

THE PRESBYTERIAN QUARTERLY.

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I. THE LATEST PHASE OF HISTORICAL RATIONALISM.

IN the last number of the QUARTERLY (pp. 36 *et seq.*), we undertook to give some general account of the new historical rationalism which is being now introduced to the American churches by certain enthusiastic pupils of Adolph Harnack; and then, for its better elucidation, began a somewhat fuller exposition of one or two of the more fundamental positions assumed by Dr. A. C. McGiffert in his *Inaugural Address*, in his advocacy of it. We pointed out in that section of our article Dr. McGriffert's conception of Christianity as a development, and gave some account of the "transformations" which he conceives Christianity to have undergone since its origination by Christ. The most important of these "transformations" he represents, certainly with the best of right from his point of view, to be that from the primitive to the Catholic Church, to the better understanding of which his *Address* is devoted. For our better estimation of the significance of his teaching here, we should next consider more closely:

V. DR. MCGIFFERT'S THEORY OF THE PRIMITIVE CHURCH.

One of the most striking passages in Dr. McGiffert's *Inaugural Address* is that in which he draws a picture of "primitive Christianity" as it is conceived by him, preliminary to expounding what he calls the momentous "transformation of the primitive into the Catholic Church, of the church of the apostles into that of the old Catholic fathers." That important changes did take place

VII. THE SINGLE TAX UPON LAND.

TAXATION is one of the difficult and perplexed questions of economics. It is so both to the scientific student and to the practical statesman. This is seen in the divergent views entertained by theorists and in the various systems of taxation adopted by the civilized nations. The *a priori* thinker is confounded by the practical inefficiency of his theory, and the legislator no less so by results he had not foreseen.

The trouble lies, partly, in the assessment of values for taxation. Some of these, as land, are comparatively fixed, always open to inspection, and incapable of concealment; others, certain forms of personal property, are like fairies, visible or invisible, as their masters may or may not wish them to be seen. When values are subject to serious fluctuation, or else are seldom determined by actual sales, there is a further difficulty of assessment in the accurate estimate of the values when found.

Another serious embarrassment to just taxation lies in the fact that the burden does not always remain where it is first laid. Some taxes, indeed, do not shift; but the incidence of others is quite uncertain. The non-shifting taxes are, for other reasons, objectionable.

He would be hailed as the economic Moses who should succeed in leading us out of this wilderness into the promised land. Mr. Henry George holds this to be his mission, and believes that he has discovered the way across the Jordan. His great merit as a rhetorician and a reasoner cannot be justly questioned, as he has drawn to himself the interested attention of the economic world, and has succeeded in rallying to his standard a considerable body of respectable thinkers. These have formed themselves into the Single Tax League, for the dissemination of his theory and its practical establishment in legislation. The official lecturer and propagandist of the League is Louis F. Post, Esq., of New York,

whose exposition of the doctrine is a marvel of clear and attractive teaching. It is the purpose of this paper to state and refute the theory of the single tax.

THE THEORY.

I. By it government is held to be a blessing, and anarchy is rejected as an evil.

Their view of the nature of government is peculiar, and fundamental to their theory. It is not regarded as a political agency, but as an economical institution, whose benefits are extended to land alone, and whose burden of taxation is, therefore, to be borne by land-owners, as the sole economical beneficiaries of society.

Government is not held to be an abstraction, and cannot, therefore, meet its needs by fiat money. It is a concrete reality, made up of houses to be built and repaired, of officers and pensioners, who, as ordinary men, are to be supplied with food, clothing, shelter, servants and luxuries.

II. The common source from which the wants of government are to be met is wealth, which consists, in the last analysis, of two things: 1. Natural, simple things; things as nature has made and left them. These are land, unmodified by human effort. 2. Artificial, combination things; the products of man's energy and skill; natural things combined with human effort. These are called by Mr. George wealth, but by Mr. Post labor, which includes everything of value except land in its natural state.

III. Their theory of taxation is now intelligible. The principle of taxation is not ability to pay; this is positively discarded. Compensation for benefits conferred by society is the only true basis for taxes. Beneficiaries alone, and in proportion to the benefits received, are to be taxed.

