the word "loans" would, however, be more correct; for capital is not always supplied in the form of loans, and the relation of demand and supply, as affecting the rate of interest, is between the needs of laborers having use for capital and the amount of capital placed at their service, whether it be in the form of loans to the laborers, or whether they be employed at wages by the owner of the capital.

The "march of invention," by facilitating the production of wealth, will tend to increase the supply of capital, and thus, through the competition of lenders or investors, to lower the rate of interest.

The demand for loans is sometimes attributed to poverty, and it is supposed that with social institutions founded on justice, and the more equal distribution of wealth which must follow, the business of the money lender will cease, and interest no longer be paid. Mr. Berens seems to hold this view, believing that "under equitable social conditions a premium for the temporary use or control of 'wealth' would be obtainable only in a time of scarcity, or in communities in which accumulations were but small or in but few hands, and the power to produce is limited in proportion to the requirements of the people."

But "demand," as a commercial or trading term, does not imply simply the desire for a thing; it consists essentially in the things, or services, offered in exchange. As Mr. Mill says, "A beggar may desire a diamond; but his desire, however great, will have no influence on the price." Demand for capital, so far as it influences the rate of interest, must come from those who are able to give something in return for its use; it is, therefore, an indication of prosperity on the part of borrowers. While workmen are idle their tools

must remain idle, too; and the demand for tools, or for capital in other forms, must increase as the opportunities for employing labor become more abundant, and thus with the prosperity of laborers.

The supply of capital, depending as it does on the proportion of the total product of wealth which is devoted to "the aid of production," or as Berens would put it, to "service" in place of "enjoyment," must depend on the inducements to so use it; which will be great when opportunities for employment are scarce and wages low. Under such conditions there will be great inducement to seek other sources of income, and, therefore, to devote all available wealth to the uses of capital. When low wages are the result of unjust social conditions, through which a large proportion of the wealth produced is appropriated by a few at the expense of the laboring class, the supply of capital will be great; for saving will be easy to those having such large incomes; while the intense competition among the many for an opportunity to earn a meager living by labor, will make them anxious to guard against such a fate for themselves or those dependent on them. Thus, those conditions which tend to limit the demand for capital by restricting the opportunities for employment tend also to increase the supply by stimulating those who have wealth to devote a large proportion of it to this use, and interest must tend to fall with low wages and increasing poverty.

We may thus see something of the conditions, or causes, which tend to raise or lower the rate of interest. But, as Mr. Berens points out, "high" and "low" are relative terms. Is there then "any level to which, under natural and equitable conditions, the rate of interest would constantly tend," or in other words, what is the "Law of Interest?" Henry George's statement of the "Law of Interest," being founded on his theory of interest as resulting from the power of increase possessed by certain forms of capital, must, of course, be rejected if we reject that theory. It is as follows:

*The relation of wages to interest is determined by the average power of increase which attaches to capital from its use in reproductive modes. As rent arises, interest will fall as wages fall, or will be determined by the margin of cultivation.*

This statement is in conflict with what Mr. George calls "The fundamental law of Political Economy," namely, the law that men seek to satisfy their desires with the least exertion.

The average is a mean between extremes; it is, therefore, implied that some capital, that which yields a less increase than the average, is used in modes giving a smaller increase than the current rate of interest. By error of judgment men sometimes use their capital in modes which give little or no increase, but evidently they would not intentionally so use it as to yield less than they could obtain by lending it at the current rate of interest.

And the statement does not indicate any definite relation between the rate of interest and wages; any point of equilibrium about which the rate of interest will tend to settle.

There evidently is such a point, for capital is used to save labor, is indeed, a substitute for labor, and there is a relation between the cost of labor and the cost of capital depending on the rates of wages and interest. All forms of capital do not save labor to the same extent. An employer may by the use of a machine multiply many times the product of the laborers in his employ; he cannot, however, go on increasing their product in this way without limit. By adding to his capital in some of its various forms and modes of use he may still further increase the product, but not in the same degree. If he continue adding to his capital, obtaining a less return with each additional investment, he will eventually arrive at a point where it will be, at current rates of wages and of interest, more profitable to hire additional labor than to borrow capital. If then wages should rise, it will become profitable for him to use capital in less



productive modes, for the saving effected by substituting capital for this higher paid labor will be greater. Or it will become profitable for him to use capital at a higher rate of interest if the competition of borrowers should force him to do so. Thus there is a relation between the rates of wages and of interest which may be stated thus as

#### THE LAW OF INTEREST.

*The rate of interest will be such as to equal the value of the labor saved by capital in its least productive modes of use ; or that the cost of hired labor and the cost of hired capital shall be equal. If wages rise, the use of capital will be extended into less productive modes, or interest will rise ; in either case until the equation between the cost of hired labor and the cost of hired capital shall be restored.*

#### TOWARD THE LIGHT.

In my endeavors to clear away the fog that still obscures the light toward which Mr. Berens desires to lead his readers, I have paid more attention to the obscure and dimly lighted regions than to those brighter parts where the light shines in its full splendor ; let it not be inferred that his book is dull, or false to its title. Mr. Berens has, indeed, made a bright and interesting contribution to the literature of that, in old time, "dismal science," Political Economy. His implicit faith in the principles of Justice and Freedom is worthy of all admiration, even though he may not clearly see what results are to be expected from their application. He believes that the question of interest can be safely left to be settled through the operation of natural law when once justice is established. He says, "All can unite to attain this end ; and when it is attained, then, if interest continue, we shall know that it is both natural and just; whilst if it disappear, we shall know that it was unnatural and unjust; that it was, in truth, but one of the fruits of privilege and monopoly, of that unjust social system which produced poverty in the midst of plenty, and which conferred advantages and privileges on the few, at the cost and to the detriment of their 'disinherited' fellow-citizens."

But though we who have confidence in those broad principles of justice in relation to the land so ably set forth by Henry George, may be content to let minor questions remain in abeyance while we work for the establishment of these principles, it must not be forgotten that the unsettled question of interest is a stumbling block in the way of many earnest reformers, and, therefore, a hindrance to the progress of reform. Mr. George says, "The feeling that interest is the robbery of labor is widespread and growing, and on both sides of the Atlantic shows itself more and more in popular literature and in popular movements. Socialists and Anarchists, the two extremes in popular agitation for reform, alike condemn interest as unjust, and usually give more prominence to the matter of interest, or usury, than to the land question. And much of the agitation for monetary reform has its root in the feeling, or thought, that interest is unjust ; accompanied by erroneous theories of the relation between the rate of interest and the quantity, or form of money in circulation."

There can be no doubt that the true theory of interest, when more widely known, will, as Mr. Faidy says, "Not only reinforce the rest of his (George's) philosophy from the theoretical standpoint, but will tend to greatly facilitate and expedite its practical accomplishment."

The almost unanimous opposition of the commercial and manufacturing classes is one of the greatest hindrances in the way of the incorporation of these principles in legislative enactment. Let it become widely known that the owners of capital will be benefited equally with wage workers, that interest must rise as wages rise, by the establishment of equal rights to land, and

we may look for a large accession to our ranks from these classes, and for the speedy triumph of our principles.

TORONTO, Ontario.

BY H. J. CHASE.

It is possible that Mr. George would have had less to say as to the cause of interest had he been less anxious to combat the belief so widely entertained that it is a form of robbery. Now, to demonstrate that interest is not robbery it is not necessary to enter at all into the question of why it exists. The producer of wealth ought to have the liberty to make any disposition of that wealth that he may see fit, provided such disposition does not constitute an infringement upon the equal liberty of any other individual. Consequently he ought to have the liberty to charge for its use whatever he may see fit; just as the laborer ought to have the liberty to charge for his services whatever he may see fit, and just as the land owner (under the Single Tax) ought to have the liberty to charge for the use of his land whatever he may see fit.

The explanation of the fact that people always have been, and probably always will be, willing to pay interest is as simple as the explanation of the fact that they are willing to pay wages, or of the fact that they are willing to pay rent. It is because the production of wealth takes more or less *time*. The man who desires capital has the choice of producing it himself or borrowing it. In the former case, he must defer the satisfaction of his ultimate desires for as many days, weeks, months, or years as will be required for the production of the capital. In the latter case, he can at once engage in the direct pursuit of his ultimate desires and so achieve them as many days, weeks, months, or years earlier. This is why the use of capital is worth something, and why it will continue to be worth something until everybody can be supplied with an Aladdin's lamp.

This, I understand, is, in substance, the "Austrian" theory of interest, so called, I suppose, because its author, Böhm Bowark, is an Austrian. Practically the same view was presented some twelve years ago by an American writer in "Annals of the American Academy," who, according to the editor of that magazine, was unaware of being in virtual agreement with Böhm Bowark, having followed an altogether different line of reasoning. It will be seen that the Austrian theory, no more than Bastiat's or Turgot's, conflicts with the deduction that interest moves with the margin of cultivation.

This, however, can scarcely be affirmed of the theory endorsed by Mr. Faidy, the credit of originating which, he informs us, seems to belong equally to Michael Flurschein and Lewis H. Berens. They assert, according to Mr. Faidy, that interest is due to the fact that anyone who has the wherewithal can buy land, the ownership of which, unlike the ownership of anything else that can be bought, insures the owner against the necessity of ever having to work for a living.

"The prevalence of high rates of interest in new countries," says Mr. Faidy, "—accords with the new theory. Its cause is the rapid increase of population—; rent consequently rises rapidly, and these profits of land owning attract capital from legitimate employment. The capitalist in a new country, with opportunities for profit through land speculation, will not lend his capital at a low interest."

Certain expressions in the foregoing, together with one used a little earlier—"the opportunity of investing capital in land"—warrant the suspicion that the distinction in Mr. Faidy's mind between capitalist and land owner is not as clear as it might be; but let that pass. What he asserts is flatly contra-

dicted by the history of California in the early 50's. By far the most valuable lands in the State at that period were the placer mining lands. But there was literally no opportunity to speculate in them. No man was permitted to monopolize more than a limited number of square feet—a "claim," as it was called—and his continued tenure of that insignificant area was contingent upon his working upon it. If he allowed so many days to go by without performing any labor, his claim was open to the first comer. But, although the conditions were exceedingly unfavorable for the land speculator, and although they remained so for years, interest was much higher in California than elsewhere in the United States, if not in the whole world, and the rate was maintained for years.

And in all new countries of any considerable area the increase in population, rapid as it has been in some instances, has continued a long time before the aggregate of rent has reached a relatively high point. The expectation that such or such a locality would become a centre of population has frequently turned out to be ill-founded, and site values have fallen even more rapidly than they rose. In other words, the land owners in a new country are not, as a class, large sharers in the results of the application of labor and capital; and against the sudden gains of some of them must be set the even more sudden losses of others. More than one investor in our Western States, or in Australia, New Zealand or Argentina, has realized the truth of the proverb that "Hope deferred maketh the heart sick," or of that other proverb, "Up like the rocket and down like its stick." Indeed, whether the country be new or old, the ventures of the land speculator are perhaps as precarious, upon the average, as those of the capitalist. At any rate, the difference in this respect is so inconsiderable as to militate very seriously against the soundness of the latest theory of interest.

Again, it is not clear that the establishment of this theory would demonstrate, as Mr. Faidy seems to think, the superiority of land nationalization over the Single Tax in point of feasibility. If we undertook to buy out the land owners to-day, what prices should we have to pay? Present prices, of course, if we hoped to avoid strenuous opposition.\* The land would have to be appraised as though it were being condemned for public use. But, owing to extensive appropriation, what we call the fair cash value of land is much in excess of its actual value for either business or residential purposes; and, of course, inflated capitalization is but the index of inflated rent.

The amount of the bonds to be issued must equal the amount of this inflated capitalization, and the so-called interest upon them must be at the current rate, which would make its amount much greater than the present income of the land owners. Unused land, however valuable, yields no income; but practicable nationalization involves payment of the price of such land, that is, the incurrence of a debt of the same amount and nature as would be the case if the land were in full use.

It is evident, then, that the new landlord, the State, could not collect enough rent to meet the interest on the bonds. For, even to hold the land at its present excessive rental value would be to obtain no larger income therefrom than the present landlords are receiving, and to raise rents to the extent necessary to meet the deficit would be to demonstrate that we had jumped from the frying pan into the fire.† The deficit, and in addition thereto, the entire expense of public administration would have to be met by taxation upon

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\* This is leaving out of account the fact that the mere prospect of nationalization would boom land values prodigiously. "Present prices" would have to mean, therefore, those prevailing before the boom began.

† To let the vacant land at reasonable rentals would depreciate the rentals of the land in use, that is, would fail to increase the aggregate of the rentals.

production. Waiving the consideration of the fact that the principal of the debt must be paid some time or other, immediate land naturalization does not appear to be very feasible. Even if it destroyed interest, it would not destroy the periodical payments on the bonds, for these payments would not be real interest—only a transformed rent, and a good deal more of it than there is of present rent.

Instead of buying out land owners at present or any other prices, why not assess them upon present prices, or, as near present prices as is possible without necessitating an early revaluation? There is no law against this. On the contrary, in most if not all of the states the law is, that land shall be taxed upon its full and fair cash value. If this were done, the resulting decline in land values would make nationalization much less impracticable than it is at present.\* But, since taxation to the extent not only permitted but required by present laws would eliminate speculative rent, leaving only economic rent to be dealt with, what could be more feasible than to amend present laws so as to permit taxation of economic rent to the full limit? The opposition of those whose property comprised more land value than wealth might be strenuous; but the favorable results following increase to the present limit would win the support of many whose property comprised more wealth than land value, and should win the unanimous support of the landless. More than doubtful is the feasibility of paying any price at all for that which already belongs to us, since a perfectly practicable change in the incidence of taxation would put us in full possession "free, gratis and for nothing."

PROVIDENCE, R. I.

BY J. R. CUMMINGS.

I wish to reply as briefly as possible, knowing your space is limited, to the article in your Autumn issue by Mr. Joseph Faidy on the subject of interest. I know that many Single Taxers dismiss the subject as of little importance, considering it only academic, and if I agreed with them I should not ask even a limited space for its consideration, but as my experience is that the people who regard interest taking as wrong outnumber those who regard rent taking as licensed robbery, I consider it important to show that interest is the expression of a natural law and, therefore, right, and consider it especially important to the cause of the Single Tax, to show that under natural conditions the interest rate will fall until it is little more than nominal.

My argument, being taken from a somewhat extended treatise, will unavoidably be disconnected.

First, the student should understand that interest is a phase of value and is not related to wages; that is, does not go up and down with wages, as Henry George contended. We must, therefore, have a proper understanding of value before we can understand interest.

Value is an expression of the stress of human desire upon utility, and as men exchange things in order that each may get the things he desires most it is evident that the basis of exchange (value) is a higgling of all the desires brought to bear.

An exchange, to be equitable, must be an exchange of equivalents, not of equal utilities (in the common understanding of the word), but of equal values.

As between two persons making an exchange, each should get what he desires more in exchange for what he desires less. This is commonly the case,

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\* Mr. Faidy admits that increase of taxation would "make the land owners more willing to make terms," that is, willing to sell at a lower price. Undoubtedly, and continued increase would finally make them willing to sell at any price.

and it is thus that the benefits of exchange accrue to the individual. In all exchanges that are equitable and wisely made, each article of exchange passes from a lower to a higher utility.

A loan is an exchange as truly as a purchase and sale, but it is an exchange of a present utility for a future utility. It does not differ from any other exchange in the principles involved, and to be equitable it must be an exchange of equivalents. To put it in terms of money, if A borrows \$100 from B for one year, he must promise such sum as, at the distance of a year, exerts the same influence upon B's desire as \$100 to be realized at once, or in hand. (In organized societies it is the total expression of desires that usually controls, but the principle is the same).

If B cannot desire a given quantity of things in general for use in a year as intensely as he desires a like quantity for use now, it is self-evident that it will require a premium to induce him to exchange present utility for future utility; and if this is true of men in general a premium will be the rule in exchanges of future for present utility.

It is true of humanity in general that desire attaches more firmly to the means of supplying needs, the nearer the needs are in time, and for this reason the value of a given utility decreases as it is removed in time.

It may be said that B, having more than he desires to use at present, should loan to A without a premium; that conservation and the return of the exact amount is all that should be asked; but this is not sound. The cost of conservation is deducted from the interest rate, for the risk of keeping money in one's possession and the cost of a place of safe deposit cause hundreds of millions of dollars to be deposited in banks to be loaned out, and because of this the interest rate is much lower than it would otherwise be.

A is estopped to ask B to value the future utility on a par with the present utility, for in his effort to make the exchange he shows that he himself does not so value it. Not only so, but it would be as reasonable for B to demand of A all that his proposed use of the capital could pay.

As humanity advances it will value future good more and more nearly on a par with present good, and the interest rate will fall just as this change takes place. The change will be indicated by the fact that as humanity progresses, it will build more and more for future use as well as for present use; build houses, furniture and all classes of public utilities to endure for ages instead of for decades. A 10 per cent. interest rate means anything that will do for the present and immediate future—poor houses, poor roads, poor everything—while a 1 per cent. interest rate will mean houses to last for hundreds of years and everything else of like character—the best that can be.

If there ought not to be interest, it must be because the certainty of a given utility (say \$100) in a year is equal in value to \$100 in hand. If this is true, then \$100 in two years is equal to \$100 in one year, and so on to infinity. We then have an infinite series of equal terms, thus: \$100 now = \$100 in 1 year = \$100 in 2 years = \$100 in 3 years = \$100 in 4 years, and so on to infinity. It follows, then, that \$100 at the end of time is equal to \$100 now. But a loan without interest for all time is a gift, hence the doctrine that \$100 in a year equals \$100 now is true only in conditions where a loan and a gift are identical; that is, when values have disappeared.

It should be remembered also that if there were no interest nearly all loans would of necessity be call loans, for a man could not be expected to loan without compensation, except during the time he did not wish to use the thing loaned. But we already have call loans without interest—the deposits in banks—and if men in business were forced to choose between call loans without interest and loans for a definite time with interest nearly all except the very wealthy would take the latter.

And as the interest rate directed capital into the hands of those who can make the best use of it, how could it be so directed without interest? There being enough borrowers to take all the loanable capital at the current rate, where would the capital come from to supply the many times greater demand at no interest?

Let any man who thinks interest inequitable consider what he would do in regard to building a house if he could not rent it for more than maintenance and depreciation in case his health or business interests forced him to change his residence. There would be no way to recover his investment except in dribbles from year to year till the house fell into ruins, and the better the house the longer it would take him to recover it. Does some one say that he should sell it? Who would buy a house if he could rent one on no-interest terms? There would be the same reason for not buying as for not building.

Henry George made the mistake of linking interest and wages, whereas interest and value are linked, and both are antithetical to wages. As value goes down (and interest with it) wages go up, and when wages touch infinity value and interest touch zero; that is, when all we want can be had without labor wages are infinite and value and interest have disappeared.

CHICAGO, Ill.

BY JAMES LOVE.

In the Autumn number of *THE SINGLE TAX REVIEW* Mr. Joseph Faidy attempts to show that the theory of Interest as set forth in "Progress and Poverty" is fallacious. The honor of making the first announcement of the discovery being between Mr. Michael Flurscheim, of Germany, and Mr. Lewis H. Berens, of England. The cause of Interest lying, as all these gentlemen agree, in the private ownership of land; and "That with the withdrawal of land from the market as a means of investment interest would be abolished."

In "Progress and Poverty" it seems to me that Book III, entitled "The Laws of Distribution," makes the matter of Interest so clear that I cannot understand how men who accept the rest of that book can reject Chapter 3—on Interest and the Cause of Interest; Chapter 4—on Spurious Capital and Profits, often mistaken for Interest, and Chapter 5—on the Law of Interest. These chapters are so accessible, their argument is so conclusive, their style so perfect, that I need only to cite them and then confine myself to the paper in discussion.

