

in the wealth of the nation, assuming all the while that this increase goes to the people; whereas the proportion that goes to those who make it all, is very much less than that which goes to those who produce none of it.

The privileged classes that absorb so much of the wealth produced by capital and labor attract popular attention chiefly when they assume the form of trusts and monopolies. But trusts and large corporations are not necessarily evil, and may be beneficial to the general public. They are always beneficial as far as they tend to economize labor and produce by better and cheaper methods the things that the people consume. The evil they do is the result of the unjust legal privilege which underlies so many of them. And the legal privilege which gives them their power for evil consists mostly of monopoly of land or some natural opportunity. The coal trust, the steel trust, the lumber trust and other combinations that work evil do so because they have the power to shut off others from the treasure-house of nature which belongs alike to all. In the last analysis these privileges constitute a monopoly of land. The franchises which are often so valuable are only another form of ground rent. And ground rent is the instrument which deprives capital and labor of their just share of the wealth they produce without returning any equivalent. Ground rent is the key to the problem of wealth distribution.

The institution of ground rent is not a human institution; it was natural as the law of gravitation and as inevitable. Like a large sponge ground rent absorbs one-third of all the wealth annually produced; and this process cannot be prevented. The wrong of it lies in the fact that law and ancient custom permit the recipients of ground rent to retain it for their individual use instead of paying it into the public treasury for public expenses.

The amount of increase in land values every year would be incredible if it were not made evident beyond contradiction by plain figures in public documents. In the city of Boston land values have long been increasing at a rate exceeding 4 per cent. per annum. This increasing wealth is made not by those who enjoy it but by those who trade and do business and live in Boston. The landlord, as landlord, creates not a cent of it. It is all created by the community, and the custom is to make a present of this wealth to the privileged owners of land. The fifteen or sixteen millions of dollars added annually to their wealth does not depend on the will of the owners at all. It does not cost them a moment's care or effort, or a cent of outlay. It is a pure gift from the city at the expense of capital and labor. And the same thing goes on in every city and town in the country. And year by year a larger and larger amount of

wealth goes to increase land values. When the question is asked, What becomes of the tremendous amount of wealth produced every year by American capital and labor? the answer must present as its principal item the diversion of one-third of it to increase ground rents which have not been earned by the beneficiaries.

The astonishing march of improvement and invention which has characterized the past century has neither increased interest nor wages, but it has enormously increased ground rents; and it is only at the expense of ground rents that labor and capital can secure a juster share in the wealth they jointly create. Even while the wages of labor have increased nominally they have declined as a proportion of the increased wealth. Interest has declined with wages as it always must. It requires more capital to-day to earn a dollar than it ever did. Capital and labor are worse paid than they were years ago; and their share is steadily decreasing. On the other hand the tendency of ground rent to increase is constant and universal and inevitable. Bringing the incidence of taxation to bear on land values and relieving capital and labor by decreasing other taxes is the only method by which they can obtain their just share in the wealth they jointly produce.

SAMUEL BRAZIER.

#### THE GOLDEN MEAN.

While Single Taxers class themselves as individualists and are prone to denounce socialism without reserve, a moment's consideration will show that government is impossible without some form and degree of socialism. Every government must have a revenue, and all money collected and spent for the common good is socialized. Every act of government which results in common benefits is socialistic; in fact it is impossible for any government of and for and by the people to perform a single overt act of individualism. Individualism is a term which applies only to things which popular government does *not* do; it involves those rights and doings which are reserved to the people in their individual capacities and activities.

When property, property values and business enterprises are owned and conducted by private persons, the governmental polity which permits and encourages such conditions of private ownership and business activity is individualism. In such cases the only positive function of government in respect to property and business is to protect and encourage them. But when property, property values and business enterprises are owned and administered by the State, for the common use and benefit of all the people, the governmental polity involved is that of socialism; not the socialism of the Socialist party, it is true, but

socialism none the less. Just as individualism suffers reproach because of anarchy, from which, however, it differs fundamentally, so all socialistic doctrines, however widely separated, are erroneously confounded in the minds of some with those of the most extreme paternal type. Speaking of extreme doctrines in each case, anarchy is individualism over ripe; socialism is paternalism run to seed.