According to this principle, it is held that labor, receiving no economical benefits from society, is to bear none of its burdens; and land, deriving all its value from society, is to be the sole support of government.

REFUTATION.

We shall now endeavor to state and answer the arguments presented by Mr. Post in support of the theory.

I. THE PRINCIPLE OF TAXATION.

1. The theory of government upon which it is based is not correct. Government is not an economical, it is a political, institution, whose purpose is to administer justice, to protect the rights of men, to defend the weak against the encroachments of the strong; the weak individual against his strong neighbor; the strong individual against a combination stronger than himself. Its benefits are intended for all, and do reach to every member of society; while the helpless and unfortunate are its chief beneficiaries.

As all are benefited by government, all are interested in its support. As the defenceless classes are the principal beneficiaries, according to Mr. Post's principle of compensation, they should bear the chief burdens. On the contrary, the true principle is that the strong are to bear the burdens:—the physically strong, the burdens of road-making and war; the intellectually strong the burden of teaching; the morally strong, the burden of social purification; and, like the rest, the financially strong, the burden of taxation; all according to their ability.

2. Mr. Post, however, claims that it is unjust and repressive to tax ability. If unjust it would not be the basis for all social charities and for all contributions to the church.

He asserts that it is repressive in its influence upon men in their efforts to produce, to make them pay taxes in proportion to their success; it is laying a penalty on enterprise, good judgment and frugality. This is the assertion of an alleged fact; is it a real fact? Mr. Post thinks so, and we accordingly make him this proposition: We will agree to pay all the taxes society may impose on his accumulations, if he will allow us one-fourth of those accumulations. It is easier to pay a thousand times as much tax on a million of values, than it is to meet the smaller amount on a thousand dollars worth of property.

If government were merely a joint-stock corporation, then Mr. Post's principle of compensation would be correct. That it is not is shown in the fact, that in a joint-stock corporation each member votes the value of his stock; while in a government, some have no vote, and those who have a vote are equal. Government

is so far like such a corporation, that the property, represented in it and protected by it, should pay for that protection on the principle of compensation, in proportion to its ability. As we shall see hereafter, labor is benefited by society, and needs protection more than land, and, therefore, on Mr. Post's principle of compensation, should, like land, pay for that benefit and protection in proportion to its ability.

II. LAND, NATURE'S GIFT TO THE RACE.

The argument here is, that land, unlike labor, is God-given and not man-made; God-given to the race, and not to the individual holder. It was, therefore, designed for the benefit of society and not of the individual, and should accordingly meet the common expenses of society.

1. That we may see the proper force of this argument, we should bear in mind that land becomes valuable and taxable only when it is appropriated by the individual for his private use. So long as it remains in the hands of society, unused by the individual for his own benefit, it pays no taxes. It must become private property, that is, the individual must enjoy the usufruct of it, before it is taxable. Mr. Post, as the official exponent of the theory, declares that the League holds to private property in land. It is then admitted that land, though nature's gift, must become private property to be available for taxation.

2. Land, then, is not peculiar in this respect. On the contrary, it is true that every utility is primarily God-given and not man-made; God-given for the benefit of the race; and becomes valuable and taxable, like land, only when appropriated by the individual. Let us see if this is not true.

The power to labor, with muscle or nerve, with mind or body, is a utility God-given and not man-made; God-given for the benefit of the race; for Buddhism, Confucianism, Judaism and Christianity agree as to the sanctity of the Golden Rule, the moral obligation of every man to the race. This gift, like land, becomes valuable and taxable only as it is used for the private benefit of the individual.

The same is true of all the other natural agents besides land

proper. They are all, both animate and inanimate, God-given to the race and not man-made, and become valuable and taxable only on appropriation. On the principle of this argument, therefore, all natural agents and labor-power, when private property, should be taxed equally with land.

Moreover, even products, which this theory calls labor, contain two elements, one of which is God-given and the other man-made. Why should not the former be taxed? The tree in the forest is land and taxable; the same tree as wood, or lumber, or furniture is labor, and non-taxable by the theory. Coal in the mine is land and taxable; the same coal in the warehouse is labor and non-taxable. How is it that these cease to be gifts of nature for the race as soon as they are made available to meet the wants of the race? Like land (indeed, they are a part of land), they have become valuable by appropriation.