Mr. Faidy's notion of Interest is evidently indefinite, for he thinks of it as including only the returns that pass from the borrower to the lender of capital, besides confusing Interest with "Rent." Now "Wealth," being the joint product of the ultimate factors Land, Labor and Capital, is necessarily (by natural laws of the human mind) "distributed" among these factors; Interest being the share that falls to Capital whether borrowed or not borrowed. Were it possible to abolish Interest, Capital would obtain no share, and there would be small motive to accumulate it or even to produce it. And it seems to me that much of it would cease to have *exchange* value—would cease to be wealth.

"Interest," Mr. Faidy says, "exists because of the opportunity of investing capital in land, which, unlike anything else that may be bought and sold, possesses the capacity of yielding a revenue in perpetuity and *without labor*." Here his expression "investing capital in land" conveys a vague idea that the capital is absorbed, or disappears. But, if one having the capital of a mill building and machinery, let us say, chooses to "invest them in land," he would simply *exchange* them for land, by the usual method of first exchanging

them for money, and then exchanging the money for land. In new hands the mill would continue to exist, while the late mill owner (capital owner), replacing a land owner, would, merely as a land owner, become an unproductive, useless appropriator of Rent. Further—that land “Possesses the capacity of yielding a revenue in perpetuity, and *without labor*,” is a lamentable error in a Single Taxer. For land is the *passive* factor in production and yields nothing without application of labor. What it yields to the owner, merely as owner, is “Rent”—that part of the product of labor and capital expended upon the land, that competition for its use gives to the owner of the land. He writes, “Remove land from the market as a means of *investment* and what other employment of capital would yield Interest.” This again shows how complete is Mr. Faidy’s entanglement. An utter confusion of capital and land—of Interest and Rent. The term “Investment” probably helping to perplex him. If one invests in land—exchanges money, other capital, or wealth in some shape, for land, he does not thereafter employ or use capital, he owns land. And his revenue would not be Interest, it would be Rent. Such controversial transmutations suggest to me the old time diablerie of juggler Blitz—suggest the mutability of things at the touch of his rod.

Under the Single Tax “Production,” he says, “would be greatly increased, and capital instead of commanding a bonus would seek employment on condition of mere safe-keeping and maintenance.” This is to say that the owners of the capital of a manufactory, of a grove of forest trees, of an orchard, or of merchandise in transit from one quarter of the world to another, would have to be content with returns sufficient merely for the maintenance of these capitals—producing them no revenue whatever. The whole product being divided between Rent going to the public and Wages going to the workers. So that unless the owners of these capitals also themselves, in some capacity, worked, they would have no income at all.

Again he writes, “The capitalist in a new country with opportunities for *profit* through *land speculation* will not lend his capital at low interest.” Now the land *speculator* is no more productive than a gambler and his “Profits” arise not from his production of wealth, but from his legal power to appropriate an increasing amount of the wealth produced on his land by others. The capitalist being tempted to exchange his capital for land of course ceases to be a capitalist and ceases to be an illustration of Interest. After he has made the exchange there is, in the community, no more or less land and no more or less capital.

But he writes, “The mere theory of Interest \* \* \* pales into insignificance compared to the practical possibilities it opens up.” For “If it is a good investment for individuals to buy land, why wouldn’t it be for the nation?” To this a Single Taxer would reply—Because the individual finding in vogue a system that he individually cannot change *must* accommodate himself to it. Under the system some *individuals* will reap the advantage and he harms no one by becoming one of the individuals. But, when the public conscience is sufficiently awakened to make land nationalization possible there must necessarily be a majority favorable to it—a majority possessing a power that the individual does not—the power to abolish it justly by means of the “Single Tax.” Then too the buying out of the land owners would not only be an acknowledgment of the justice of the present system, but, in the main, such purchase would merely change the form of Rent which would, at least at its present limits, continue to flow into private pockets. “But now,” writes Faidy, “if the theory of Interest which is here advanced is sound, then the objection to the feasibility of nationalization by purchase vanishes entirely.” For when there is no longer an opportunity to “Invest capital in land,” the

government bonds given in exchange for the land will cease to bear "Interest," and the late landlords—

Paltered with purchase in a double sense,  
That kept the word of promise to their ears,  
But broke it to their hopes—

shall be left only to an inheritance of melancholy reflections.

This last proposition surely entitles Mr. Faidy to the favorable consideration of college regents as a professor of ethics.

The notion that Interest is an evil and should be abolished—an ancient and even now a very prevalent notion—arises it seems to me from a failure to clearly define Interest. In the Bible, for instance, the "Usury" condemned is not the share that in "distribution" goes to capital. The references are to poverty, and the injunction is to sympathy. The wealth—money or what not—loaned in cases of distress is not to be expected back *with usury*. "If thou lend money to any of my people that is poor" (Ex. xxii., 25). "And if thy brother be waxen poor and fallen in decay with thee; then thou shalt relieve him" (Lev. xxv., 35)—usury is not to be taken. But in such cases "Capital" is not engaged. The wealth loaned would not be used in the production of more wealth, it would be used to furnish the borrower with food and shelter—consumed unproductively in keeping the borrower alive. So far as *such* wealth is concerned the borrower would not be in a position to return it even without a bonus to the lender.

Under a private owning land system wages and interest both tend to a minimum, and capital, not readily accumulated by the workers, tends to accumulate in the hands of monopolists. So that borrowing wealth to be used as capital, or to be used in consumption, becomes epidemic. A universal indebtedness comes to prevail that is not, I think, a sign of growing confidence among men, but is a sign of increasing tension and struggle for existence. Most people owe their grocers, butchers, milk men, clothiers, for the supplies of a month or more. And they owe for Rent. If engaged in mercantile business, they owe other dealers or manufacturers, and they usually owe the banks. Then they very generally borrow—that is rent—their homes and places of business, and these even when "Owned" are often but partly owned, for they are mortgaged. Every corporation is in debt. The State is in debt. Even churches are in debt, and temples erected to the glory of God are sometimes seized and sold by a sheriff. Under such conditions, to men who do not realize the vast evils that spring from the private appropriation of "Rent," it is not surprising that Interest should seem to lie at the base of social evils. And so it has been through all ages of "Civilization." The writers, figuring out the possible accumulations of Interest upon a single penny, denounce "Usury" as robbery, and, like Dante, would place usurers in hell among those who do violence to God and man.

But faith brushes aside difficulties. And a Pauline faith—the substance of things hoped for, the evidence of things not seen—so infuses Mr. Faidy that he has little doubt of the originality of his discovery, or of its importance. Thus, at the conclusion of his article, he quite naively remarks, "That the new theory is sound and the proposition to pay for the land a practical one the writer has no doubt, for he reached these conclusions after working on the problem a long time and without at that time having heard of Mr. Flurschheim or of Mr. Berens' new book."

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In this morning's *Ledger*, Dec. 31, I notice an Associated Press dispatch from New Orleans that seems opportune. It reads, "The American Economic Association, Professor Seligman presiding, listened to a paper 'On the Relations



between Rent and Interest,' read by Professor Frank A. Fetter, of Cornell University. Professor Fetter said in part: 'Rent is an absolute sum of goods, yielded by material goods viewed in the wealth aspect, and maintained physically unimpaired; interest is a percentage of principle sum expressed in terms of money. This makes the two incomes not co-ordinate shares of objectively different agents, but successive steps in the analysis of value. All the usufructs of wealth are rent; interest is the calculation from under which future uses are discounted to arrive at capitalized valuations of durable agents. The resulting theory of values is, first stage, the value of immediately enjoyable goods, and the theory of marginal utility; second stage, the value of usufructs, and the theory of rent; third stage, the theory of capitalization.' "

Thus quite outside of the Kingdom of Common-Sense—in the scholastic anarchy of Economics—there is an untiring effort, under the mask of unintelligibility, to sell words for thoughts.

Professor Fetter's "Views," being evidently ex-cathedra, we may accept as authoritative. But whether they are in accord with "Progress and Poverty," or in accord with those who hold that interest can be abolished, I fear that only the devil or referees from Bedlam can decide.

CAMDEN, N. J.

BY BYRON HOLT.

While the whole of the Autumn number of the Single Tax Review was excellent, yet I was most interested in Mr. Graham's article, "Free Trade in Money" and in Mr. Faidy's, "Henry George's Theory of Interest". Not only have I never accepted Mr. George's views on the money and interest questions, but I think these views prevent the acceptance of the Single Tax by many people. Great as is my admiration for Henry George and his work, I admire truth and justice still more. Nor do I think that our great Prophet would order otherwise, if he were alive and omnipotent. He had infinite patience with those who honestly differed with him.

It is because I somehow have an abiding faith in the beneficence of the natural, or the scientific, order of things that I hold that the line of least resistance for reforms, and the one along which reformers can make most rapid progress, lies parallel with, and does not cross any of nature's truths, or laws. All past efforts to reform mankind and establish justice on earth have come to nought because they have run counter to nature's command to civilized men. "Take the natural rent of land, produced by the public, for public purposes!" When reforms are made to harmonize with this great fundamental truth they will accomplish great results; but when they harmonize with all truth and all science then, and only then, will absolute justice be possible. Hence it is probable that not only does every error of our logic delay the reform which we believe to be the most fundamental of all, but each error carried into practice would mar the result of our work.

Our Single Tax philosophy tells us that competition should be permitted and encouraged by opening to individual operation all industries and businesses except those connected with natural monopolies. The sources of production and the channels of transportation are natural monopolies and should be actually or virtually the property of the state, though private operations should be permitted to the greatest possible extent. But in the exchange of products or as to the particular product or commodity that shall be selected by traders in different markets as counters, or the medium of exchange, there is no natural monopoly and, therefore, no reason in our philosophy why the state should step in and attempt to dictate the kind of counters, or money, that shall be used by merchants or commercial interests. Neither should the Government insist upon

the right to make all counters used in trade, to fix the denominations, and to compel creditors to accept certain substances containing certain Government stamped inscriptions in payment for debts. Trade is not absolutely free and is not facilitated to the greatest possible extent when traders are not free to choose their own measures of capacity or of value. If goods can be more easily exchanged by means of beaver skins in one community, of wampum, or shells, in another, of tobacco or bricks or silver or gold, in still other communities, the people should be free to choose a medium of exchange and to make contracts payable in "any old thing". They will make mistakes at times, mistakes which common law and courts and juries will only partially correct, but, on the whole, they will not make greater mistakes than will a paternal Government, interfering and meddling with all sorts of businesses.

In short, not only should there be no legal tender, except as established by custom, but the money making and currency supplying businesses should be as free as is now the grocery, the drug or the insurance business. For convenience, the Government might coin, free of charge, such substances as a certain number of its citizens might desire to use. It might, also, decide what it would take in payment for taxes. Here, or near here, it should stop.

The interest question is still more mixed and muddled, at least in my mind. While I have long been convinced that Mr. George was mistaken as to the cause of interest, as well as to its strict legitimacy, at or near present rates, with the opportunities to production wide open, yet I have never found an entirely satisfactory theory of interest. The fault may, and probably does, lie with me, and it is on this account that I am glad to find Single Taxers threshing over this subject. In this way only can we hope to reach a common conclusion.

While the Flurschein-Berens-Faidy theory of the cause of interest neither agrees with the George theory nor with the more commonly accepted theory of the Austrian economists, yet it appears to me to be more reasonable than either of these theories; and this, too, in spite of the fact that it, apparently, confuses terms and definitions and fixes the rate of interest (on capital) by the rental value of land. My own unsettled opinion is that those who have little or no capital will always have so many uses for it that those who have a surplus will be able to obtain a small premium for its use, even after the opportunity to invest in land and obtain unearned increments no longer exists. The poor young man who thinks an education will be a good investment; the man who will receive a legacy in five or ten years; the man who has a new machine to exploit; and the enterprising man who understands improved methods of doing business, all these classes will be willing to discount the future in order to obtain the present use of capital. The question is, will their needs make a demand for capital greater than the supply, when the borrower agrees to nothing more than the safe keeping and return of the original capital?

It is generally supposed that it is the productivity of capital, that is, the profits obtained from its investment or use, that determines the rate of interest. It now appears probable that one of the principle factors in fixing the rate of interest is increasing unearned increment of land values, the control of which yields profits. And yet neither land nor land values are really wealth or capital. Here is certainly a queer state of affairs.

Accepting this new theory of interest and Prof. Bellangee's statement, also in the Autumn Single Tax Review, we find that—

- (1). With the Single Tax in operation there will be no interest;
- (2). With the Single Tax applied in spots, as at Fairhope, land values around these spots will decline.

Do not these two phenomena indicate the line of least resistance for us? Is it not to have our national and state Governments buy certain tracts of land, paying for them with short-period bonds, and then to apply Single Tax principles

to these tracts? This will depreciate the values of surrounding lands and enable the Government to obtain them at lower prices. The zone of depreciation will widen and deepen until the unpurchased land could be obtained for a song. By this time interest would have disappeared and the interest-bearing bonds could be replaced by non-interest bearing bonds. These could be paid so slowly that no great burden would rest upon future generations. We would in this way get the support of many over-conscientious people who accept the Single Tax theory but who stick on compensation, and we would soon be enjoying most of the benefits of the Single Tax.

Suppose, for instance, that the United States Government should invest \$25,000,000 in anthracite coal lands, buying about 10,000 acres, or one-tenth of all, and, fixing a royalty of 50 cents per ton, with a minimum royalty of \$100 per acre, should throw these mines open, in small tracts, to the public. What would happen? Coal is mined for less than \$1 a ton. Add 50 cents for royalty and 50 cents for transportation. (The Government buying a railroad, if it could not compel reasonable rates), and hard coal could be sold at \$2.50 or \$3. a ton in New York. What a drop there would be in the prices of anthracite lands and anthracite railroad stocks. Not only would the bottom fall out of the trust, but the next 10,000 acres could be purchased at knock-down prices. In this case the royalty from coal mines would fully reimburse the Government for its outlay. The object lesson to Pennsylvania and other states would result in numerous similar purchases and treatment of other lands. The days of industrial slavery would soon be gone. The dawn of all kinds of freedom would be at hand.

WASHINGTON, D. C.

BY RABBI J. L. STERN.\*

“All material existence is in space and time. Hence the production of wealth, which in all its modes, consists in the bringing about by human exertion of changes in the place or relation of material things so as to fit them for the satisfaction of human desires, involves both space and time.” (Henry George, *The Science of Political Economy*, Book III, Chapter V, § 3).

Space and time are, naturally, also involved in the distribution of wealth. The simplest case imaginable of the problem of the distribution of wealth is that where an individual labors absolutely unaided by society, by other individuals. In such a case the entire produce is the wages of the laborer. Such cases are, of course, rare; indeed, barely possible. A Robinson Crusoe stranded naked upon an uninhabited island without a nearby wreck from which to draw capital presents such a case.

But when men live, as they ordinarily do live, in society the efficiency of their exertion becomes enhanced and the produce of the labor of the individual worker will be larger than it would be without society. Part of this increase due to the proximity of society cannot be identified and goes to the laborer in enhanced wages. Other parts of the increase can be identified as due to particular causes and are then no longer included in wages.

These causes are superior space relations and superior time relations, either or both of which may aid the individual to produce more than he could

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\* This article of the Rev. J. L. Stern, received since the editorial note on page 1 was written, seems further to reinforce the agreement to which the contributors to this symposium seem tending—namely, the acceptance of *the time element* both as the origin and justification of interest. If this theory be accepted, it carries with it an affirmative answer to the inquiry as to whether interest will persist under the Single Tax. But it does not prove that interest will be maintained at present rates. Under normal conditions and with the abolition of the usury laws (to which it is to be regretted that none of our contributors have made allusion) it seems almost certain that interest will continue to fall.—THE EDITOR.

produce without them. The enhancement of the product obtained by superior space relations is rent. The enhancement of the product due to superior time relations is interest. With the former, rent, we are not concerned here.

Henry George (*Progress and Poverty*, Book III, Chapter III) refers to the time element in production as the cause of interest. But he does so only secondarily in connection with, what he states, as the origin of interest, namely: "The power of increase which the reproductive forces of nature, and the in effect analogous capacity for exchange, gives capital." In these cases Henry George holds that the product is not solely due to the amount of labor expended but it depends also on "the amount of capital and the time it is in use." Thus interest is accounted for in the case of two of the three modes of production, growing and exchanging, and is transferred to the third (first in order of enumeration by H. G.) by the fact that all wealth—capital included—is interchangeable.

Reflection will show that "the amount of capital and the time it is in use" play a direct part in adapting as well as in growing and exchanging. On my desk stands a little clock which told me the time of day. This morning it awakened me. I had not touched it since the preceding midnight when I wound it up and brought it to my bedroom. There was no actual increase such as we find in the growing corn, nor increase of value as in the age-mellowing wine or in a trader's stock that was carried from one country to the other, but there was a service which has value and which was being rendered throughout the twenty-four hours of the day although my labor was performed in a minute. The elasticity of the main spring is as much a part of the active power of nature as is the power of growth in the seed corn. In short, Henry George's statement, which he makes in reference to growing only, is true of all production: "There are, so to speak, in the movements which make up the everlasting flux of nature, certain vital currents, which will, if we use them, aid us with a force independent of our own efforts, in turning matter into the forms we desire—that is to say, into wealth." (*Ibid.* § 17).

All production of wealth, no matter how simple or how refined be the result aimed at, consists in the putting of matter into forms and places we desire. The changes of place and form are brought about by the utilization of the so-called powers of nature. The actual work done by man, "our own efforts" of Henry George's quotation, are of the very simplest. Man can move matter from place to place, strike, rub, grind matter against matter, break matter held together by cohesion or adhesion, and that is about all. The powers of nature do the rest. I say: "I am going to make a fire"—what I am really doing is to place paper, wood and coal in the proper position, to rub a match against sand-paper and to place the inflamed match to the paper. "My own effort" consists in the moving to and fro of different portions of matter. The real work is performed by the powers of nature. Gravitation held the combustibles in place, the heat generated by the rubbing of the match against a rough surface caused the phosphorus on the match tip to unite chemically with the oxygen of the air, thereby more heat was generated, sufficient to ignite the sulphur and the wood, the gases of combustion formed a flame which was hot enough to ignite the paper, etc., etc.

A chemist drops some powder into a vial containing a liquid, the materials react upon one another and new chemical combinations are formed—maybe a new dye has been produced. A horticulturist puts the pollen of one flower on the pistil of another, and a new variety of bloom or fruit is the result. In the former case no less than in the latter, which is a case of growing, the vital powers of nature supplement the simple human work of moving matter from one place to another.

The point I wish to make is that in all production of wealth the powers of

nature more than supplement the human effort, working independently of the latter, though directed by it, no less in adapting than in exchanging and growing. [Perhaps we may classify the energies playing a role in adapting as physical and chemical, in growing as biological or physiological, and in exchanging as physical (transportation) and psychological and sociological (human desire).]

Now the actions and reactions of the forces of nature consume time whether they be the vital forces involved in growing, or the others which come into play in other modes of production. The lapse of time may be longer, and, therefore, more apparent in the case of growing and exchanging, but it is present also in adapting. In some cases it is even there quite extended. For instance, in the production of salt by natural evaporation out of lake or sea water which is made to fill broad but shallow basins, as is done on the shores of the Great Salt Lake in Utah and on the coasts of the sea in Southern France, Spain, Portugal, Italy and Austria. The older methods of tanning and of bleaching are also instances.

In a very limited degree the natural forces can be utilized without capital. One may build a hut with stones and sticks and clay picked up with the hands. Gravitation will hold the materials in their places, the heat of the sun will dry the clay and adhesion will aid gravitation in making a sort of a house. An Esquimo's ice and snow house may be similarly made. But to obtain better results capital is needed. To make the wind pump our water requires a wind-mill. To utilize the energy contained in coal, in the expansive force of steam, the gravitational force of a Niagara, the subtle and potent currents of electricity presuppose elaborate machinery, capital. Here an additional time element becomes apparent, one greater in amount than that presented by the fact that the forces of nature require time to act. The accumulation of capital also requires time. If by borrowing I get the use of capital prior to the time which it would take me to accumulate it, I get a time advantage. *Interest is the premium paid for superior time advantage, just as rent is the premium from superior space advantage.*

Henry George has shown how in growing and exchanging capital enables us to take advantage of time. In adapting, too, all that is gained by the use of capital is time. Bastiat's carpenter, James, makes with his plane three hundred boards in a year. By the aid of a sawmill he can make them in a day. It would extend this paper beyond the limits ascribed to it to multiply examples. But let the reader take up any case of adapting, it will be found that the employment of capital means a gain of time. When we speak of labor-saving machinery we are meaning time-saving machinery.