The fact is, it seems to me, that there is as much true socialism as individualism involved in the Single tax doctrine, and that the socialistic phase constitutes the active factor of our programme. In order to attain our ideal, we must socialize ground rent and public utilities, and individualize all other forms of property and all other kinds of business. Socialism shows us the way; individualism tells us when and where to stop. We differ from the Socialists in the manner of our going and in having a definite road and a place to stop; but we ought to realize that, at the start, we are all headed in the same general direction. I do not advocate an alliance with the Socialists nor accept their distinctive doctrine of socializing *all* the means of production and distribution; but I believe that, to an extent we do not realize, the socialistic agitation is helping us on our way. I am not sure but that, in the end, their efforts will avail us quite as much as our own. I *am* sure, however, that their efforts will avail us rather than themselves if we put ourselves in a position to take advantage of the growing socialistic sentiment by directing it into the right channel, and by furnishing it with a rational limitation.

In all the walks of life there are many men, not Socialists, whose minds are tinged more or less with socialistic ideas. There are many others who, while really opposing and even fearing socialism, are of the opinion that nothing short of some socialistic remedy will destroy the trusts and relieve present conditions. In talking with such people, or with Socialists not of the extreme type, it is not difficult to introduce the Single Tax through its socialistic features. In doing this, the subject may be approached in different ways according to circumstances.

For instance, suppose that such a man's conversation shows that he is inclined to emphasize the matter of property. This will permit a Single Taxer to make the well known distinctions as to the origin of property, and to show that property is essentially of two kinds; that which constitutes natural opportunities for the exertion of labor thereon, and that which is the result of the exertion of labor upon these natural opportunities. A chance is here offered to show the points of similarity and of difference between Socialism and Single Tax—

points in which the listener is sure to be interested, and which can be made plain to him without unnecessarily antagonizing him in any way. When we antagonize a man rather than interest him, we usually close his mind to our doctrine.

The Socialists would socialize both forms of property, regardless of their origin, and would ignore the difference between natural opportunities and the products of labor. The Single Taxers would socialize all natural opportunities and individualize all the products of labor. Besides, the socialism of natural opportunities by the Single-Taxers would not be direct as in the case of the Socialists, but indirect through the socialization of ground rent, leaving most natural opportunities themselves in the hands of individuals, subject only to the payment of ground rent to the state in lieu of all taxes.

I do not attempt to give the full discussion possible in such a case, but only an outline. I am trying merely to show the advantage of teaching Single Tax as a phase of Socialism, limited by rational individualism, rather than as individualism *per se*.

Suppose now that the man in question indicates that he views such matters from the standpoint of business rather than of property. Very well, all businesses are essentially of two kinds: those which, in normal conditions, are *not* open to full and free competition among individuals, but require the private use of public property (as the streets for a street railway), or the private exercise of public power (under eminent domain or a franchise grant) to make them effective in private hands; and those businesses which are naturally open to full and free competition among individuals and require no special legal privileges. Businesses of the first kind are distinguished as public utilities.

The Socialists would socialize all kinds of business, regardless of the foregoing distinction; the Single Taxers would socialize all public utilities, because of the impossibility of full and free competition under private ownership, and would individualize all other kinds of business to the extent even of relieving them of all taxes after the payment of ground rent into the public treasury.

Again, suppose the man in question is inclined to discuss economic questions from the standpoint of values. Then it may be shown that certain values accrue from the mere legal possession of natural opportunities or of franchise privileges, and are independent of the labor of any particular persons, be they owners or otherwise; while certain other values accrue only from the expenditure of particular labor or particular capital in industrial or business enterprises. Ground values and franchise values flow from the gifts of nature and the activities of the people as a whole; while labor values

and capital values do not arise except through the labor of particular persons expended directly, or indirectly, by the use of particular capital, upon natural opportunities.