3. Strictly taken, there is very little land that is purely nature's gift, unmodified by man. If the timber ceases to be land as soon as man shapes it into lumber, then the soil itself must cease to be land and become labor, as soon as it is modified by man; for labor, by the theory, is a natural thing modified by man. Here, in the first place, it is manifest that the farm is a product of labor. Not only must it be fenced and the forests converted into houses, but the very land itself must be upturned and cultivated, in order that it may be ready for production.

The same is true of the city, which is clearly not God-given, but man-made. We do not refer to the buildings alone, but the very land itself must be laid off, must be graded, and must be shaped into foundations. There is not a foot of land in the city which has not been modified by human effort. If, therefore, a tree becomes labor when made into a house, and coal by mere removal from its primeval bed, the land surface itself must become labor, when, combined with human effort, it is made into a foundation.

Should we deduct the farm and the city, as products, from the category of land, we shall have to go to the mountains and swamps for objects of taxation. Mr. George, however, says that mountains and swamps are not to be taxed, but that the fertile, well-located farms and choice city lots are.

III. SOCIETY APPRECIATES LAND.

The owner of natural land does, and can do, nothing to increase its value. The increase is due entirely to society; as society confers this additional value, it has in equity a right to it, which it may enforce by taxation. Such is their argument.

1. It is not only true that society increases the value of land; it also gives to land all the value it has. Land had no value on Robinson Crusoe's island, and it would have none to any man where there was no society. It has utility without society, but no value whatever.

Moreover, there is a condition in which society may, and sometimes does, give an immense value to land, as in the heart of New York, where Mr. Post says that land is worth fifteen million dollars an acre. Every economist understands that this is due to the limited supply of land so located, the impossibility of increasing that supply, and the intense demand for such land. Excessive demand, without an absolutely limited supply, gives what are called monopoly or scarcity values.

We further observe, that it is demand which creates value, demand in the economic sense of desire with ability to gratify the desire. Effort does not condition value, except relatively through its influence on supply; demand, including supply, does so absolutely. Let a man put forth immense effort on that for which there is no demand, and the result is no value. Let another put forth little or no effort and yet secure that for which there is an excessive demand, and the result is great value. Let a man by the most expensive machinery and with the most skilled labor manufacture air; he can sell it for nothing, because the supply is already in excess of demand. Let a man pick up a diamond as large as an egg, and he has made his fortune without effort. Thus we see that society creates the value of land by its demand for it, and by that alone, even the protection which it affords is an element or condition of the demand.

2. Society not only increases the value of labor, but, as in the case of land, it gives labor all the value it has. What value was Robinson Crusoe's labor to him? Was it a whit more than his land? Labor is as valueless without society as land is. Demand

by society creates all the value land has, and demand by society creates all the value labor has; there is no difference in the two cases.

"Yes," says Mr. Post, "there is a marked difference: the supply of land is limited, the supply of labor is unlimited." No, we repeat, there is no difference; the supply of some land is limited, and of other land practically unlimited; the supply of some labor is unlimited, and of other labor limited. The land that is in limited supply with reference to the demand for it is but a trifle in comparison with that where the supply exceeds the demand. The real estate of this country, which includes both the land and the labor on it, is valued by the census of 1890 at but a little more than fifteen and a half dollars an acre. If this be so, there must be millions of acres that are not worth a dollar. There is doubtless a hundred times as much land where the supply exceeds the demand as where the conditions are reversed.

On the other hand, there is much labor that is in limited supply with an excessive demand. This is true not only of old and rare editions of books, paintings and sculptures by the old masters, of coins, china, furniture, etc., where the supply is as absolutely limited as that of New York land, and where extreme value is the like result; but it is also true of living, coexistent labor. The President of the United States has a salary which, with its perquisites, amounts to about one hundred thousand dollars; the presidents of some of the great corporations are paid as much or more. Some lawyers receive a fee of fifty thousand dollars for a single case. So it is with doctors, editors, and even teachers and preachers. The supply of first-rate ability in any calling is below the demand, and the result is that in every department of labor there are monopoly values.