If a certain amount of labor applied without capital upon land (the space element of production) can produce in a given time a result equal to ten units, while the same labor applied upon the same land but employing capital for the purpose of utilizing to better advantage the forces of nature (the time element of production) produces eleven units, then clearly the surplus unit produced in the second case is due to the use of capital. If capital were like land, absolutely indispensable to production, and if it were like land absolutely limited in quantity then the law of interest would be analogous to the law of rent, namely :

The interest of capital is determined by the excess of produce which its employment insures over that which the same application can secure by the employment of the least productive capital in use.

But capital is not absolutely indispensable as is land, though it is in civilized society nearly so ; its amount on the other hand is not limited at all. The law of interest as above stated is, therefore, true as far as the capital is concerned, but not as concerns the lender. To recur to Bastiat's (and George's) car-

penter, James. If he saves or can borrow enough capital to replace his plane by a steam planing mill the excess of his produce from it over his produce while working with the hand plane is the earning of his capital, is his interest. But the lender cannot get all that excess. For the reward of capital in use being large, a surplus of capital is always produced. Capital seeking borrowers is thus in a position similar to that of labor seeking employment where land is monopolized and, therefore, opportunities to labor restricted. The produce which is the natural wages of labor plus natural rent\* is not less there than where land is free, nevertheless the wages actually obtainable by labor under those circumstances tend to a minimum because land obtains in monopoly rent a part—often the greater part—of what ought properly to be wages. Thus capital seeking employment where opportunities for the employment of capital are restricted. The advantage of the use under such circumstances of capital is not less by reason of the fact that much capital is unemployed, but the lender does not obtain this entire advantage, and in certain cases the user also will not obtain the full benefit of the advantage of the use of capital, though he will in other cases.

The circumstances of more capital seeking employment than there are open opportunities for its employment is due in civilized society mainly to two causes. The first one of these is, of course, the same as that which produces an analogous situation for labor, namely, land monopoly. Capital being employed by labor, its employment fails concurrently with that of labor. And as in this case part of the natural wages are absorbed by monopoly rent, so also is part of interest, both as concerns the lender and the user, absorbed by monopoly rent.

The second cause involves circumstances the reverse of those of the first. Under free land, that is, where land monopoly is absolutely abolished, under the Single Tax system, the general and equitable distribution of wealth means a general distribution of capital. It is possible—nay probable in the highest degree—that in such a world labor, the user of capital, will nearly always possess enough and often more capital than is needed. In this case the user of capital will get the full benefit of its use. But the returns to the lender will tend to a minimum; because there will be very few borrowers, and very many that have surplus capital to lend.

I present these considerations on interest to students of the science of political economy with some diffidence. Not that I doubt their correctness, but because it was necessary in making them to subject the work of the creator of the science to some criticism. But it is apparent that Henry George himself had some doubts whether what he said on interest was the final word on the subject; his expression: "And *it seems to me* that it is this which is the cause of interest," (Progress and Poverty, Book III, Chapter III, § 17) has a note of uncertainty in it. It was this note, so unusual in his writings, that led me long ago to analyze the chapters in question, and it was from his beautiful chapters on Space and Time in "The Science of Political Economy" that I was first led to what I feel is the true explanation of the cause of interest.

CUMBERLAND, MD.

BY DR. S. SOLIS COHEN.

I notice in the Autumn number of the REVIEW, just at hand, an article on interest, by Faidy, which ascribes to a couple of modern writers the discovery that interest is based upon ground rent. If you will look up Michaelis' "On

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\* By natural rent I mean economic rent under absolutely free circumstances such as will obtain under the Single Tax system.

the Laws of Moses,"—I do not possess the work and, therefore, cannot give you the exact reference; Michaelis was a Protestant theologian of Germany, and wrote in the eighteenth century or early in the nineteenth, I am not sure which, but I think the eighteenth—and consult his discussion of the prohibition against taking interest from fellow-citizens (Israelite) while it was permitted to take interest from an alien, you will see the doctrine fully stated. Michaelis says that the alien might invest the borrowed money in land in his own country, thus deriving interest in the form of rent; and that obviously the result of lending to aliens without interest would be to drain the country of its gold and silver. The command to take interest from the alien, therefore, was simply a measure of self-protection against countries in which the Hebrew land laws did not apply.

Michaelis's explanation may lack historical accuracy in that it is quite probable that the Hebrew land laws as set down in the Pentateuch never were (historically) applied. The economic conditions denounced by the prophets, as Wallis so well shows in his "Examination of Human Society from the Standpoint of Evolution," point directly to the existence of land monopoly. But at all events the philosophy of the explanation, and of the association of the two laws—that against land monopoly and that against interest—seems sound. So far as I know Michaelis was the first to point out the connection; but I came across the reference incidentally and not as the result of a search, and, therefore, cannot say that the matter was not earlier commented on. It might be worth your while to pass the information on to somebody who will have the time to work up the subject. It might even make an interesting magazine article—the object of which would not be suspected by the learned editor of Harper's, or Century, or Frank Leslie.

Wallis, by the by, without directly stating it, and perhaps, without appreciating it (as he makes no reference to the jubilee and its associated legislation) indicates one reason for the differing rules concerning fields and the land in walled cities. I had always thought that the difference was related with the treatment of houses as labor products, but Wallis asserts, and I think proves, that the bulk of the inhabitants of the trading cities afterwards incorporated into the kingdom of Israel were the original Canaanites, while the Israelites themselves became the rural, agricultural and herding population. The exception of city property from the general law would therefore—in my view—be a compromise between the Israelites and the Canaanites, and would in large measure explain the economic break-down of the kingdom of Israel and Judah.

PHILADELPHIA, Pa.



## WHAT DOES A MAN "COST" THE COMMUNITY? BOOKKEEPING EXTRAORDINARY.

Communication from Mr. Edward Atkinson and Replies by Ernest H. Crosby and Louis F. Post.

*To the Editor of The Single Tax Review:*

In the "Single Tax Review" for January, 1904, Mr. Ernest Crosby contests the theory that each man, rich or poor, costs the community only what he and his immediate family consume. He remarks that "No less an authority than Mr. Edward Atkinson has recently maintained this position and his action has shaken my faith in the reasoning powers of economists generally." Mr. Crosby then proceeds to construct a balance sheet between a rich man and the community which leads me to doubt the accounting as well as the reasoning powers of the advocates of Single Tax, if he is an exponent of them.

I will therefore assume the case of a rich man and make a suitable balance sheet between him and the community.

We will assume that a certain Mr. Ernest had begun as a contractor of small means, about forty years since. He shared in building several small sections of railway each separate from the other but all easily capable of being connected. Some of these sections had been constructed by States, Counties and Towns in order to "develop public utilities in the interest and under the control of the people." The Counties and Towns had issued bonds. The railroads had failed to pay interest or profit, doing an ineffectual service at a high cost. These were very common conditions forty years since. Under these conditions taxes increased; repudiation occurred and both the railways and the counties and towns were on the verge of bankruptcy. Mr. Ernest found some large capitalists who joined with him in buying up these short and disjointed bits of railway, consolidated them into one great corporation, changed the gauge to make them uniform and developed a through line corresponding, for instance, to the through line between Chicago and New York.

Presently the consolidated line became very profitable. Freights which had been prohibitive on long distances were reduced. The most competent and best men were selected for engineers, firemen and switchmen. They were paid high rates of wages because through their skill and aptitude they could do the work at the lowest cost; this being the rule governing wages. High rates of wages the correlative or consequent of the low cost of the service.

Presently the through line needed to be double-tracked, terminals constructed and the like. Large amounts of bonds were issued which sold freely. The money was applied to the development of the service. Ere long the freight charge which had been more than three cents per ton per mile at the beginning, was reduced to less than half a cent a ton a mile. The mechanic of the East could pay for moving a year's supply of grain and meat a thousand miles with one day's wages. At that low rate the capitalists securing to their own use and control a small fraction, accumulated great fortunes. Two million dollars of the five per cent. bonds gained in this way were left to "the rich man" whom Mr. Ernest Crosby cites as an example, and from these bonds he secured the annual income of one hundred thousand dollars on which Mr. Ernest Crosby tries to make an account current and fails.

It will be observed that a small amount of capital and a great deal of labor had been expended on these short pieces of railway before they were consolidated. Labor had done all the work according to Mr. Crosby, and was entitled therefore to the whole property, but the property had become worthless. It was not until the mental energy and organizing power of Mr. Ernest was brought to the support of the inert capital and misdirected labor that any value or use was imparted to the joint product.

Now let us make an account current in customary form :

#### A RICH MAN IN ACCOUNT WITH THE COMMUNITY.

Credit : By income derived from two million dollars of railway bonds. These bonds are a lien upon a railway line which is performing the maximum service to the community at the least cost.....	\$100,000
Debtor : To amount..... expended in the support of the rich man's household and place.	\$50,000



ITEMS OF THE EXPENDITURE.

Twenty employees in the two houses belonging to the rich man, at an average of \$250, money wages, to each.....	\$5,000	
these employees thus getting their shelter, food and clothing.		
Expended for supplies of food and other necessaries of life furnished in the house, at 50 cents per head each day, with some extras, \$200 a year each, for 20 employees..	4,000	
Expended among teachers, musicians and others for the education of the children, from which the recipients get their shelter, food and clothing, say .....	6,000	
Expended on repairs, additions to furniture, musical instruments and the like, from which the recipients get their shelter, food and clothing, say.....	10,000	
Expended for yachts, carriages and other luxuries, from which the makers secured their shelter, food and clothing.....	20,000	
Total expenditure from which other people derived their shelter, food and clothing, not the rich man, his wife and children.....	45,000	
varying in amount and direction according to the taste of the rich man.		
Total debit to the community on this half of the rich man's income.....		\$45,000
With respect to the other half of the income.		
Debtor, to the amount expended by the rich man cited by Mr. Crosby as "a large landed proprietor employing a hundred men to work on his farm," and as being able "to shave down wages so that every man does two dollars of work a day to one dollar of pay." The man who does two dollars' worth of work in a day on a farm or elsewhere can always get it. If he works at a dollar a day he is an exemplar of the old proverb slightly changed, "A fool and his time are soon parted." A man that would work for a dollar could never do two dollars' worth of work. A man is paid according to his service, not by his own measure of time.		
But suppose the rich man employs the customary number of men on his farm, proportionate to the ordinary estate of a rich man, seldom more than twenty or thirty ; say thirty, at the customary rate in neighborhoods where rich men live, seldom less than two dollars a day, especially in harvest seasons where extra men are brought in. This rate is oftener a good deal more than \$2 for skilled men, but call it \$2 a day, 300 days in the year, 30 men..	\$18,000	
from which they get their shelter, food and clothing. That may be an expenditure that will not be reproductive. So far as the community is concerned, the shelter, food and clothing consumed by these men is so much out of the annual product, but it has provided the men who did the work with shelter, food and clothing for that year.		

The rich man then builds a great macadamized road, calling in a large number of common laborers, Italians and others, at a dollar a day. While at work they get their shelter, food and clothing out of that expenditure; say . . . 7,000  
 If the road adds to the permanent value of the land and of the neighborhood it is an investment of benefit to the future. If it is a mere luxury it is so much more consumed.

The rich man then invests twenty-five thousand dollars in the construction of a new railway in the neighborhood of his place, which performs service to himself and to the community. That is a reproductive investment out of which the men who are employed get their shelter, food and clothing while constructing the railway.....	25,000
Total.....	<u>\$50,000</u>
Debit .....	<u>\$95,000</u>
Balance to credit of the community .....	<u>\$5,000</u>

That balance of five thousand dollars constitutes the real credit to the community for the sum expended by the rich man for the shelter, food and clothing of himself, his wife and children, which is his cost to the community. He has distributed ninety-five thousand dollars among the persons employed by him in various ways, each of whom has expended his share of the ninety-five thousand dollars for the shelter, food and clothing of himself and his family and that represents their cost to the community. Such part as may have been expended by them for unproductive purposes represents so much of the annual product of that year which has been consumed without passing on into the form of capital. The other part has gone into the form of capital to be applied to further production. Nothing is constant but change. There is no such thing in existence as fixed capital of a material kind. Experience and mental energy are the fixed capital. The nation is always within one year of starvation, within two years of being practically naked and within three or four years more or less of being houseless, without shelter. Stop work on highways and they will wash out. Stop repairs on railways and within a year they will become worthless. By the interchange of commodities and services the whole community secures its shelter, food and clothing; food in substantially equal proportions, the workman consuming more by weight than the rich man; clothing in substantially equal proportions, differing in the quality more than in the quantity consumed; shelter in unequal ratio, offering the most difficult problem for solution by the economist.

I submit this trial balance as a true *pro forma* account corresponding to the conditions and relative expenditures of many rich men. In this instance the cost of the rich man and his family is the consumption of five thousand dollars' worth of the national product of that year, while out of the other ninety-five thousand dollars all who have been employed by the rich man have secured their shelter, food and clothing.

Mr. Crosby's treatise brings to mind an aphorism to which full consideration ought to be given: Rich men know too little of how poor men live: poor men know less of how rich men work.

The iron law of wages is the very reverse of that presented by Lassalle and Karl Marx. With some slight variation, the true formula originating both with Henry C. Carey and Frederic Bastiat may be given: "In proportion to the increase and effectiveness of capital the aggregate share of the product fall-

ing to capital is augmented, but the relative share is diminished. On the other hand, the share falling to the workman is augmented both absolutely and relatively. That law is sustained by the facts derived from industrial progress in the United States during the last fifty years for which adequate records can be obtained. In every art that has not been obstructed by legislation and by what is sometimes called protection. That is to say, in the vast majority of the industrial arts pursued in this country, the records prove that those who do the physical and mechanical work have secured decade by decade an increasing share or proportion of a constantly increasing product. This has been secured to their own use and enjoyment, subject to a slight downward tendency or retardation with the commercial or financial crises that have come round about once in every decade ; but after each passing once more to progressive increase.

In the same records it proves that the margin of profit on each subject of production secured by the capitalist has been very much diminished, although the aggregate profit due to the vastly increased volume may have been augmented.

As an example, fifty years ago it required a cent and a quarter to be taken out from the selling price of a heavy cotton sheeting in order to pay six per cent. on the capital invested in the factory. It now requires less than one-fifth of a cent to pay six per cent. on the capital. In that same period the rate of interest on money lent with safety upon good security has been reduced from an average of seven or eight per cent. to an average of three and a half. In that period the wages or earnings of working people have more than doubled and have been earned in a lessened number of hours under better conditions of life.

This progress has been mainly accomplished through the work of rich men whose mental energy has been applied to the direction of inert capital and labor which would be helpless without the directing power and conduct of the work applied to the service of the community as a whole.

It matters not what their motive may be. The railway magnate may gamble with bonds and stocks as if they were loaded dice by which he may shear the sheep who trot up carrying their own fleeces to be shorn. In the conduct of the railway service itself, these same men must serve the community to the utmost of their ability, lest the competition of product with product in the great markets of the world should deprive them of the power to operate their lines for anything more than the mere local purposes for which the short bits of railroad, cited at the beginning of this treatise, were originally constructed.

I have tried to measure the relative share of those who do the mechanical and manual work of the community or who serve as employees at small or moderate salaries, constituting in rather a broader sense than the term is usually applied, the working classes of the community as distinguished from the rich or well-to-do who own so large a share of the property of the community, not as large as is customarily assigned to them, but yet men who could live on their incomes without work if they chose.

In a normal year, to the best of my knowledge and belief, ninety per cent. of the annual product is consumed by the working classes in varying proportions according to their intelligence and capacity to meet the wants of the community. What they earn is not and cannot be determined by the measure of the work that they do either, in kind or in terms of labor or in terms of time. Their compensation is fixed by the measure of the service which they can render in meeting human wants. The same rule holds good in regard to the other ten per cent. which in my judgment suffices to cover all profits, rents, interest and other increments of gain listed under those titles. In other words, the cost of the annual product is ninety per cent. of that product. Not over ten per cent.

is or can be saved in a rich community either for the cost of sustaining the rich in the manner defined in this treatise, or for the maintenance or increase of the capital of that community.

EDWARD ATKINSON.

BOSTON, Mass., Feb. 17, 1904.

*To the Editor of The Single Tax Review :*

DEAR SIR : I have read Mr. Atkinson's answer to my article and it confirms me in my belief that his position is unsound. He marshals a quantity of figures in his supposed account and they may deter the casual reader from attempting to follow him, but the upshot of his example is this : A certain rich man has an income of \$100,000 a year from railway bonds. Of this he spends \$5,000 on shelter, food and clothing for himself and his family and Mr. Atkinson admits that this is "real credit to the community" against him. The other \$95,000 he spends in support of his household and place, on his farm, in building a macadamized road and in a new railway investment. Mr. Atkinson distinguishes these expenditures from the \$5,000 by the fact that they each enable other people, (not the rich man himself or his family), to get shelter, food and clothing for themselves. But surely this is a most unscientific distinction. The money which he spent for himself for "shelter, food and clothing" enabled his landlord, grocer and tailor to procure "shelter, food and clothing" for themselves, just as much as the other expenditures did. How in common sense can the fact of a payment be affected by the subsequent use of the money by the payee? And this is really the issue between us. A rich man or a poor man (for of course the law applies equally to all, and the only reason that I spoke of a rich man was that Mr. Atkinson did so in his original article in the Brandur Magazine)—a rich man or a poor man costs the community just what he takes from it and he must be debited with that exact sum. His subsequent disposal of the amount (charities aside) is altogether immaterial, for he will not let it go without getting an equivalent satisfactory to himself, whether he spends it on food or farms or roads or railways. In each case he will exact a *quid pro-quo* and his account for the future with the community will balance, leaving the original debit untouched by anything of later date than itself. Mr. Atkinson's long and lumbering way of meeting this very simple issue assures me that he has not seized it clearly in his mind. I suggest that you call in some level-headed thinker like Louis Post and submit the question to him as to which of us is wool-gathering.

ERNEST CROSBY.

COURTEOUS REJOINDER BY MR. ATKINSON.

*To the Editor of The Single Tax Review :*

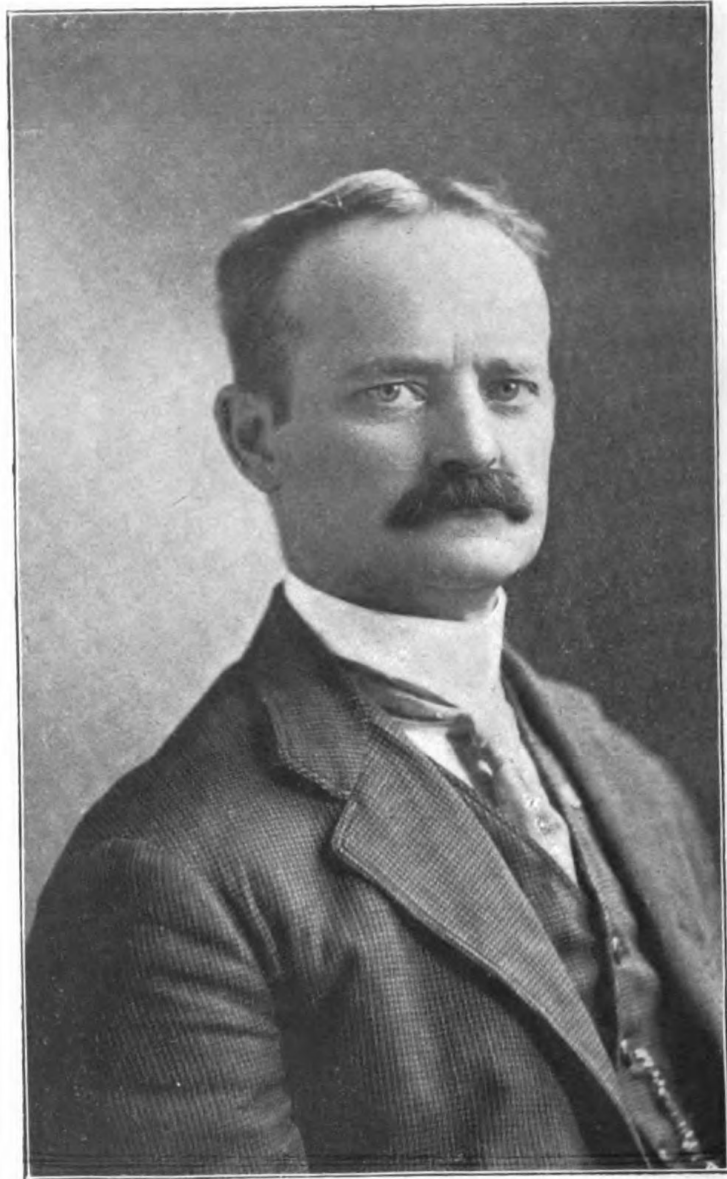
Mr. Crosby asks how in common sense can my analysis be applied? I leave the answer to common sense. If my article is "lumbering" it will not be useful to blockheads.—E. A.