The Socialists would socialize all these values regardless of their origin; the Single Taxers would socialize all ground values and all franchise values, and would individualize all labor values and all capital values. Under the Single Tax the laborer and the business man, as such, would be benefited without the loss of industrial and commercial independence.

In addition to the four values enumerated above there is but one other—monopoly value. This value arises from the possession of a differential legal privilege, as in case of a patent or a protective tariff. It is wholly artificial, having no natural economic basis whatever. Single Taxers would utterly destroy and prevent all monopoly values, having other means, if need be, of conserving the uses of patents and copyrights. Socialists would destroy all monopoly values in private hands; but unlimited socialism would tend to develop governmental monopoly of all things now having any form of value.

It will thus be seen that between that socialism which ignores all economic distinctions and puts itself at once upon an artificial and experimental basis, and that individualism, which is only another name for Bourbonism, the Single Tax (with public ownership of public utilities) is the only logical ground. Whether viewed from the standpoint of property, of business, or of values, it applies the essential virtues of both socialism and individualism, having always a reason for limiting the one with the other. It is socialistic without communism, and individualistic without anarchy. In economics the Single Tax is the golden mean.

OLIVER R. TROWBRIDGE.

[The writer of the foregoing editorial is the well known author of "Bisocialism," the work published by the Public Publishing Company (Chicago, Ill.), which has been favorably received by press and critics and continues to have a gratifying sale. This editorial and the contribution of Mr. Ernest Crosby, on another page, show the points of difference between the two schools of Single Taxers—the bisocialistic wing (if we may so characterize the members of this group), and the ultra individualists among us. It was not so long ago that Mr. Crosby might have been properly classed with the first group, but he now appears to have accepted unreservedly the extreme individualists' position. Mr. Trowbridge, on the contrary, thinks it his duty to lay continued emphasis upon those points on which Socialists and Single Taxers are agreed, and

in this we think he is more in accord with the teachings of Progress and Poverty, in which work there is rather more socialism than has been prominently set forth in the teachings of Mr. George's later day disciples.—Editor SINGLE TAX REVIEW.]

#### PUBLIC OWNERSHIP.

Public ownership of railways is no longer an academic question; it has all at once become one of the definite issues of the day. To one, who can remember the seething indignation of the Granger movement a generation ago, the rapidity with which that died away and was discredited, the present soberer, more steadfast determination to curb the power of the railroad barons over the industries of the country, must come as a revelation. But the seed that was sown, blindly and ignorantly, albeit, in the Granger times, has been germinating all the while; and when George pointed out the radical distinction between railroads and competitive enterprise, he gave the stimulus to the public mind which is aiding it to reach a logical conclusion, so that it was scarcely a matter of surprise that sentiment in favor of municipal operation of local means of transit is probably already dominant in most of our larger communities. It only needed then the pronouncement of a popular leader like Bryan to bring the broader proposition into the field for immediate consideration.

That the undoubted growth of paternalistic tendencies, taking the form of socialism among the moderately poor and of latter day republicanism among the well-to-do, has had much influence in this direction, cannot be denied; but it is a wholesome feature of the current discussion that so much of its motive is the desire to remove the obstacles to individual freedom, rather than to turn over this or any other branch of industry to the government, on the theory that simply because it is the government, it is better able to conduct them. The old distrust of putting anything into public hands that private hands can deal with as well, seems for the most part as strong as ever, and one indication of this is the indifferent contempt with which has been regarded the sop given by the last Congress in the shape of a rate bill—a device that has all the evils of meddling with private enterprise, and none of the good of insuring protection from private monopoly; that is certain to produce only one result—in the power of blackmail which it would confer on the governmental machine, whether or not this should be exercised. Already this power of underhand interference by public officials with railroad management, and its correlated feature of underhand control of political affairs by railroad officials, is one of the worst elements in private ownership.