MASTERLY SUMMARY BY LOUIS F. POST.

*To the Editor of the Single Tax Review :*

Mr. Atkinson's "account current" is evidently drawn from the ledger of the "Rich Man," whom Mr. Atkinson describes in his text as "a certain Mr. Ernest." This gentleman appears by the account current to stand to the community in something like the relation of a bank to one of its depositors. That is, the community is supposed to deposit with Mr. Ernest \$100,000, for which





WESTERN STARR

( See page 30 )

he gives it credit ; and Mr. Ernest is supposed to pay out for the benefit of the community \$95,000, with which he charges it. The balance of \$5,000 is characterized as, "Balance to the credit of the community." Mr. Ernest appears, therefore, to be acting as a trustee of some sort, with the community as his *cestui que trust*.

The obvious inquiry of Mr. Crosby arises. Why isn't the community charged with the \$5,000 expended by Mr. Ernest for his own family consumption? Why is that item a "balance to credit of the community?" There is no bookkeeping difference between it and other items of personal and family expenditure ; yet in his account current Mr. Atkinson charges those to the community. What bookkeeping difference does this eminent accountant observe, for instance, between the cost of Mr. Ernest's carriage in which he is driven to receptions, and the cost of the swallow-tail coat with which he is clothed for those occasions?

Mr. Atkinson explains that the coat is consumed by Mr. Ernest himself. But that is not a distinguishing fact ; for so is the carriage. Mr. Atkinson explains that carriage makers secured their shelter, food and clothing out of what Mr. Ernest paid for the carriage. But neither is that distinctive ; for so did tailors and cloth makers secure their shelter, food and clothing out of what Mr. Ernest paid for the coat. Mr. Atkinson might possibly urge that the carriage is cared for and driven by a coachman to whom Mr. Ernest may be said to have lent it in effect, and whose capital it therefore, to all intents and purposes, is. But neither would this be distinctive ; for Mr. Ernest's swallow-tail coat is cared for and put upon him by a valet to whom likewise Mr. Ernest may be said to have lent it in effect, and whose capital it therefore, to all intents and purposes, is.

How can it possibly be good bookkeeping to enter the cost of Mr. Ernest's carriage on one side of the account, and the cost of the coat on the opposite side? How can one of those items properly appear in the \$5000 "balance to credit of the community," and the other in the \$95,000 group of items to the debit of the community?"

Mr. Atkinson, eminent accountant and statistician though he is, must have been so over anxious to make a point in economics that he has made a slip in bookkeeping. It is not to be presumed that in arbitrarily crediting one group of things to the community, while charging the community with similar groups, he has done so with any deliberate purpose of covering up his fatal error of proving too much. He would indeed have proved too much very obviously, had he treated Mr. Ernest's swallow-tail group of items as he has treated Mr. Ernest's carriage group ; for then he would have made it appear quite too plainly that his typical rich man had lived sumptuously, and had invested \$25,000 besides, all out of an income of \$100,000 which he had also turned over for the support of other people! That would have been very like eating your cake and having it too. It would have been exactly like eating it all yourself and giving it all away as well. Yet Mr. Atkinson shows by his account current a result which falls only five per cent. short of the same absurdity. For he allows it to appear that Mr. Ernest has lived at the rate of \$75,000, and invested \$25,000 more, out of an income of \$100,000 from which he has turned over \$95,000 for the support of other people. There could really have been no temptation for Mr. Atkinson to try to avoid detection by discriminating with reference to the \$5,000 item, even if he were disposed to mislead. The subterfuge would have been too transparent. But, and this is conclusive, every one acquainted with Mr. Atkinson knows that he means to be right, happen what may. His misplacement of an item in bookkeeping is a kind of slip which any bookkeeper may make in the best of good faith.

A second bookkeeping error, one of greater magnitude in money terms

than the first, seems to me to vitiate Mr. Atkinson's bookkeeping, precisely as Mr. Crosby intimates. While disclosing facts enough to show that Mr. Ernest received back for his own use and that of his family, full value, dollar for dollar, in one form of service or another, for every cent of expense he has charged to the community, Mr. Atkinson has absolutely neglected to credit the community therefor. His account current is consequently fatally defective.

So far from being a correct account between a rich member of an industrial community on one side, and his industrious fellow members on the other, this account is such as might be rendered to a Board of County Commissioners by the warden of an almshouse, the inmates of which were all idle dependents. Even for that purpose, wouldn't it be suspicious? "Received of the county, \$100,000; expended for support of inmates, \$70,000; expended for aid in construction of a local railway for the convenience of the institution, \$25,000; salary, nothing; expended for myself and family, \$5,000, which is a 'balance to the credit of the' county." Blind, indeed, if not corrupt, would be the County Commissioners who, upon receiving such an account, did not promptly set on foot a searching investigation into the warden's personal affairs.

And what if it were known that the inmates of that almshouse were not idle dependents? What if it were known that they were generally industrious and generally at work, and that any who shirked and were caught at it were expelled? The almshouse warden who in those circumstances should charge the county \$100,000 for expenditures, without disclosing anything in the way of assets except a balance of \$5,000 due from himself for his keep, would either have to plead guilty of malfeasance or explain his omission as a book-keeper's oversight.

To return to Mr. Ernest. In the community which, by way of analogy for purposes of book-keeping illustration, may he called the almshouse he was warden of for a year and Mr. Atkinson the accountant, the inmates were not idle. They were all hard at work all the working time. Some served the warden's family at household work; some educated his children; some built him yachts and carriages, and others cared for and operated them; some repaired his houses; some built macadamized roads on his estate; some helped build a railroad, and he got, in his own name and as his own property, the stocks and bonds for the value of the work they did, his payment for which he has charged to the community; some kept hotels for him and others ran railroads for him, to the value of what he paid them; some made his swallow-tail coats and other clothing; some doctored him; some preached for him; some acted for him; some made books for him; others made pictures; and so on and so on. In a word, of all the people whom he supported out of his \$100,000 appropriation from the community, some gave him substantial products in exchange, and some gave him unsubstantial services; but all gave what he wanted and what he required of them. They gave their labor. And they gave it to him; to Mr. Ernest himself. Who paid for it? According to Mr. Atkinson's account current, the community did. As a simple matter of ordinary book-keeping, then, since the community is charged with what these workers and traders were paid by Mr. Ernest, it ought to be credited with what Mr. Ernest paid them for.

Is it asked how the value of their unsubstantial service can be ascertained? Mr. Atkinson himself gives a sufficient rule where he says: "The man who does two dollars' worth of work in a day on a farm or elsewhere can always get it. \* \* \* A man is paid according to his service." \* \* \* Also, where he says that the compensation of workers "is fixed by the measure of the service which they can render in meeting human wants." If this is true as a rule, then the converse is true as a rule; for value is but a resultant of two opposing forces—the force of supply and the force of demand. So we may



expect Mr. Atkinson to admit that as a rule the man who gets two dollars for work does two dollars' worth of work as a rule, his service being according to his pay; and that the measure of the service which workmen render in meeting human wants is fixed as a rule by their compensation. The services which Mr. Ernest enjoyed must be regarded, consequently, as worth to him what he paid for them; and, under that rule of valuation, which Mr. Atkinson advances, Mr. Ernest's account ought to credit the community not only with Mr. Ernest's income of \$100,000 from interest on bonds, but also with the value, at cost, of all the services and property he received and for which he has charged the community with the cost in his account current.

The foregoing considerations proceed upon the assumption apparently adopted by Mr. Atkinson, of a "national product" and community capital. In fact, however, there is no such thing in any other than a census or statistical sense—the sense of the joking office boy when he boasts that he and Mr. Rockefeller together get \$1,000,003.50 a week. The community does not produce this product; it does not own it; it does not place it with anybody in trust; it is neither to be credited with what any individual receives for his own labor, nor to be charged with what he expends for the satisfaction of his own wants.

With the exception of communal enterprises and taxation, the whole matter is individual and not communal. Not only is economic supply a result of complex individual actions as distinguished from common communal action, but so also is demand. I think Mr. Crosby was mistaken when, in his original paper in this controversy, he said that "demand is always the act of the community." As with supply, that is true only in metaphor. The demand of a community is the totality of the individual demands of its members, acting for themselves and not for the community as a whole; conversely, the supply of a community is the totality of the individual labors of its members, acting for themselves and not for the community as a whole.

If that is so, then anything which any individual gets in voluntary exchange for his labor is his, and not the community's; and when he parts with this for something that he prefers to it—whether for a substantial product of labor, like a house or a coat; or a permanent personal service of labor, like teaching; or an evanescent service of labor, like "setting a table," "making a bed," or sweeping a room—he simply exchanges what he has and relatively doesn't want, for what he gets and relatively does want. Consequently, when he makes up an account of his transactions, and finds a balance like that produced by Mr. Atkinson, it belongs not to the community but to himself. If he has earned this he costs neither the community nor anybody else anything whatever. He has paid his way by working his way. But if he has not earned it, then he has not paid his way and is to that extent a burden on somebody.

There are men in the latter category, and this fact makes much of the confusion that Mr. Atkinson still further confounds. Mr. Atkinson himself recognizes this confusing fact when he alludes to the obstruction of industries "by legislation and by what is sometimes called protection." But protection, highly effective as it is in taking their earnings from workers and giving them to parasites—much more effective than Mr. Atkinson would concede—is not the most effective nor the most fundamental species of coercive legislation. Mr. Atkinson's mythical Mr. Ernest might not be getting \$100,000 a year for his "mental energy and organizing power" expended in the past, if legislation had not shackled competition with reference to the useful expenditure of every kind of human energy and power. That he would not, is a fair inference from Mr. Atkinson's statement that "the nation is always within one year of starvation, within two years of being practically naked, and within three or four years more or less of being houseless."

Is that statement true? To a general intent, I think it is. But if it is true, how can any man, even though he have "mental energy and organizing power," perpetually control the distribution of food, clothing, shelter, luxuries and capital to the value of \$100,000 annually, without occasionally repeating the productive expenditure of his "mental energy and organizing power?" Is there any other explanation than that somehow, in some way, legislation or an equivalent expression of legal power, continually diverts some proportion of the current production of food, clothing and shelter from its current producers? I think not. In free contract no active producer would voluntarily give up a share of his current product to inactive men. Yet if the active did not relinquish to the inactive, either voluntarily or through some kind of coercion, the inactive would, on the average, starve in a year, go naked in two, and be shelterless within three or four. Only the working classes could be comfortable all the time; the leisure classes would have to return to work at frequent intervals.

So it may be that Mr. Ernest's \$100,000 income is in whole or in part a profit not from his labor power offered in free trade in the labor market, but from the coercive operation of restrictive laws and institutions of which he has learned how to take advantage to the detriment of other people. If this be true, Mr. Ernest is to that extent not an earner.

Probably Mr. Atkinson's theory would be better understood if he had made Mr. Ernest's account current with "Census Statistics," or some such purely book-keeping title, instead of making it with the "Community." The latter implies a real debtor or creditor, who actually owes and must pay his debit balance, or is entitled to receive his credit balance; whereas, "Census Statistics," being like "Inventory," or "Cash," or "Profit and Loss"—a mere book-keeping device for enabling Mr. Ernest to keep accounts with himself—would imply no obligation. In that case, Mr. Atkinson's "balance to credit of Community" would not mean that Mr. Ernest owes the \$5,000 to the community; but only that he has reduced the aggregate of all the property of all the individuals in the community, including himself, by that amount. Upon this supposition, Mr. Atkinson could probably be understood as intending to show that it is not Mr. Ernest who reduces the census aggregate when his servants and teachers eat food and wear out clothes and houses, but that these servants and teachers do it. Also that he doesn't reduce the census aggregate, but increases it if anything, when he directs labor to the construction of the local railway and his macadam roads; and that he himself reduces that aggregate only as he himself and his immediate family themselves consume food, clothing and shelter.

But it is aside from the question here at issue to consider this view of the matter. Mr. Atkinson has not made his account with a book-keeping myth like "Census Statistics," and it might be justly regarded as impertinent on my part to discuss the question upon the assumption that he means something which he does not say. It is enough to remark that if Mr. Atkinson did mean what I have just intimated as possible, his book-keeping is nevertheless, defective in the same way and to the same extent as upon the other hypothesis.

LOUIS F. POST.



Friedrich List, the German political economist, and teacher of protectionism, shot himself in 1846. He is the only one among the "eminent" protectionists who ever did that. Architects of the national ruin, they generally live to enjoy the contemplation of their own handiwork.

## SINGLE TAX REVIEW

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### SPRING NUMBER

#### PUBLISHER'S NOTES.

To all those whose subscription expire with this or previous numbers notices have been mailed. Our friends are urged to give what help they can to the REVIEW. Money would be well spent for the cause in placing it in every public library and reading room in the country.

We call attention to the advertisement of the Anniversary Edition of the complete works of Henry George on another page. Send in your orders, whether you desire purchase for cash or on monthly payments. To those who desire to pay in monthly instalments, the set will be mailed at once. A year's subscription to the REVIEW to any name of the purchaser's selection is offered unconditionally.

"The Tenets of the Single Tax," published in our last number from the pen of Edward T. Weeks, can be had at 80 cents a hundred by addressing him at New Iberia, La.

#### SUMMARY OF NEWS FOR THE QUARTER.

The crowded columns of this issue prevent us from including much important matter, such as extracts from Congressman Baker's speeches on the Rosebud Reservation, and the question of Ship Subsidies, all full of sound Single Tax and democratic doctrine, and the debate in the House of Commons on the Single Tax Question, or, as it is known there, the Taxation of Land Values, and the speeches in support of that measure by Mr. Trevelyan, Mr. Asquith, and others. Some of this news, and what will have occurred in the meantime, will be given

in our Summer number. The movement in Great Britain is rapidly tending toward a consummation that will involve tremendous social changes.

From the different points of the Union there is, however, a distinct paucity of news. The most fruitful activity is that set in motion by John Z. White's lecture tour, from which much is to be hoped. His work is described in full in this number and our readers will be kept apprised in future numbers of his most interesting campaign and its results. In Toronto, it will be seen, our friends are hard at work, and are making an impression on current Canadian thought that will bear fruit in good time. There is no news from Fairhope to report beyond that there is a steady progress in that hospitable haven of hope on the shores of Mobile Bay. The Bigelow Lecture Bureau is still at work in its labors to popularize the real religio-economic Christianity of the Vine St., Cincinnati, Congregational Church. For this Mr. Daniel Kiefer is chiefly to be credited. Another who is doing work of a generic kind is E. B. Swinney, of 1467 Bedford Avenue, Brooklyn, whose Single Tax Information Bureau is answering hundreds of inquiries and distributing great numbers of tracts and pamphlets.

In the present month, the Manhattan Single Tax Club of this city gave its annual Jefferson dinner at the Marlborough Hotel, and among the speakers were Congressmen Robert Baker and William Lloyd Garrison. John Z. White will address the club on the 22nd of this month.

#### THE BILL OF ASSEMBLYMAN MILLER.

A bill was introduced into the New York Legislature Feb. 10th by Assemblyman Miller, in relation to the taxation of dwellings. This bill was referred to the Taxation Committee in the Assembly where it still rests. It amends the section of the tax law which enumerates property exempt from taxation, and adds to Section 4 a new subdivision, to read as follows:

"19.—All dwelling houses to the amount of two thousand dollars; this exemption shall not apply to the land, which shall be separately assessed from the dwelling for the purpose of this exemption."

The effect of this amendment would be to subtract the sum of \$2,000 from the assessed valuation of all dwellings. It is favored by many Single Taxers upon the theory that it will arouse discussion, particularly in the rural districts where the full value of dwellings is usually under this amount, so that they would be entirely exempted; and that if enacted this measure would be a step toward the entire exemption of all improvements. Why cannot labor organizations be induced to take up this measure and urge its passage?

Assemblyman Edward A. Miller, of Brooklyn, who introduced the bill, represents the 21st District of Kings County, and is the only Single Taxer in the Legislature. He was elected on the Democratic ticket in 1902, the district having previously been Republican, and he was re-elected last year.

#### DEATH OF JOSEPH FAIDY.

Joseph Faidy entered into rest at his home in New Orleans, on March 6th. By his sudden death the Single Tax movement loses one of its most staunch and devoted friends. He had made economics his special study for many years, and he took a keen intellectual delight in discussion. Everything that concerned the welfare of the people interested him. He might have said of himself in the words of the old Greek dramatist, "I am a man, therefore nothing human is foreign to me."

Mr. Faidy's death came as a painful shock to his family and friends. Returning home in the evening he was preparing to attend a Single Tax lecture when he was taken suddenly ill and died shortly after.

Mr. Faidy was a native of New Orleans and belonged to one of the oldest and most respected families in Louisiana. He was an only child, and it was but a few short years ago that both his parents preceded him to the grave.

Mr. Faidy was but thirty-two years old at the time of his death. He was singularly polished and cultivated in manner and speech, and had many friends. He had written much for Single Tax publications, and one of his articles is the occasion of the symposium on the interest question contained in the present issue.

Mr. Faidy's tenderness and the humane instincts which impelled him are shown in a bequest in his will, of which he was his own testator. In this bequest he leaves to the Society for the Prevention of Cruelty to Animals, of New Orleans, the sum of \$100 for the prevention of suffering among homeless dogs by merciful extermination. To Prof. James H. Dillard, of Tulane University, he leaves \$250, to be used at Mr. Dillard's discretion for the purpose of advancing the Single Tax movement in New Zealand. Following this bequest Mr. Faidy says:

"I believe that the purposes which Henry George sought to achieve can be sooner accomplished by the purchase of the land by the government than by means of the Single Tax, on account of the opposition which the latter arouses among land owners, and I believe that nationalization by purchase is practicable, because the ownership of ground rent by the State would abolish all interest. The objection which is urged against nationalization by purchase that it would create a large and perpetual burden of interest incurred, therefore disappears. I arrived at the conclusion after long think-

ing on it, but found that a German named Michael Flurscheim had made the same discovery eleven years ago. It seems to have been discovered also by the authors of 'The Story of My Dictatorship.' This bequest is made not so much for the good that it can do in itself, but as a suggestion to other Single Taxers who can afford to give more to not forget the cause in their wills.

"I think, too, that the greatest good can be done for the cause by trying to help it in the country where it is already most advanced, and so giving a practical demonstration to the rest of the world."

These words from the hand made so suddenly cold and lifeless have unusual solemnity. Not all Single Taxers are in agreement with Mr. Faidy in this opinion—perhaps few are—but all are one with him in the objective aim.

There have lived few men whose devotion to truth and humanity was so intense. All that is mortal of him is gone, but his work survives him, and his memory will remain a loving inspiration to those who knew him.

MISS VICTORIA M. JONES.  
NEW ORLEANS, LA.

#### DEATH OF JOHN FARRELL.

The news reaches us through *Land Values* of Glasgow, Scotland, of the death of John Farrell, whose fame as a Single Taxer was international. It was John Farrell who accompanied Henry George on his Australian tour, and it was he who was foremost in upholding under the Southern Cross the banner of human freedom as Single Taxers see it. We cannot do better, in summarizing the great service John Farrell rendered the cause, than to quote Mr. Lewis H. Bereins' tribute to the dead leader and poet of Australia published in *Land Values* for March:

"John Farrell was no common man. As a poet his verses, more especially, perhaps, those entitled "How He Died," which are redolent with the best spirit of life in "the bush," have made him known throughout Australasia. As a Single Taxer, his great services to the cause, more especially his organization of Henry George's tour through Australia, have made him known to his co-workers throughout the length and breadth of the civilized world.

Born in South Africa of Irish parentage, John Farrell was early thrown upon his own resources, and unaided left to fight his battle with the world, getting the hard-bought knowledge of men and things that only comes that way. Seaman, miner, brewer, bushman, drover, now at one thing, now at another, as has been the lot of so many of the best men in Australia, he at last drifted into up-country journalism; and when I first heard of him (in 1888) was editing, as an avowed Single Taxer, *The Lithgow Enterprise*, still flourishing as *The*

*Lithgow Mercury.* Since that date he has always been on the firing line, in the very forefront of the great struggle on behalf of social justice and righteousness, which, in Australasia as elsewhere, has yet to triumph over privilege and monopoly. My personal recollections of John Farrell are but slight. I only met him twice, once in Lithgow, where he was running a paper, and once in Adelaide, when he was accompanying Henry George on his great tour. Slight as they are, they certainly bear out the truth of the following from the pen of one of his fellow pressmen in the *Sydney Evening News*:—"In personal character John Farrell was one of the best liked men in Australia. No one could talk with him for five minutes without seeing the earnestness of the man, and the wonder always was that one who had known the world and its ways so long could retain the fresh enthusiasm, the belief in humanity, and the kindness of nature that characterized him. He was one whose character stood high, and whose friendship was valued by rich and poor alike."

"Such, then, was our earnest and valued co-worker, John Farrell, whose early death we must all deplore. But the good work in which he rejoiced, and his faith in which kept fresh his enthusiasm, still remains, and we cannot better honor his memory than by emulating his example, and devoting ourselves to it with the same energy and enthusiasm as he lavished upon it."

#### WESTERN STARR.

(See Portrait.)

Western Starr was born at Davenport, Iowa, in the year 1854. During the year 1859 his father moved to Rock Island, Ill., where the boy began attendance at the public school. His experience was that of the American boy until 1870, when he took a situation as a farm hand, subsequently worked on the St. Louis bridge, and afterwards (1877) in the mine mills in Colorado. In fact, he became one of those enterprising Western individuals known as a "rustler," and he was a true and successful representative of the type.

By 1877 he had "rustled" so well that a small fund stood to his credit, and he determined to extend his theoretical knowledge as a desirable addition to his attainments in the practical field; he, therefore, entered Oberlin in April of that year, and continued somewhat over two years. In 1880, he took his degree at Cornell, Ithaca, N. Y. Afterwards, he took the Columbia law course in New York City, and was admitted to the practice of law in the same city in 1882.

In June, 1882, Starr went to Chicago, and taught in a private school and practiced his profession until the following year, when a business engagement called him to North Dakota. The outlook for a young

and energetic man was good enough to induce him to remain, and he located at Dickinson, North Dakota, remaining there until February, 1889. During this period he was appointed assessor under the territorial government and also held the office of justice of the peace.

Starr returned to Chicago in 1890, where he carried on a real estate brokerage business, and also continued the practice of his profession. He still continues in the latter vocation. One of his experiences while enjoying the activities of a real estate broker was the sale of the same lot five times within five days. The first sale was at \$75.00 per front foot, while five days later the last holder declined an offer of \$200.00 per front foot.

For two years Mr. Starr held the position of secretary of the civil service reform committee of the Civic Federation of Chicago, and in 1901 was made chairman of the same body. He is also legal counsel for the Civil Service League—an organization composed of employes of the city of Chicago under the classified service.

Starr was born into a republican family, but since his residence in North Dakota, with the exception of 1896, he has voted with the Democratic Party. In 1896, he could not bring himself to feel that supporting the privilege of the silver mine owner was wholly justifiable—though he confesses that even then he was not clear as to why the privileges of the gold mine owner were any more sacred. The year 1900 found him on the stump for the success of the Democratic Party, and to-day the reformed and purified host has no truer and few abler supporters.

The capital of North Dakota was located in 1891, and the jobbery revealed in connection with this determination caused Starr to condemn as wholly evil the dishonest officialism shown in both the territorial and national governments. In collusion with this dishonest officialism the power shown by the great corporations—especially the Northern Pacific railroad—startled him, and was the immediate cause of his interest in the Single Tax. He found that this road had been granted every other section of land for a distance of forty miles on each side of its track. This of course being equal to a solid strip forty miles wide clear across the State. And when a settler had taken possession of a farm anywhere within these limits the road was permitted to take any unclaimed section within ten miles beyond the forty mile limit.

The colossal outrage involved in land grants of this character can in some degree be appreciated when we remember the mad rush made for homesteads when the lands of Oklahoma and the Cherokee strip were opened for settlement. The same sort of conditions that disturbed Starr in North Dakota riveted the attention of Henry George in California.

Western Starr formally joined the Single Tax movement in 1898 and since that time has been an enthusiastic, a strong and a willing worker in the cause of human freedom. His manner in speaking impresses the listener with the feeling that this must be believed because it is true. His diction is ornate, and at times epigrammatic, and while the quality of the voice is not equal to the force of the thought nor to the purity of the language, it is clear, incisive, penetrating, and gives strong indication that the present generation retains the fighting qualities of its ancestors, for on his father's side Starr's forebears date back to the Connecticut pioneers of 1635; while his mother includes among her progenitors so vigorous an individual as Roger Williams. And Western Starr is as strong in advocacy of the cause of truth as were any of them.

#### PROGRESS AMONG OUR SWEDISH BRETHREN.

I, together with Alex. Sandberg, Everett, Mass.; B. N. Wennerblad, Cambridgeport, Mass.; H. W. Norén, Allegheny, Pa.; Gunnar Naumann, Rush City, Minn.; and Rev. August Dellgren, Chicago, Ill., began in the beginning of 1902 (or two years ago) a Single Tax discussion with more or less prominent opponents of the doctrine, in the most widely circulated Swedish-American newspaper in this country, namely "*Svenska Amerikanska Posten*" ("*The Swedish-American Post*") a paper having a circulation of 65,000, the proprietor and editor of which are quite favorably disposed toward the Single Tax. This discussion went on for a year and a half, or until the spring of 1903, with constantly increasing vigor on the Single Taxers' part, and did, we are inclined to think, much good among Swedish-Americans, of whom there are about 2,000,000 in the United States.

Since early last Summer we have carried on in the same paper another discussion, the subject being: "Is it the duty of the Christian religion to aid in the abolition of involuntary poverty?" In this discussion—which is now about concluded—we, and especially Mr. Gunnar Naumann, have managed occasionally to weave in and present the truth of "the-land-for-the-people doctrine," i. e., the absolute need of the adoption of the Single Tax in order to abolish undeserved poverty.

We are about to start another discussion in the same paper, but, of course, under another name or heading, and I fancy that the Single Tax gospel will occasionally be discerned therein.

In my union—the Woodworkers' Union, A. F. L.—I preach whenever opportunity offers, the-land-for-the-people doctrine.

The trouble with our movement is that the Single Taxers are not sufficiently organized. Organization, nowadays, is abso-

lutely necessary for the successful accomplishment of anything of importance.

May I make a suggestion? Inasmuch as we all recognize in Mr. Tom L. Johnson our natural National Leader—why could we not promptly and effectively organize ourselves in this way. Let Mr. Johnson immediately appoint for and from every state and territory in the Union and for and from the District of Columbia where the Single Taxers are not organized, or where they do not immediately organize, a state, territorial and district Single Tax chairman.

This done, let either Mr. Johnson or these chairmen themselves—whichever way shall be deemed best—appoint a chairman from and for every county, city and village in each state, territory and the District of Columbia.

These various chairmen—state, territorial, district, county, city and village, will take charge of the work of organizing the Single Taxers in their respective states, territories, District of Columbia, county, city, town or village; look after the interests of the movement therein; either engage in or supervise the Single Tax propaganda work in their respective fields.

The county, village and town chairmen should at stated periods—say, every quarter—report in writing to their respective state or territorial chairman (as the case may be) whatever he may consider of interest and value, concerning the movement. And the state, territorial and District of Columbia chairmen should, in a similar manner, report to the national chairman whatever they may deem of interest and value from their respective fields.

But let us not run from one extreme to another, from almost no organization to too much organization. Let us be sane and moderate, but active and energetic. What we want just now, is a fair, intelligent beginning; a nucleus around which we can further organize, grow and work.

F. G. ANDERSON.

#### THE GOSPEL OF THE SINGLE TAX IN BLANK VERSE.

The following ingenious attempt to embody the philosophy of the Single Tax in blank verse is to be credited to Horace Smith, an attorney of Youngstown, Ohio, and was read by him at a meeting of the Up-to-Date Club of Youngstown. It was reproduced in full in the Youngstown *Vindicator*.

Much of it is real poetry, though not all of the lines are susceptible of arrangement into verse form. We quote the first part of this unique address:

"The king was Lord of all the land, and livery and seizin had from holy priests, a title clear from God. But kings make priests and they annoint the kings. The

one made slaves of men. The others ate the fat of sacrificial lambs while meting heaven's mercies out for gold.

Now in the light of later days, when men may better understand the Gentle Nazarine, nor fear to think, lest thought be treason to a king or hereay to God, let reason pass upon the claims and abstract shown, of title to the land, the ethics of man's right to lands or goods.

God grants unto the king, the king to viscount, earl or duke, and they to lesser lords, to knights and squires and to retainers bold. The kings first seizin was the livery of hell. The priest poured devil scented oil upon the tyrant's head. The other grants were paid in blood, to moat the royal castle walls.

The robber barons took by might the lands and harvests, from the sons of toil, who felled the forests and reclaimed the earth from desolation wild, who tended herds and plowed and sowed, and earned the bread they ate, with honest sweat, and had the title toil alone can give to betterments of land and products of the earth. The barons gave broad acres to the priests for abbey lands, and fed them from

#### EGYPTIAN POTS OF STOLEN FLESH,

and merry made with wine from grapes, that Sorrow's feet had trod."

The following with its special application of legal terminology is very happy :

"Omitting vested rights and vested wrongs, and ills of quick transition times to better days, what is the true, humane and just estate in land, the ethics of man's title to the earth or right to use the light and air or ought that God has made? Man wants, the Earth supplies, the land is his. He sees, his eyes give right and

#### EASEMENT TO THE LIGHT.

He breathes, his breath's allodial title to the air. Necessities make nature's laws, establish rights that man cannot alien by force of even democratic law. A Shylock bond for pound of flesh, or sale of self to peonage, aliening necessary rights which leave our children slaves, for want of them are contracts *ultra vires*."

Here follows the statement of principle :

"The light and air and land are man's to hold in common for the good of all. The dog owns not the hay that fills the manger and the man owns not of Nature's store what he can never use, nor can exclude from inherent rights to share in nature's bounties free to all. Yet man the Pharisee would sell the light of day, God's smile; the summer breeze, God's kiss, for title deeds convey not plains but solid geometric shapes from central earth to vault of blue. The things man makes are his, at least while nature offers from her full supply the raw material that all men need."

Then after a necessarily less poetical exposition of the method to be pursued, the

author continues. The rhymed portion is especially good :

"We ask not charity from plundering hands, nor restitution of the booty taken. Restore to man his present rights, his equal share of public wealth and nature's bounties, and protect him from monopoly's false claims. But agitation 'gainst such wrongs disturb the public mind and lead to anarchy and strife. Nay—agitation's life, stagnation's death.

The sluggish stream, and stagnant lake,  
That slumbrous lie, and ne'er awake

To agitations wild,  
Are spawned with filth, malarial death  
By fell disease, lurks in their breath  
So orthodoxy mild.

But rebel brooks that tumbling brawl,  
At every gorge and waterfall,

In pools pelucid lie ;  
And oceans by perpetual flow  
From moon wrought tides, and winds that  
blow,

Their own depths purify.

For public good at country's call the  
mother gives her son, the wife her husband,  
as an offering to

#### THE BLOODY GOD OF WAR.

and if not freely given then the nation takes.

Where every manly life is subject to the country's call, and right of one to live may be denied for good of all, what is the mystery that makes the laws of property perpetual, though wrong, and brands as outlawed anarchists the man who dares to speak for right?

Truth never fears the light, but error hides in darkness, shrieks 'gainst the light of reason's torch and calls it brand of anarchy.

A man should give to men a *quid pro*. consideration full, for all that he receives and, who gives none, but sells to Heaven's donees their own free gifts from Great Jehovah's hand, defrauds his brother man and slanders God."

#### News—Domestic.

ILLINOIS, CHICAGO—(Special Correspondence.—G. J. Foyer.) On Jan. 8th there assembled a body of earnest men in the rooms of the Chicago Single Tax Club, and after much deliberation there was formed the Illinois Non-Partisan League for Home Rule in taxation. A charter for the organization was quickly secured and the following officers elected: Thomas Rhodus, President; Chas. H. Hartman, Vice-President; G. J. Foyer, Secretary and M. J. Rowan, Treasurer. Bylaws giving a wide scope to the League were adopted, and the officers proceeded to action. An advisory board of vice-presidents consisting of the leading banker, manufacturer, merchant or farmer of every community in the State of Illinois

will be appointed and made president of his local board. The duties of these vice-presidents is to form organizations in their respective localities for local option in taxation. Certificates of appointment to each of the 2,000 vice-presidents of the League, together with application blanks for those who wish to join the League, will be mailed as soon as it is deemed advisable. A carefully prepared notice is to be mailed to the vice-presidents defining the position they should take in regard to making their town or county the best possible for the residents thereof, so as to encourage that kind of industry to which their locality is best adapted. The 200 editors of the largest dailies throughout the state are printing letters on the Single Tax, its relation to the farmer and the business man, showing the need for local option in taxation. Together with this combination the Chicago Single Tax Club will proceed to political action, and while the state is crying for home rule in taxation, the political movement will be crying for the Single Tax in Chicago. Thus the most carefully conceived scheme to carry the Single Tax in Illinois is rapidly taking shape. It is only a question of a short time when the vice-presidents throughout the state will be organizing for home rule in taxation. The letter-writing corps will be mailing their letters to the newspapers in the state and the Single Tax party will be standing for the Single Tax, all operating in a coherent body independent of one another with their "mother," the Chicago Single Tax Club, directing their every move. Our representative in going through the State of Illinois is constantly calling upon the newspaper editors, and many of these have consented to represent the League for home rule in taxation in their locality. When it is realized what force and impetus this will give the movement, none can doubt that the most practical scheme to bring about the Single Tax has been solved by the club. The Chicago Single Tax Club holds no meetings for the discussion of the Single Tax, but a regular meeting of its members assemble to discuss ways and means to further its adoption. The public are not invited to these meetings which are held in the office of the club. I believe the club will never hold meetings again to propagate the faith, and I also believe that the majority of the club are convinced that this is not the way to accomplish our ends. Fifteen years holding meetings in Chicago and a trial of the political movement was all that was necessary to prove the course that we should take. The club is not trying to capture the whole United States; our efforts are confined to the City of Chicago and, incidentally to the state. In the last number of the REVIEW it will be noticed that the different correspondents representing various localities take no part in politics, and have nothing to report as progress. Ernest Crosby discusses a point so fine that none but a microscopic eye can detect it, and when it

is made so large that all can see it, we find the same old story in "Progress and Poverty." In this issue it will also be noticed that another hair is being split on interest. Let us get the Single Tax upon the value of land, and all these minute difficulties will vanish. This beating around the bush looking for a new diversion can accomplish nothing.

MASSACHUSETTS.—(Special Correspondence.—Eliza Stowe Twitchell).—The advocates of the Single Tax in Massachusetts, have by no means grown lukewarm in their faith, or weak in their belief that the coming of the kingdom is steadily approaching; yet little is now being done here by way of open and progressive work.

Our chief difficulty lies in overcoming the general indifference of the public to an interest upon economic subjects.

The mass of people believe that with the death of Henry George died the life of the movement; but not so those who have grasped the meaning of the great reform which his name symbolizes. They realize the tremendous import of those doctrines, and the enthusiasm by which its advocates are actuated.

Reforms do not run themselves; yet the truths they represent once promulgated, tend to make their way in many forms, and through minds hardly aware how revolutionary are the ideas they are entertaining. Just at present, a bill has passed the lower house of our General Court, and is likely to pass the Senate, to tax the South Boston flats, owned by the Commonwealth, and which have long been leased to private individuals for a pittance. The plea is offered, that this is done to obtain more revenue; but the bill is backed up by landlords, whose adjacent land is decreased in value by its proximity to free, or very low rent land.

The same complaint has been made regarding the Quincy and Faneuil Hall Markets, owned by the city, and leased to business men at comparatively lower rents than adjoining property. In a sense, this has little to do with the principles of the Single Tax, because of the exceptional and local character of the proposed change; but it is marked enough to point a lesson regarding the source of this revenue, and the social character of its growth.

Ernest Howard Crosby delivered a most admirable address here in February, before the Walt Whitman Association. There was present a small but progressive and thoughtful audience, among them was the Hon. George Fred Williams, and at the close of Mr. Crosby's address, he made a brief speech, in which he pointed out some of his objections to the Single Tax, declaring that he thought the time had now come to tell the laboring men how they were being robbed.

It struck me that laboring men were already feeling this all too keenly; that the



time was now ripe to tell them how they could put a stop to being robbed. The Socialist was in evidence as usual, with his plea for the overthrow of capitalism. Mr. Crosby delivered the same lecture in Lexington and in Worcester.

An effort is now being made to secure audiences for a week of lectures by Mr. John Z. White. If it fail, it will not be for lack of funds, or of interest in his work; but because of the difficulty of securing audiences on successive nights.

We are, of course, much cheered by the progress of the movement elsewhere, especially in Great Britain. I am told, that Mr. George, before he died, used to say he was not sure which country would be the first to adopt the Single Tax; but should we be plunged in war with a foreign country, that Great Britain would have the honor of coming out ahead of us; for nothing sets back reform, and hinders progress as war or the rumors of war.

NEW JERSEY.—(Special Correspondence.—J. H. R.)—The attention of the public is again being forcibly attracted to the taxation problem through the agitation set into motion by Hon. Mark Fagan, Mayor of Jersey City.

Recognizing that present taxing methods involve great injustice to a large percentage of tax payers, and prompted by a desire to serve the interests of those discriminated against, Mayor Fagan is seeking to enlist the active cooperation of other high officials.

In response to an invitation issued by him to the mayor of every city in the state, a convention was recently held, committees appointed, and considerable enthusiasm aroused.

The principal object sought is the equalization of taxes, as between the railroad corporations and the tax paying citizens at large, it being contended that the transportation companies do not pay their just proportion.

While the motive back of the agitation is undoubtedly commendable, and while it cannot but result in some good, yet one cannot but regret that the excellent channel furnished by Mayor Fagan and his associates is not put to better use. If instead of devoting their energies to the accomplishment of some superficial reform which at best can result in little more than the robbing of Peter to pay Paul they would seek to substitute for present systems (?) one which would involve no robbing at all, the results of their work would be much more commensurate with the effort exerted.

Under the active leadership of M. T. Gaffney, M.D., 211 Plane St., Newark, a man who is a genuine Croasdaler, if ever a disciple of Henry George deserved that title, students of economics have been conducting throughout the past Winter an "Economics Study Club." The class through the kind co-operation of the authorities has enjoyed the privilege of using one of the

rooms of the Newark Free Public Library. Meetings have been held, and are being held every Wednesday evening, and it is possible that, in view of the interest manifested, they may be continued throughout the Spring and Summer. The class is reading "Progress and Poverty," one chapter being read at each session; the meeting then being thrown open to free discussion. Thus far there has been no exception to the rule that the sound of the gong, and the turning off of the gas, have left those present in the midst of a most interesting and usually hot debate. These occasions have furnished most desirable opportunity for advanced economic students to rehearse their parts and improve their facility of expression, and it is, in addition, gratifying to note the increasing number of junior students who, through this medium, are rapidly becoming proficient.

On February 16th, the State Federation of Civic Clubs held its annual convention in Newark. In response to an invitation extended by the President, George L. Rusby was one of the speakers. He read a paper entitled, "The Civic Club—Its Use, Disuse, and Misuse," which has since been published in full in the *Orange Journal*. The speaker sought chiefly to emphasize the importance of the opportunity enjoyed by the average local civic organization. Expressing regret at the fact that these organizations so often deal with superficialities instead of with fundamentals, with trifles rather than with broad truth. He urged upon his audience the importance of studying the great social problems, and referred them to "Progress and Poverty" as a book in which the writer has placed cause and effect in their true relation, and made plain the line of least resistance in solving the serious problems of the day. Mr. Rusby has since accepted the chairmanship of the State Federation's Taxation Committee, and will seek to surround himself with a committee of men with whose aid it will be possible to accomplish some desirable work through the medium of this state organization.

As an indication of the growing interest in the proposition advanced by Henry George, George L. Rusby was invited to address the Church Club of the First Presbyterian Church of Newark. The subject assigned the speaker was "Henry George;" and Mr. Rusby chose as his text: "The Man with a Spiritually Quickened Conscience Makes It a Study to Know What is Right and Just in the Community as Well as in His Personal Relations;" these words having been culled by him from a recent issue of the *New Church Messenger*.

The speaker explained to his audience that instead of devoting the hour to a study of the life of Henry George, he thought it better to explain the proposition which had been advanced by that great man, the principles upon which it rests, and an easy method for its application to modern so-

ciety. The audience listened with deep interest, a proof of which was shown in the fact that a goodly number remained after the meeting had been adjourned, to question the speaker as to such points as had especially appealed to them. Charts were used by the speaker in illustrating and emphasizing the principal points he wished to bring out.

Single Taxers throughout the State are awaiting with interest the arrival of John Z. White from Chicago, for whom it is hoped to make many appointments in New Jersey. If sufficient appointments are secured, Mr. White will devote the entire month of May to the field which New Jersey offers, and as there will be no charge for his services or expenses, tax reformers should actively interest themselves in securing as many invitations for Mr. White as possible.

OHIO, COLUMBUS.—(Special Correspondence.—Frank H. Howe.)—The Winter just passed has not been one of much activity in Single Tax work, yet, the faithful have done well as they had opportunity. The overwhelming defeat of Tom L. Johnson in the fall campaign was like a dash of cold water in the faces of those whose expectations had been raised to a high pitch by the prospect of Democratic control of the Ohio Legislature. It is doubtful, however, if control of the Legislature by Democrats, the large majority of whom were unfavorable to Single Tax, could do as much to further true Democracy as the present Republican Legislature under the control of autocratic leaders is doing.

Feeling sure in the control of the State the Republican leaders for several years past have forced through a policy of concentration of power in the hands of State officers, with a view to controlling local as well as State government, through a thoroughly organized and well disciplined Republican political machine. The working out of this policy was gradual and insidious up to this year, and not clearly perceived by any except students of governmental affairs, but the large Republican majority of last Fall has made them over-confident, and unless the signs fail, they are "riding to a fall."

The last session of the Legislature enacted the Municipal Code, which violated every principle of local self-government, but this Legislature is ripping up the school system, has passed the infamous Chapman bill, doing away with spring elections, so that the election of National, State and local officials shall take place on the same day, trusting to lead the people to ignore local issues and carry local elections on National and State issues. The next official ballot will have more than 240 names on it. How many voters can make an intelligent selection from such a selection of candidates. Rev. Dr. Gladden in a public address said the Chapman bill should be entitled "A bill to

prevent independent voting." Another bill proposes to place the power to grant franchises under the control of a State board. Still another bill proposes to sell the State canals to railroad corporations.

The canals of Ohio have directly and indirectly paid for themselves many times over, and even in their present (purposely) neglected condition are worth much more than their cost as a menace to extortionate railroad freights.

How far the Republican leaders will go toward separating the people from their liberties, their rights and their public property, no one can tell, as they seem to be "drunk with power." One Ohio Senator in voting for the Chapman bill said he was opposed to it, his constituents were opposed to it, but his party demanded it and he must obey, although he believed the party leaders would regret it. Let us hope they may. It seems to an onlooker as though in the death of Senator Hanna the party had lost the only man that could prevent its disruption. Factional fights, quarrels over the spoils, petty jealousies and intrigue seem rampant within its lines.

It is our belief that the Ohio people have been roused, and when they go to the polls again, notwithstanding the perfection of the Republican machine, with its unlimited supply of "golden lubricant" the machine may "slip a cog."

Single Taxers of Columbus are mourning the recent death of Harry I. Abbott, Sec'y of The Columbus Single Tax Club. He has been a faithful worker for many years, and never lost an opportunity to advance the interests of the Single Tax cause. A modest, yet fearless man, quiet and gentle in manner, yet bold in speech. Conscientious, painstaking, persistent and steady in the work of bettering the social conditions surrounding his fellow-man, not only along Single Tax lines, but in every activity of daily life.

His widow, Louise Herrick Abbott, is a Single Tax worker of superior ability and discernment. She has done much educational work through women's organizations and the publication of scholarly and logical papers on the subject.

Individual Single Taxers have not been idle during the past winter. In December, Frank H. Howe gave an address on "Government Ownership of Coal Mines," before the "Men's Club of the First Congregational Church," an organization composed of some 150 of the most prominent business and professional men of Columbus. This club twice a month discusses economic subjects and affords an opportunity for injecting Single Tax argument into the discussions that follow the addresses. Dr. Gladden frequently takes part in the discussions.

The Y. M. C. A. has a "continuous performance" every Sunday afternoon, consisting of debate, concert, lecture and

supper, commencing at 2 P. M. and lasting until 7.30 P. M. Among the subjects debated are "Capital Punishment," "Increase of Crime," "Political Corruption," etc. Two leaders open the debate with ten minutes each, and then the discussion is open to all for forty minutes, with three minutes to each leader for rebuttal.

Frank H. Howe and Ellis O. Jones have each acted as leaders at different times, and while the Single Tax is not mentioned as such, the principles are discussed. These meetings are attended by some two or three hundred young men, and afford a fine opportunity to promulgate Single Tax principles, which Single Taxers have availed themselves of, as well as Socialists, Anarchists and other doctrinaires.

John S. Maclean recently carried away the honors in a series of addresses on Taxation given before the Columbus Board of Trade. There were several speakers, among them County Auditor Jones, Prof. Hagerty, Professor of Political Economy at the Ohio State University, and Sinking Fund Clerk Gemuender.

After the atrocious inequalities and injustice of Ohio taxation had been shown by these speakers and the audience befuddled with intricate and impossible remedies, "Mac." got up and cleared the atmosphere by presenting the Single Tax in a very able address. At its close many questions were put to him, some pertinent and others impertinent (purposely so). Those putting the latter were made "chopping blocks," by the quick witted Scotchman, who answered their questions with darts that pierced their hides, amused and instructed the audience at the same time.

At the close of the meeting the President of the Columbus City Council was overheard to remark "That man Maclean knows more of taxation than all the experts put together."

Mr. Maclean during the Winter has addressed several church clubs and fraternal organizations on Single Tax and debated the question before a farmers' club.

While there has been no organized work on the part of the Columbus Single Taxers for some time past, yet individual workers have not been idle.

WISCONSIN, OSHKOSH.—(Special Correspondence.—John Harrington.)—In the last number of the REVIEW I gave a brief synopsis of recent legislation in this State along the lines desired by Single Taxers. Especial reference was made to the laws extending the list of exemptions. But at the annual meeting of the county supervisors of assessments held at Madison last month, the general line of instructions by the State tax commission to the county commissioners seems to have been to construe the law closely against allowing exemptions. For instance, a piano or other musical instrument is exempt when its

value, added to the other household furniture of the family, does not exceed in all \$200.00. The assessors are instructed carefully to investigate the value of the other household furniture before allowing a claim for exemption of a musical instrument. Thus are great minds and expensive governmental machinery being wasted on petty details. Thus also is shown the bent of those minds that cannot outgrow the old superstition learned in their youth, namely, "the equal taxation of all property."

In a former letter (July, 1902,) I predicted that the present system of forcing the full assessment and taxation of personal property, which was begun only five or six years ago, would result in failure. Already the breaking down process has begun. It is probable that the assessments of personal property for last year and the year before reached the high water mark. There is a growing revulsion against our whole plan of supervision.

Our failure, will, however, be but a repetition of the history of many other States for the past fifty years. And yet the lesson must continue to be taught over and over again, and still our good and well-meaning old fogies will not learn; they probably cannot learn. Like the efforts of old to transmute the baser metals into gold, and later, to construct a perpetual motion machine, so the superstition of "equal taxation of all property," must run its course.

Private property created by individual labor must still be taken for public purposes, because our good old grannies cannot see that the unearned increment, a value created by the public, ought not to go into private pockets. The proposition that nature created a public fund to meet the public expenditures is as meaningless as Choctaw to our honest old fossils. It simply causes their heads to swim and their mouths to drop open to hear it; to try to think about it throws them into a state of mental collapse.

My neighbor who seems to use about the same amount of gas as I use, and whose monthly gas bill is about double in amount, complains vigorously of the injustice of gas meters. But I assure him that he has no cause whatever for complaint; since he believes in taxing citizens according to their ability to pay, while I advocate taxation according to benefits received.

#### PERSONALS.

J. Herbert Quick, of Sioux City, Iowa, who is known to Single Taxers everywhere, and who was once Mayor of Sioux City, has a novel soon to be brought out by Henry Holt & Co., of this city. It is a story of a boom town, presumably Sioux City itself.

The Chicago *Commons*, which ought to know better, refers to the death of Mr. Hanna as the loss of a peacemaker. What kind of peace? The peace of Warsaw?

## TOUR OF JOHN Z. WHITE.

John Z. White's wanderings have taken him again to the frosty regions of Minnesota and also to the sunny south land. In Minnesota, the city of Winona was visited, where three addresses were made—the first on the Single Tax, the second on the conflict between Socialism and the Single Tax, the third on some of the theories that underlie the existing order, with, of course, a comparison. These addresses were all given in the Unitarian Church and were attended by a very intelligent class of people. Many questions were asked at each meeting, and at the close, Wm. Pryor, the local abstractor, who had the meetings in charge, said, "Well you have set the ball rolling here beyond a doubt." Pryor is a Single Tax man who is perfectly willing to learn more about the matter. He has, to a considerable degree, interested the mayor and other city and county officials, as well as many business men—some of the bankers even admitting that "something is wrong."

Stillwater, Minnesota, was the next stop, and here our old friend, Robert Siebert, is preventing anyone and everyone from going to sleep. The mayor will not admit he is a Single Taxer, but declares stoutly that he is in favor of local option in taxation, which it will be agreed is very well for the time being. Many other officials and prominent citizens are of like mind. Local monopoly in the form of a private water company is very prominent in Stillwater affairs just now, and most of her active citizens, strange as it may appear, seem not to be with the monopoly. The evening of the address was bitterly cold, but there was a fair sized audience, and their interest was manifested by many and searching questions. The question of confiscation was not raised at this meeting, possibly because they have a very pronounced illustration of landlordism on their hands. The situation is this: Stillwater lies on the St. Croix River facing the State of Wisconsin. The city is surrounded by high and steep hills which reach to the river shore at both ends of the city—at one end of the town the declivity is almost perpendicular. The result is a confined space to which the city is practically compelled to limit itself. In spite of this condition one man has for years held a considerable body of land vacant in the very heart of the hole in which Stillwater rests.

The notion of compensating this man for all the inconvenience he has caused the people of the place strikes the average denizen in almost any light other than that of poetic justice. Stillwater is evidence of that slowly gathering force which is destined to correct many evils—to right many wrongs.

The next day a meeting was held at Red Wing, Minn., but sufficient time was allowed to stop at Minneapolis, at the annual meet-

ing of the League of Municipalities of Minnesota and listen to the opening address by the chairman, who was the last democratic candidate for the office of governor. It was a thoroughgoing anti-monopoly presentation of the question of public utilities.

At Red Wing a most interesting meeting was held. The people seemed particularly quick and keen of apprehension, probably due to the ministrations of our good friends Pardee and Smead. One question performed the surprising feat of coupling the two stock interrogatories, that is, first—would not the Single Tax compel the landlord to raise rent? or, second—confiscate the value of his property? A few inquiries in reply caused the questioner to admit that the landowner would be unable to increase rent, and then the old, old question of property rights was considered, and resulted in an agreement that ground rent must be absorbed by the State or workmen be reduced to a position of dependence.

To this point all examination of economic facts ultimately tends—the final question is not a matter of confiscating property, but a choice between freedom and serfdom; and when fully apprehended there is but small doubt as to what the answer of the American people will be.

From Red Wing to Beloit, Wis., where after appearing at a public meeting in the evening, Mr. White addressed the class in political economy the next morning. Both meetings were presided over by Prof. Chapin of the college and were both very enjoyable. The students took a lively interest in the matter, and asked for literature. Some of them will join our ranks before they are much older. Although the matter of confiscating property was insistently urged by one pupil, others were ready to answer him without assistance, and the ball once set in motion among young men and young ladies (for one of the most interested and keen of the class in political economy was a young lady) there is bound to follow that intellectual awakening upon which all betterment of humanity depends.

Milwaukee, Wis., was next on the route, and here a larger business college (the Spencer) as well as the State Normal School were addressed, besides the Woman's Club and a public meeting. A dinner for Single Taxers and those of their friends who wished to get more closely in touch with the work was attended. The schools were there as everywhere splendid bodies before which to present the gospel of freedom, and although the professor of political economy at the Normal School did not enjoy the jocular disposal of the "law of diminishing returns," and the chairman sought to break the effect of the presentation by cautioning the pupils against a too hasty acceptance of the argument, and by indulging in what

practically amounted to a debate, still the benefit was increased rather than diminished, for the little debate merely brought the essential points more clearly to view. The professor raised three questions, first: that if a man earned money and bought land (he said property, but was corrected) he should be secure in his possession. The reply was, the legal maxim, "let the buyer beware." And he was told that if he proposed to alter this, then he and not Single Taxers was the revolutionist. His second point was that where men were encouraged by law to invest in land, such law could not fairly be altered. The reply was the legal maxim, "No legislature is bound by the acts of its predecessors," and again, who is the revolutionist? The third point was that Single Taxers are proposing an attack on titles to land, although in form they suggest a change in taxation. The reply was an inquiry as to the condition of the present title to land, if it is not ownership in perpetuity subject to such tax as the State shall levy, and if so, how do Single Taxers differ from other good citizens; and again if change is proposed, it is certainly by champions of monopoly. It is needless to say that the large gathering of prospective school teachers listened with the keenest attention.

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Returning to Chicago the campaign for municipal ownership was found to be developing—public meetings being held in various parts of the city, and several of these were attended and addressed. It is generally believed that at the coming election the law permitting public ownership will be adopted. What may be the resulting action will depend very largely upon the skill of the corporations and the watchfulness of the people. But that the public will be advised of all antagonistic action by the monopolists is certain, for the Municipal Ownership League is very much in earnest.

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From Chicago the run was made to New Orleans. The change of temperature from 40° below zero at Stillwater and Minneapolis to 80° above zero in Louisiana is something to remember.

Other matters there are to remember. If you are a Single Taxer and visit New Orleans and call on Robert H. Cage, you will feel like slightly altering Burns:

"When death's dark stream I ferry o'er,  
A time that surely shall come,  
In Heaven itself I ask no more  
Than just a Southern welcome."

When one visits Cage one is not a visitor, but is at home. And we were inclined to credit this all to Cage, because there seems to be such a kindly, genial glow about him, but suddenly—awakening to the fact that the better half of the family was being overlooked were forced to admit that Cage

ought to glow—similarly situated anyone would glow.

Just imagine true Southern hospitality combined with the broad grasp of the facts of human life that is furnished by a full understanding of Single Tax doctrine and then agree, as perforce one must, that ideal life is realized: Cage is not a club man, he stays at home o'nights—so does Mrs. Cage.

At New Orleans was held a public meeting at which Judge Clegg presided; also a specially called meeting in the Unitarian Church and the Woman's Club. They permit the women to vote on questions of hygiene in New Orleans, and as a result the city is to be kept clean. Fifteen million dollars has been voted to improve the sewerage system, and the common talk is "the women did it." Going from family to family these devoted women pointed out the need of better arrangements to save the babies and other children. This plea had its effect—considerations of expense were thrown to the winds, and the women went to the polls and voted the money. Not only was equal suffrage vindicated, but also the referendum, and a vastly improved sewerage system secured at the same time.

The meetings were attended by a thoughtful class of citizens—and one Socialist. This gentleman thought it his duty to try to change the topic of the lectures, but the rest of the audience disagreed with him, so he consoled himself with the announcement that he had entered his protest. He was told it would be placed "on file." To make sure, he came to another meeting, and had the protest filed again. Others asked questions from the view point of the ordinary or conservative citizen, but none in a spirit of antagonism. Questions were evidently asked for the purpose of securing further information. Professor Dillard, of Tulane University, was closely confined at home because of the illness of both wife and daughter, and Mr. Cage was thereby compelled to do double duty, but he is capable of doing all things that should be done. The Woman's Club is a fine body, and Miss Gordon, the president, is a flat denial that the climate of the South makes everyone indolent. Together with her sister, the delegate from Louisiana to the National Convention, and her other associates, she is determined there shall be no sluggishness until everything is put into "ship shape." No one could pay closer attention to Single Tax doctrine and explanation than did Miss Gordon, and in fact all of the members of the Club. Many of our best friends will be found among those who have taken up work in collateral, and sometimes even in divergent lines.

Natchitoches, La., one of the oldest towns in the United States, located in the western part of the state, was visited. Here two thoroughgoing Single Taxers, Mr. Carter and Mr. Wormsley, both practicing attorneys, reside, and they have already have a large

circle of friends interested in the land question—in good truth, both as speculators and as Single Taxers—and they are of the sort we seek—quiet, genial, persistent.

The State Normal School is located at this place, and is presided over by Professor Caldwell. This gentleman is held to have done more for the State in recent years than any other man within its borders. Whether he is a Single Taxer or not cannot be told, but certain it is that a very cordial invitation was extended to present the matter to the pupils, and a brighter, quicker audience would be hard to find. That they were interested is evidenced by the fact that at the public meeting which followed in the evening quite a body of students attended, although another meeting especially for the school, was held the same evening. These students all asked for literature, and were supplied by Mr. Carter, who is always "armed."

Before leaving Natchitoches reference must be made to at least one feature of the Normal School. Some four or five hundred pupils, varying in age from the kindergarten period to some fifteen years, are taught without charge by the students of the Normal. The children are under no "orders" as to deportment. They study or not as they choose; not only whisper, but go to the blackboard or to another pupil, or sit and dream, as their varying moods suggest. Freedom is the spirit in which Professor Caldwell believes—and his faith is no lip service. As a result, there was not a weary looking face in the whole school, and not as much disorder as is usual in schools conducted on the more popular military plan. The interest of the children was in the school work, and the only difficulty encountered was that the children desired to study more than Professor Caldwell considered advisable. Altogether it was an inspiring scene, and one calculated to strengthen faith in liberty. How long, oh, how long, before an oppressed people will realize the nature of their bondage—will know they are their own taskmasters? Is it strange, amid influences such as pervade this school, that Single Tax doctrines find fruitful soil?

New Iberia, La., was not visited, but there was little need. "Bob" Cage worked on the good people of that place until they were ready to accept "equal rights for all and privileges for none" if the rest of the State would permit. Their position long ago indicated what might be expected, or at least hoped for, if we had possession of that simple but fundamental measure of local self government known as local option in taxation.

Mr. F. H. Monroe arrived in York City on February 29th, and immediately entered on the preliminary work necessary to duplicate, in this great city, the work already done in Chicago and the West. His vigorous executive ability has enabled him to

perfect a complete working organization and secure means for an effective lecturing campaign. The officers of the Henry George Lecture Association are as follows: F. H. Monroe, President; Edw. Polak, Gen'l Sec'y; Leonard Tuttle, Rec. Sec'y. The members of the Advisory Board for New York are: Samuel Seabury, Chairman; August Lewis, Lawrence Dunham, John J. Hopper, Rev. John F. Scott, Robert Schalkenbach, E. Yancy Cohen, Dr. Geo. W. Thompson, A. J. Boulton, Thos. Ryan, E. Stillman Doubleday, John Moody, John A. Hill, Geo. L. Rusby, Thos. G. Shearman, Fred. J. Miller, Geo. A. Miller, C. H. Ingersoll, E. P. Ingersoll, Read Gordon, Dr. Walter Mendelson.

This done, invitations to speak were secured, and by March 31st, practically all dates for John Z. White for the month of April were filled.

On the evening of March 31st a dinner was given to those most active in the work, and the campaign entered upon amid surroundings that were much enjoyed by all present, among whom were: Samuel Seabury, Lawrence Dunham, Robert Schalkenbach, E. Yancy Cohen, E. P. Ingersoll. Bolton Hall, James R. Brown, Fred. J. Miller, Edw. Polak, Mrs. Christine Ross Barker, Mrs. A. Sterling, Mr. and Mrs. Thos. Ryan, Miss Jennie Rogers, Dr. Matthew T. Gaffney, Mr. and Mrs. Wm. A. Day, Chas. Govan, H. C. Stimpson, J. J. Murphy, Melvin Paliser, H. Schauer, W. S. Elliott, F. H. Monroe, John Z. White, and last but not least, in several senses, John S. Crosby, who acted as chairman.

Besides Mr. White the following speakers are subject to Mr. Monroe's call for occasional addresses: Herbert S. Bigelow, John S. Crosby, Ernest H. Crosby, Lawson Purdy. Bolton Hall, James R. Brown, Geo. L. Rusby.

In New Jersey, another Advisory Board has been organized, with the Hon. Herbert Boggs, ex-city attorney of Newark of that state as chairman. This board is composed of representative men from Newark, Orange, Nutley, Rutherford, Passaic, Paterson, Jersey City, Elizabeth and other towns. It will overlook the work done in the many cities of northern New Jersey, including those named.

Prof. Triggs, recently of the Chicago University, spoke before the Henry George Association in Chicago some two weeks since—the subject being "Ruskin." The professor's lecture was entertaining, but he failed to grasp the force of Chas. Tanner's criticism, namely that Ruskin's appeal was to the individual—that he did not seem to appreciate social forces. In reply to this Prof. Triggs held that much of modern "community" work—as missions and similar enterprises—was due to Ruskin. He evidently considered such work "social," and it was only when the question was stated

with care that he caught its meaning. He was asked, "Where does Ruskin draw a clear distinction between those voluntary associations of individuals—missions and the like—and those associations in which the community must act as a unit, as in the exercise of the police power or the maintaining of a system of land holding or a system of highways." His attention was called to the fact that voluntary associations are an expression of individualism, while land holding, highways and the police power, exhibit an association which is compulsory—the physical conditions of human life being the compelling force. The Professor said he did not know that Ruskin made such a distinction; in fact, he said, it was a new distinction to him (Triggs). It is strange that students have not found this line of cleavage, but they have not, and seem to have great difficulty in appreciating it when it is perceived.

Following is a partial list of John Z. White's meetings since the middle of January, 1904:

Minneapolis and St. Paul, Minn., (a week)—18 addresses.  
 Detroit, Mich. (a week)—10 addresses.  
 Chicago—Several debates and addresses.  
 Winona, Minn.—3 addresses.  
 Stillwater, Minn.—  
 Red Wing, Minn.—  
 Beloit, Wis.—2 addresses.  
 Milwaukee, Wis.—5 addresses.  
 Chicago—8 addresses on Municipal Ownership.  
 New Orleans, La.—3 addresses.  
 Natchitoches, La.—2 addresses.  
 Chicago—2 addresses on Municipal Ownership.

#### NEW YORK CITY.

Thursday, March 31—Dinner with upwards of 30 active Single Taxers.  
 Friday, April 1—Manhattan Liberal Club.  
 April 2—  
 April 3—10 a. m., Hugh O. Pentecost's church.  
       —8 p. m., Brooklyn Philosophical Society.  
       —8 p. m., Educational Alliance.  
 April 4—Carpenters' Union in Brooklyn.  
 April 5—Gotham Association.  
 April 6—Jefferson Day Banquet.  
 April 7—Sociological Club, First Congregational Church, Mt. Vernon, N. Y.  
 April 8—4 p. m., Woman's Suffrage League.  
       —8 p. m., Labor Lyceum.  
 April 9—Eccentric Association of Firemen.  
 April 10—10 a. m., Aurora Grata Cathedral.  
 April 10—3 p. m., Brooklyn Central Labor Union.  
 April 11—League for Political Education.  
 April 12—3 p. m., Urban Club, Brooklyn.  
       —8 p. m., Reception Dr. Florence Leigh Jones.  
 April 13—Newark Economic Study Club.

April 14—3 p. m., Brooklyn Woman's Single Tax Club.  
 April 14—8 p. m., Memorial Social Club, Grace Church.  
 April 15—Men's Club, Zion Parish.  
 April 16—Christian Working Men's Institute, Amity House.  
 April 17—10 a. m., Bill Posters Union.  
       —8 p. m., New York Central Labor Union.  
       —8 p. m., Debate, Socialism vs. Single Tax.  
 April 18—7 p. m., United Suit and Cloak Cutters.  
 April 18—8 p. m., Freeland League.  
 April 19—Brooklyn Woman's Suffrage League.  
 April 20—Bushwick Avenue Reform Church.  
 April 21—Brooklyn Single Tax Club.  
 April 22—Manhattan Single Tax Club.  
 April 23—St. Philip's Guild.  
 April 24—Debate: Socialism vs. Single Tax.  
 April 25—Carpenters Union, No. 471, Brooklyn.  
 April 26—Liberal Arts League.  
 April 28—Philia Club.  
 April 29—Cooper Union.  
 April 30—Young Men's Hebrew Association.  
 May 1—Debate: Newark, N. J.  
 May 2—Dinner Continental Hotel, Newark, N. J.  
 May 3—Orange Political Study Club.  
 May 4—Bethany Congregational Church.  
 May 5—Nutley, N. J.  
 May 6—Rutherford, N. J.  
 May 7—Paterson, N. J.  
 May 8—Passaic, N. J.  
 May 9—Jersey City, N. J.

There is more real solid Single Tax sentiment in Scotland than anywhere else. Buckle says:

"There have been more rebellions in Scotland than in any other country and the rebellious have been very sanguinary as well as very numerous. The Scots have made war on most of their kings and put to death many. To mention the treatment of a single dynasty: they murdered James I and James III; they rebelled against James II and James VII; they laid hold of James V and placed him in confinement; Mary they immured in a castle and afterward deposed; her successor James VI they imprisoned; they led him captive about the country and on one occasion attempted his life. Toward Charles I they showed the greatest animosity and they were the first to restrain his mad career."

A recent convert to the Single Tax is Francis J. Du Pont, of the great powder-making company of Wilmington, Del. From the beginning Mr. Du Pont has given evidence that he intends to enroll himself among the Croasdalers—that is, "Single Taxers who do something for the Single Tax."

### THE WOMEN'S WORK IN WASHINGTON.

The officers of the Women's Single Tax Club, of the District of Columbia, are Mrs. Jennie L. Munroe, president; Miss Flora Raymond, Vice-President; Miss Gertrude Metcalf, Secretary and Mrs. M. Lora Coope, Treasurer.

Meetings are held the first Monday in each month from October to and including May.

The first meeting held in October, 1908. Officers were elected and reports were made of the National League Conference held June, 1908, at New Haven, Conn. In November, Miss Lizzie Magee's Single Tax game was played. This game shows how the landlord always come out ahead, with such special privileged enterprises, such as railroads a good second. It is a game that should be in the hands of every child in the country.

In December a paper was read by Mrs. M. Lora Coope entitled "What's in a Name," followed by a discussion on the Single Tax.

In January the club was addressed by Mr. Bolton Hall, of New York City. This was one of the largest meetings of the season. Among those present were a number of young men, members of the United States Geological Survey who were deeply interested in Mr. Hall's explanation of the Single Tax theory. Many present expressed great satisfaction with the way the subject was presented, everything being made so clear that all could understand.

February, Mr. Robert Baker, member of Congress from Brooklyn, N. Y., was the principal speaker, and he was attentively listened to by the members and their friends present. Mr. Baker is very much liked by all the Single Taxers in Washington.

### THE WOMEN'S WORK IN NEW YORK.

Miss Margaret Haley, of Chicago, is to speak for the Women's Henry George League of Manhattan in April; the date will be announced later. The League's idea in securing Miss Haley's services was to reach the large body of teachers in the schools who have not been aroused to the importance of the questions concerning taxation or the injustice of our present method of raising revenues. Miss Haley's account of her successful fight to make the big corporations pay their taxes, and the stand which the teachers of Chicago have taken in regard to the tax laws of Illinois we hope will start the teachers of Greater New York thinking along these lines.

Besides the League meeting, a meeting will be held at Cooper Union in the People's Institute Course on April 22d. Miss Haley will speak on the "The Teacher's Tax Victory."

The League invites all Single Taxers to attend both these meetings.

MAUD MALONE, Sec'y.

### News—Foreign.

#### TORONTO.

Each quarter has its events to chronicle and this one has not been without its happenings. Our annual series of Sunday afternoon meetings were held this year in the Grand Opera House, and consisted of eight lectures. They were probably the most successful in the history of the Association, the average attendance being greater and the programmes better arranged. The speakers were: Rev. Harris Cooley, of Cleveland; John Z. White, lecturer for the Henry George Association of Chicago; Dan Beard, of New York, in a chalk talk; Louis A. Kerwin, Chas. Kerr, Alan C. Thompson and Walter H. Roebuck, of Toronto; Louis F. Post, of Chicago; J. W. Bengough, of Toronto, in an illustrated lecture; Arthur W. Roebuck and W. A. Douglass, of Toronto. The series was closed by Prof. Lee F. Lybarger, of Philadelphia, on February 21st.

The first lecture tour held in Ontario within the last five years was successfully carried through this season. Prof. Lybarger spoke in Guelph, Cobourg and Peterboro on February 22nd, 23rd and 24th.

Our annual "At-Home" took place on February 22nd, between two and three hundred people being present. Refreshments were served and a short programme provided. Dancing was begun at about half-past nine and did not stop till nearly two o'clock.

On March 13th a debate took place between the Young Democrats Club and the Ontario Social Party, on the resolution that "it is to the interests of the masses to take up the propaganda of Socialism rather than that of Single Tax."

The Young Democrats' Club is an organization of the young men of the Association, and has been characterized by one of our dailies as the "fighting wing of the Single Tax Association."

The Canadian *Single Taxer* has been growing steadily, and already the beneficial effects may be seen in the awakening of dormant and discouraged members, and the knitting closer of the bonds of association in the fraternity here.

The Provincial Government for the Province of Ontario has undertaken the construction and operation of a railway through an unsettled portion of the Province known as New Ontario. In addition to this the government is retaining the land on either side of the road, and is laying out all the town sites, the land to be sold or leased to actual settlers only. In this way they propose to forestall the speculator and to retain for governmental purposes the increased land value due to the construction of the road.

On April 11th Prof. Lybarger is coming back to give us his lecture on the French Revolution in Massey Music Hall, one of the largest auditoriums on the continent. We



are spending \$150 on advertising alone, and are carefully keeping the name of the Association out of the affair, for there are a great number of "good" people in this city that would stay away if they ever got "wise" to the fact that we are doing it. It takes an audience of 2,000 to cover our expenses, and we want four or five thousand to really make money on it.

WALTER H. ROEBUCK, Sec'y.

#### GERMANY.

The most important recent item of news from Germany is the change in its tax methods adopted by the city of Frankfurt-on-Main. For several weeks the debate on the new system has been going on, and was finally brought to a close on the 19th of February with an acceptance of the new bill by a vote of 29 to 20.

The main novelty of the bill is the taxing by the city of the increase in value shown in every sale of land. At present the new tax is still very low, the figures being about a 4 per cent. tax on an increase of from 30 to 35 per cent; then a raise of 1 per cent. for every 5 per cent. value increase, with a maximum of 20 per cent. tax on a value increase of 115 per cent. and over.

Strange to say, this small but important beginning, this entering of the wedge of Single Tax theories into the body politic of a rich and flourishing community, passed almost unnoticed, while heated debates were aroused by some other items of the bill, touching the taxation of rents, etc. Everyone concerned seemed to think it quite right that the city should in this manner claim a portion of the wealth won for the individual by its, the city's development and growth. The strong communal life in German cities puts the interest of the community before that of the individual as a matter of course in all municipal dealings, and this manner of thinking made the new tax seem quite right and proper, while probably few of the City Fathers realized that it was the beginning of a new idea in land ownership, of a new system of political economy. The father of the new idea, the very able and modern-minded Head Mayor of Frankfurt, Dr. Adickes, said little about this side of his plan; in fact he scarcely acknowledged his own share in it, but made it seem rather a natural growth from the suggestion of the City Council.

The new law requires a formal acknowledgment still from the Prussian Government, a necessity Frankfurt has fought against for some time with the argument that tax raising for local purposes is a purely local matter, and that it and every city has the right to make its own laws on this subject. This matter came up again during the recent debate and it was decided to present a bill to the Government for the needed reform.

Frankfurt-on-Main is one of the richest and most enterprising cities of Germany; has been of importance in political history, and still is of importance in the history of high finance. Although numbering little more than one-fourth the present population of Berlin, there is relatively more wealth in Frankfurt than in the imperial capital, and it has always been independent of the latter city in its dealings with the business and financial centres of other countries. It has been a free city; has never been hampered by the presence of a Court; its garrison is merely nominal, and it is now one of the showiest, handsomest cities in Europe with the social and business life of a rich financial centre.

If in this home of some of the great money kings of international fame as much municipal freedom and advance in modern thought can be shown as has been shown in Frankfurt, particularly under the administration of Dr. Adickes, it is an excellent example for our similarly situated American cities to follow. The presence of the great ones of the money world need not be any greater bar to the healthy modern development of municipal life than is the presence of a monarch, for municipal affairs can and should be kept free from either sort of influence. Frankfurt is the first community of any size in Germany to introduce this tax on increase of land values, but the little village of Oetzsch, near Leipzig, has had a similar arrangement for some time, by which a very slight tax was taken, in a way to prevent outsiders speculating in the land of the community. The East Asiatic Colony of Kiantchou, with its 33½ per cent. tax on the increase, still remains in the lead, of course, although the importance of Frankfurt gives its action corresponding weight.

GRACE ISABEL COLBRON.

The British Columbia Legislature has raised the Real Estate Tax from three-fifths of one per cent. to one per cent. and on wild land from two and a half to five per cent. This assessment is made on the value of both Real Estate and Wild Land.

In our news department our earnest Single Tax worker, G. J. Foyer, waxes impatient at what he styles "the beating around the bush looking for a new diversion." But Single Taxers are not yet agreed as to the importance of one line of agitation over another. Until they do so agree we must recognize that every plan of agitation is good, and that those who persist faithfully in the plan they conceive the most effective, are doing the very best they can—are doing in fact the only thing they ought to do. Time may indeed reveal a uniformity of plan upon which all may unite, but even this is doubtful; and whether it is desirable is more doubtful still.

## COMMUNICATIONS.

Editor *Single Tax Review*:

I am glad to note occasionally that others of our faith beside myself are strongly opposed to the name by which we are known.

Of all the ills which communities are heir to we have the strongest condemnation for taxes. We believe that a tax in any form is an act of force whether practiced by the State or the highwayman; that taxing is simply a taking of that which belongs inviolably to the man who has by his labor earned it; that there can be no moral justification for taking from any man that which is his own whether the taking is performed by one man or a community of men.

We are not in any sense taxers. On the contrary, we abhor taxes—of which there are legions of all sorts: Grafters, watered stocks, protective tariffs, monopolies of public utilities, *ad infinitum, ad nauseam*.

Why, then, should we call ourselves Single Taxers, when the greatest of all sinners is the taxer? For no other reason than lack of a name that fits us better.

Now, in a community composed entirely of people of our faith, what particular custom would distinguish us from other communities? Would it not be the rendering unto the community the things which we concede belong to the community? In which case what act would more distinguish us than the act of rendering? Religious sects are distinguished by names which qualify them. Universalists, Episcopalians, Unitarians—these names mean something. The Abolitionist was a man who believed in the abolition of slavery. But Single Taxer for those who do not for an instant believe in any sort of tax; who are fundamentally, morally and physically, tooth and nail, opposed to taxes in any form, is a misnomer which slanders a most noble body of men and women. What are we, then? We are *Renderists*. We would render unto the community the things which are the community's, just as in our Lord's time we should have rendered unto Cæsar the things which were Cæsar's. The act of rendering, returning, giving or assigning to the community is the act which we would have distinguish us as consistent followers of our great Leader, who used the name "Single Taxers" "for want of a better one." To be sure, "*Renderist*" is not in the dictionaries, but neither is "Single Taxer."

Let us get right in this matter before the "Standard" gets us in wrong.

J. A. DEMUTH.

OBERLIN, Ohio.

Editor *Single Tax Review*:

Suppose I own the "House in a remote district, far from any neighbor" that Mr. Ernest Crosby takes for an example. Be-

fore Mr. Crosby came and built his house and laid out his beautiful park my land was worth nothing and my house \$500.

After Mr. Crosby came my land and house together are worth \$1,000. Now suppose my house burns down. Is not the increase in the value still there, less the value of the house; or, rather, the cost of replacing it? I do not argue as to who caused the increase in the value but merely want to remark: what is the use of speaking—or writing about the increase in the value of the house when it is so plainly apparent that the increased value attached solely to the land.

H. W. NOREN.

ALLEGHENY, PA.

Editor *Single Tax Review*:

I think Mr. Fillebrown is right.

We should not use the expression "We propose to abolish the private ownership of land."

The effect of that statement to a man who has not yet given enough thought or attention to the Single Tax to know anything about it, is simply in most cases, to make him close his mind like a clam does his shell, against all favorable consideration of the subject.

His idea is that we propose to destroy all titles to land and entirely upset the present order of things, and before you can clear his mind of this impression, he is prejudiced against your propositions. There is no use of using an expression that will antagonize a man at the very beginning.

Now the height, depth and breadth of the Single Tax proposition is to gradually release the products of labor from taxation and increase the tax on ground rent until it is all taken for public purposes and by this means eliminate the monopoly in the holding of land.

I think it can be said that there will be no ostensible attempt to "abolish" anything. No attack on the private holding of land, but simply a demand that those of us who monopolize land or any natural opportunity shall pay to the public what it is worth to one individual to keep the public off that natural opportunity.

There is work enough and difficulties enough before us in convincing the average landowner that the rent of land should pay public expenses without putting the proposition in an unnecessarily forbidding, and perhaps to him even an alarming form, for I think that the proposition to "abolish private property in land" would convey to most men's minds the idea of revolution or chaos.

Let us never in our literature, speeches or conversations on the Single Tax use the expression referred to.

THOMAS HUNT.

KENNEDY, OHIO.

*Editor Single Tax Review:*

The Single Tax is usually spoken of as a measure for the abolition of private ownership of land. This makes it seem like confiscation and inclines the average man to oppose it. But is there any such thing as private ownership of land?

A has a house which he lets for a fixed sum to B. B, then, is the tenant and A, to whom the fixed sum is paid, is the owner. Again, A has a vacant lot which he lets for a fixed sum to B. B is again the tenant and A, in this case, too, appears to be the owner.

But since the State exacts from A every year, in the form of a tax, a fixed sum for the use of the lot, under penalty of dispossession if he fails to pay it, the real owner of the lot is the State.

Now every square foot of land in every civilized country is held on just such terms. In other words, every so-called "owner" of land is merely a tenant of the State on a one-year lease.

If this view of the matter were made prominent, and kept so, the idea of confiscation would disappear and the Single Tax would appear to be what it really is, a measure to compel the State to deal impartially with its tenants.

DAVID L. THOMPSON.

PLAINFIELD, N. J.

*Editor Single Tax Review:*

Reading Henry George, Jr.'s interesting article in the Winter Number about Herbert Spencer and his Recantation reminds me that when the book of Spencer's appeared that contains his remarkable argument attempting to show that if the people of England were to resume their title to the land of England they ought first to compensate the landlords for the money that has been paid by the landholding class for poor law relief (some \$2,500,000,000), and that this would make the people indebted to the landlords, "The Tribune" of this city published a review or notice of the book in which it quoted this argument at length as though it was considered perfectly valid. Thereupon I wrote to the Editor of the "Tribune" calling his attention to the fact that if the landholding classes of Great Britain had really paid this vast amount for the benefit of the landless it must be evident that it constituted only a very small fraction of the amount that the land owning classes had received from non-land owners in return for the privilege of living, and that the balance, i. e., all that had been received by the land owners less the amount paid by them into the poor fund was by the same token due and payable to the people, and that if the figures for this were examined it would be found that the balance would be tremendous on the other side. The "Tribune" "did not find my communication available," but to my mind this view of the case shows

more clearly than any other the utter childishness and puerility of this argument of Spencer's.

FRED J. MILLER.

EAST ORANGE, N. J.

*Editor Single Tax Review:*

Now that fearfully absorbing and intensely interesting mathematical puzzle "How old is Ann?" has been editorially and therefore definitely decided by the editors of the funny picture newspapers, perhaps some of your serious minded readers may think it worth while to scratch their heads over at least a few of the following conundrums which, if not so popular are at least as important to humanity and especially to the city dweller. To wit:

Why is it that rent are the first thing to go up and the last thing to come down?

Why is it that wages are the first thing to come down and the last thing to go up?

Why is it that when ice is cheap, coal is dear and vice versa?

Besides wages mention something that has been reduced by the trusts?

Name one thing (except the ocean and the atmosphere) that is not, at present, owned and controlled by these Christian men to whom God in his infinite wisdom has given control of these United States?

When Jesus said: "The poor ye have with ye always," did he mean, "The poor ye will always have with ye?"

Why are the building trades mechanics so anxious to strike in the Summer when wages are high, while in the Winter they would cheerfully shovel snow from their bosses' stoops to keep themselves and their families from starvation?

Why do the trades unions limit the number of American apprentices (their own children) who are anxious to learn a trade while they cheerfully admit any foreigner into their local assemblies who is willing to put up the initiation fee?

Why does Theodore Roosevelt insist on digging that canal by hook or by crook (especially crook) to facilitate the exchange of foreign commodities while both he and his party foster a prohibitive tariff to exclude them?

Why is it that the industrious builder and farmer who improves his property, gives employment to labor and benefits humanity, is taxed more than the fellow who is just holding his equally desirable location, for a rise. Why, Why?

Why is it that articles manufactured in this country are sold cheaper in Europe than they are here?

Why is it that the men who do useful things for their fellowmen get so little while the fellows who do nothing get so much of the good things of this earth?

If, as the socialists proclaim: "That the capitalists and machine owners are the despoilers of labor," why is it that according

to Bradstreet, who ought to know, ninety-five per cent of the business men and manufacturers (machine owners) bust up?

Why don't the people join one of Andrew Carnegie's fifty-seven varieties and read the works of Henry George, John Stuart Mill, Herbert Spencer and for dessert tackle the bonny Scotchman's "Triumphant Democracy" and find out why it is that despite the wonderful improvements in machinery the producers get a bare living.

DAN CAVANAGH.

New York City,

### BOOK REVIEWS.

#### SPEED MOSBY AND HIS BOOK.

Single Taxers all over the country know Speed Mosby. He has been an active worker for the cause, and his writings have made him well and favorably known wherever our movement has found adherents. For a number of years he has been deputy clerk of the Supreme Court of Missouri. The *Jefferson City Democrat* is under his editorship, and he has not failed to make it the medium for the propagation of sound democratic doctrines.

Recently he has written a novel which lies before us. "Ben Blunt" is its title, and in this work, which is an entertaining story, he has given free rein to his powers of keen criticism of social and political follies and abuses. It is said that some of the characters portrayed therein are drawn from life. At least, some of those who stand high in the political life of Missouri, as lobbyist and grafters, have, with the uneasy conscience that haunts the guilty mind, found their own personalities reflected all too faithfully in its pages, and have regarded it as an offensive indictment. They have accordingly succeeded in ousting Mr. Mosby from his position as deputy clerk of the Supreme Court of the State.

Our friend is probably fortunate in obtaining for his book this sort of recognition. His picture of Missouri politics must be singularly faithful to have obtained such immediate testimony to the accuracy of its portraiture. The revenge that has been taken is characteristic of those who fatten at the public crib in the devious ways known to their tribe.

As to Mr. Mosby's book it is full of many sly touches that add to the piquancy of its pages. As a whole, it may be fairly criticised as a rather uneven performance. There is, too, at times, an unpleasant ornateness, and a too profuse sprinkling of adjectives. But this is redeemed by much clever characterization. What can be better than his picture of the socialist who "talked of human brotherhood in a most vindictive way" of his "ferocious rhapsodies upon the moral excellence of human brotherhood."

This, too, is worth quoting; "And there he stood—the Governor, his head cocked back, viewing them through half-shut eyes, in bland ethereal majesty. Yes, there he stood, with his own immaculate hands thrust into the pockets of his gubernatorial trousers, blending in the mild unreprouchful gravity of his manner the suave loneliness of Casabianca and the heroic dignity of Little Bo Peep."

There are those in Missouri who claim that the following is a picture of Governor Dockery, and that it is easily recognizable:

"The governor was winking one eye thoughtfully, and had just placed the forefinger of his right hand by the side of his nose, as if about to say, as he always did at the close of every private conversation. 'All right, but, remember, it's confidential between you and me,' when, lo! the curtain rose. Mr. Rounder had stepped aside, and revealed the caucus-visaged governor in this refreshingly frank and knowing attitude.

"His excellency was a man of about 50 years, medium build, with gray eyes, a very fat neck, a mustache, and a goatee, which passed over his chin in a dashing, wavy curl, like a cataract. When Rounder's withdrawal exposed him to the public view, his countenance quickly lost its star-chamber expression and assumed the look it usually wore in public; that is, he placed his hands in his pockets, threw back his head, screwed down the corners of his mouth, and looked out upon the world through half closed eyes. It is doubtful if both his eyes were ever wide open at the same time—in a literal sense. When his head was erect, his eyes seemed cast upon the ground, and only when it was thrown back would he look one in the face, but even then he did it only in the manner just described.

"He was one of those ingenious characters who seem always to be playing at hide-and-seek with their own thoughts. The governor never allowed his right hand to know what the left was doing, except when he undid with one what he had done with the other. He was always playing at pussy-wants-a-corner with himself."

Following is one day's history in the all strenuous life of Mr. William Rounder, who is the State Auditor. This type will be recognized in States outside of Missouri:

"In the meantime he was opening his mail, 'incidentally pocketing the accompanying railroad passes as the spoils of battle.' Then, among other things he dictates to Ben Blunt a characteristic letter. 'Whet up your pencil there, and we'll send a few lines to the Ephesians,' he remarked to the waiting Blunt. And the letter was then dictated as follows;

To the Hon. J. H. Clodgett, General Solicitor  
Wabash Railway Company, St. Louis, Mo.

DEAR MR. Clodgett: Yours of 13th inst. received, containing pass from here to Buf-

falo and return for myself and twenty-six friends, for which please accept thanks. I await an opportunity to reciprocate. Command me at your pleasure.

With every assurance of my high regard for you personally, I am your friend,

WILLIAM ROUNDER.

About this time 'Snyder of the Santa Fe' drops in to have a little talk with the State Auditor.

'I suppose you know, colonel,' says the Auditor to the Santa Fe's representative at the State capitol, 'that there's a fellow up here trying to make us trouble about the assessments to-day?'

'The colonel had heard of it; had, in fact, been observing the movement for some time, and was now prepared to relieve the strain upon the mind of the worthy Auditor.

'Yes,' said he, 'I've heard of it.' And closing one eye, significantly, he sat there like a cyclops for some moments. 'I have had a talk with the other solicitors and some of their tax commissioners and the heads of the departments, and we have about concluded to give those franchise agitators a compromise. It isn't well, you know, to antagonize those people too much; public sentiment is a trifle against us now, anyway. We are prepared to consent to an increase in our assessments now, and there will, of course, be no trouble in reducing them, when this absurd sentiment begins to wane.'

'I believe you are right, colonel,' said Rounder.

'The board met in due time, and concluded its deliberations. Next morning the papers told in glaring headlines of its patriotic work: 'Corporations' Assessments Raised Many Millions—Hon. William Rounder Strikes a Blow for the Common People—Advocates Franchise Taxation—Bond's Action Largely Due to Him.' And the People's Welfare League wired Mr. Rounder its vote of thanks.'

J. D. M.

#### THE TRUTH ABOUT TRUSTS.

Truly this is "The Truth about the Trusts." \* But he who runs in haste to this book of John Moody's expecting to find therein fiery arraignment of trust barons and terrific denunciation of predatory wealth, may reflect at his leisure upon exactitude of definition. For this book is neither an attack nor a defense. It is an arsenal of fact from which either side may draw weapons—though the thick-and-thin defenders of things as they are will scarce care for some of the armory; the history of the ship-building trust, for example; which, by the way, is brought down to January of

the present year, and contains all the essential details of the formation and exploitation of this celebrated swindle.

Mr. Moody has set down the salient facts relating to some 400 "trusts," representing a capitalization of over twenty billion dollars, detailing their organization, their constituent companies, bond and stock issues, par and market values, and in the case of industrials, the proportion of product controlled and elements of monopoly possessed. These trusts are divided into groups; two-thirds of the book being devoted to three groups, Greater and Lesser, Industrial Trusts and Industrial Trusts in process of reorganization. This portion of the work is particularly valuable, since the industrial trusts are of more recent growth than franchise monopolies, the monopoly element is variable; and information concerning them has been difficult to obtain, except in the case of a few conspicuous monopolies like sugar and oil.

The consolidations of municipal monopolies are listed under the head of Greater Franchise Trusts, though the latter name is not usually applied to them, despite the fact that, being much safer from competition, they have a surer means of levying tribute than the industrial trusts. And finally the "Greater Railroad Groups" sets forth the concentration of the steam railway interests, which is graphically illustrated by a diagram showing the alliance and interdependence of the six large groups that control 80 per cent. of the railroad capitalization, and nearly 95 per cent. of the vital railroad mileage of the United States.

But it is not merely a catalogue which Mr. Moody has compiled; that was already in existence to a large extent in his Manual of Corporation Securities. In the present volume these trusts have not merely been grouped in accordance with their line of activities, but their various ramifications have been followed from the beginning, and throughout the work is shown, with no attempt at effect but with careful adherence to fact, the domination of a handful of financiers over the vital affairs of the United States. Here is the list of their governments and dependencies, their ownings and alliances, their directorates and communities of interests; all the modern machinery by which domination of the strong arm has been superseded by domination of the paper obligation.

The views of anyone sufficiently familiar with the subject to have compiled such a work as this would be of interest. The views of one who is in addition a shrewd business man, and an economic student, are valuable as well as interesting. And both the introduction and the "General Review of the Trust Movement" present the question in a point of view that is, if not entirely novel, comparatively rare. And yet, if not a solution, it contains a truth which cannot be neglected if there is to be any so-

\* "The Truth About the Trusts," a description and analysis of the American Trust Movement, by John Moody. Moody Publishing Co., New York. 514 pages. Price, \$5.

lution. Here is the gist of Mr. Moody's position :

"When men form corporate organizations or make agreements they do not form monopolies. They may take advantage of monopoly in one way or another, but they do not create it. The monopoly itself is rather a social product, which exists with the consent of society, and men in business take advantage of it where found, just as they take advantage of any other factors for the purpose of achieving their ends. . . . Monopoly is the mother of our entire modern industrial civilization. It is institutional and men must reckon with it."

"The weakness of all this (anti-trust) legislation lies in the fact that while it pretends to aim at the 'regulation' of monopoly, it really never touches the monopoly, and simply frustrates the natural growth of modern economical means of production and distribution."

"The modern trust is the natural outcome or evolution of societary conditions and ethical standards which are recognized and established among men to-day as being necessary elements in the development of civilization."

One can agree with all this without accepting the deduction that it is "largely because of the existence of monopoly power" that "wealth is to-day produced and massed with greater economy of expenditure and greater aggregate result than ever before in the history of mankind." And even if this deduction is true, there comes the larger question whether material progress is the greatest and most desirable end.

However, Mr. Moody did not intend to write a book on ethics, but a book on the trusts, and he has succeeded so well in the latter task that it were hypercritical to cavil at his references to the attributes of monopoly. Besides, those who accept our prevalent standards of ethics will have to accept his conclusions, and perhaps this is the only lesson Mr. Moody wishes to enforce.

He who believes in monopolies has no just cause of complaint because the other fellow got one first, or has gobbled up all of them. And he who thinks he is willing to abolish monopoly may have a farther road to travel than he dreams of.

A. C. P.

\* "POOR?"

This is one of the least "bookish" of recent works. Its style is absolutely unconventional. It is at times even unpleasantly colloquial. But the author has chosen his medium deliberately—it is the language of a workingman to workingmen.

\*Poor? A New Political Standard for a New Democracy For a Millionaire Age. By A. N. Unknown. 345 pp. cloth. Price \$1.50. Continental Publishing Co., N. Y.

The writer's fundamental notion is the conception of a new democracy built upon the workingman's consciousness of his own powers, his place in society, the overwhelming character of his domination. "Rulers never rule and oppress, nor can rule and oppress the masses, but are always ruled by the masses." This truth he terms "the foundation rock of a new democracy," and is inclined to esteem its value to the social order as ranking with the Copernican system in its relation to the astronomical order.

Much of the work appears to be a personal revelation; it is autobiographic in form, and the philosophizing is interspersed through a sort of running narrative of the author's experience and his struggles with poverty.

While we cannot accord to the germ theory of the book the merit of a "discovery," since it is not so new as the author imagines, yet its assertion and reiteration are of value. The anonymous writer is evidently a Single Taxer, and his reference to Henry George on page 124 is worth quoting:

"Few men have accomplished more in a lifetime. Few men have so highly honored human nature—from a sturdy start with a trade to a nation mourning his loss. Few men have so persistently laid their life-work at the feet of the masses. The sublime spectacle presented to mortal man is a noble, wholesome life, teeming with efforts vigorous and persistent, for the good of others.

"Such was the life of Henry George; and to the good fate of our human kinship was it that he touched the heart strings of a nation."

J. D. M.

\* NEW EDITION OF "MOONBLIGHT."

Mr. Dan Beard's "Moonblight" was written and published several years ago, and did not fail to make an immediate impression. We are glad to welcome a new and handsome edition from the press of Albert Brandt.

The book has a charm beyond the more widely read novels of the day, not merely because the author surveys the miseries and sufferings of humanity from the standpoint of the Single Taxer, but independently of this, as an interesting chronicle of personal experience allegorical in form, and because of a style that is wholesome, intimate and simple. Dan Beard has for years illustrated the works of Mark Twain, a much greater literary artist and as true a democrat. Sitting thus at the feet of the master he has caught something of the inspiration of the master's genius.

\*"Moonblight and Six Feet of Romance." By Dan Beard. Illustrated with fifty pictures by the author. 256 pages. Introductory study by Louis F. Post. Price, \$1.25 net; by mail, \$1.35. Albert Brandt, publisher, Trenton, N. J.

There is humor in his work, but humor is not its dominant characteristic. It is more psychological than humorous. The narrator tells his own story, which is that of his conviction of social sin and his conversion, an experience analogous to that related of the lives of the spiritually gifted, but transcending much of such experience. It results in his seeing with the eye of the spirit things as they really are, and the narrative is a chronicle of his observations and his attempt, which results tragically, to put his faith into works. It is full of keen touches and wise reflection.

With his conversion comes the recognition of the natural laws of human society and those statute laws which prevent or obstruct their beneficent operations. It is a profoundly important lesson that the allegory of "Moonblight" teaches, and its significance is indicated in the illuminating introduction to the book from the pen of Mr. Louis F. Post. For the magical change, the dropping of the scales from the intellectual vision of the young coal baron, whose autobiography the story tells, is not the result of witchcraft. This gift of vision comes measurably to all men who passionately desire justice for their fellows. Out of such desire is born a rational comprehension, new knowledge of institutions, and a perception at last, if not from the first, of the great fundamental wrong that locks up from labor the storehouse of nature. The gift of seeing things as they are is the reward of the desire to see things as they are. And even the magical faculty of reading men's thoughts, their characters beneath their covering, the man beneath the cloak, with which the hero of "Moonblight" is gifted, is hardly an exaggeration. For measurably this faculty, too, is an accompaniment of the conversion from the slavery of conventionality, from a blind acquiescence in prevailing shams, to the full consciousness of man's relation to his brothers, to the world about him, and to society of which he is a part.

J. D. M.

#### 7,500,000 ACRE RANCH.

NEW YORK MEN PURCHASE IMMENSE MEXICAN TRACT.

(Austin, Tex., *Special N. Y. Times.*)

W. C. Greene, of New York City, and three other Americans have purchased a solid tract of land, situated in the State of Sonora in Northern Mexico, embracing 7,500,000 acres.

This land is now being inclosed with a four strand wire fence, and is to be made the largest cattle ranch in the world. This tract of land is 125 miles long and 100 miles wide. More than 7,000 miles of barbed wire will be required to fence it. It is estimated that this vast ranch property will afford pasturage for about 50,000 head of cattle in its present raw condition.

The usual Western ranch will furnish grass for about thirty-six head of cattle to a section. This number is to be greatly increased on this Mexican ranch, by means of forage crops. It is proposed to establish an immense irrigation system on this land and to give much attention to farming.

Mr. Greene is President of the Greene Consolidated Copper Company, whose great copper mines are at Cananea, Mexico.

The first liability of a parent will be to his child and for his child; even the dues of that darling of our current law, the landlord, will stand second to that.—H. G. Wells "Anticipations."

The following letter received by Mr. Louis F. Post from Mark Twain expresses the latter's opinion of the Ethics of Democracy:

"I thank you very much for the book, which I prize for its lucidity, its sanity and its moderation, and because I believe its gospel."

Very truly yours,

S. L. CLEMENS.

#### WHAT HENRY GEORGE DID.

The last campaign in which Henry George was permitted to engage abounded in wordy encounters. In making squelching rejoinders to impertinent questions the famous Single Taxer could not be excelled.

During one of his addresses, Henry George remarked that a lifetime had been devoted to the dissemination of his Single Tax views.

"And what have you accomplished?" inquired a voice in the audience.

"Taxed New York's halls to their greatest capacities," said the orator, suavely, and a delighted audience would not permit him to continue for some minutes.—*Detroit Free Press.*

One of the biggest farms in the United States is ranch 101 in the Ponca Reservation of Oklahoma. It contains 50,000 acres. The wheat fields are from 1,000 and 1,500 acres each, and the corn rows are one and a half miles long. It requires 300 men and 500 mules to handle the crop. It takes thirty self-binders three weeks to cut the wheat and a dozen or more threshers forty days to thresh it.

WANTED.—Agents for a new book; sell among workingmen and labor organizations. Continental Publishing Co., 27 Murray St., New York.