But it is said that labor earns its value. In a sense, this is generally true, for it usually puts forth an effort, and in some way modifies its products. We have already learned, however, that effort does not create value, that it is due to demand. The market does not pay for effort; it pays for service. Moreover, there is much labor value that is no more earned than land value is said to be. If there is such a thing as natural talent and natural advantages of time or location, then, in so far as such conditions exist,

the resultant value is not earned. Moreover, let a man build a mill where he has no neighbor within fifty miles of him, and his mill is valueless. He runs it one day in the year for the supply of his own needs. Immigrants, however, settle around him; railroads are built, running by his mill; a town, a city, springs up, and his mill is in the centre; it has appreciated a hundred, a thousand fold, and by no effort of his. This does not happen as often as in the case of land, for the manifest reason that few men are so unwise as to locate their labor where there is no demand for it, whereas land is not located by human will. This is clearly to the advantage of labor, and greatly to the detriment of land, whose owner must wait for society to benefit him.

Moreover, labor is valuable, and sometimes greatly so, from the very incipency of society; whereas land must generally wait many years, and sometimes forever, before it becomes valuable. Indeed, society, taking the whole of labor and land into consideration, appreciates labor more than it does land.

3. It is alleged that the owner never earns the value of his land, and therefore has no equitable right to it; it is to him an absolutely unearned increment. Let us see if this be true. The owners of land in this country are of two well-defined classes: First, there are the original proprietors. It is a rule, both in law and morals, that every man is entitled to the consequences of all his free acts. Did the original proprietors become possessed of their land by their own free acts? Did society forbid some and allow others? Did society allot the lands, giving choice portions to some, refuse portions to others, and none at all to a third class? This is not true; but, on the contrary, one man chose to locate in the gorges or on the sides of the Alleghanies; another in the fertile valley of the Mississippi. One man chose to settle himself where Stringtown was afterwards built; another preferred to locate on Manhattan Island. One man thought it wise to put all his means into land; another preferred to have none. The original distribution of land was, therefore, by the free choice of the people themselves, and so each man is entitled to the consequences of his own acts, according as his choice was wise and fortunate, or the reverse. The man that preferred the Alleghanies or Stringtown earned

the right to live there and occupy the land of his choice. The man that chose the Mississippi Valley or Manhattan Island equally earned the right to live there and occupy that land. The man that wished no land at all has earned the right to do without it. Each man receives the consequences of his own free acts.

There is a second class of land-owners, doubtless very much larger than the first. It is probable that but a small moiety of the valuable land of this country is in the hands of the original proprietors.¹ Most of it has been sold time and time again. How is it with the present proprietors, who have become owners since the land has appreciated? Is the value of their land to them an unearned increment? They have bought it with the products of labor; it is to them the investment of their labor; it is to them their labor. With many of them, their land is the embodiment of the labor of a life-time. A tax on their land is a tax on their past labor, on their accumulations, to which Mr. Post object's

4. The contention is, that the land-owner does not earn the increased value of his land by any effort of his own; that he has, therefore, no equitable right to it; that the unearned increment belongs to society. The point then is, that the owner has not earned the increment, because he has made no effort for it; increment, like any other value, must be earned by effort. Let us now apply this same principle to society; has society earned the increment by effort? If so, how? Society is the individuals composing it, or it is the organization.

Have the individuals that compose society earned the incre-

¹ This may be what Mr. George means (*Progress and Poverty*, p. 349): "In all the newer States, and even to a considerable extent in the older ones, our landed aristocracy is yet in its first generation." If, however, he means that the greater part of the land is still held by the original patentees or their descendants, he is manifestly mistaken. An expert in land titles in Virginia tells me that it is an exception to find such a case. Another in Missouri writes, "I believe that over 5 per cent. of the lands in this county are still in the hands of the patentees or their descendants." Still another in Montana writes, "About 95 per cent. of the agricultural land in this country, of which there is very little, is still held by the original patentees or their descendants. Of town lots and mining claims, about 5 per cent. is so held." These testimonies would seem to indicate that nearly all the valuable land in this country is now the property of those who bought it from the patentees.

ment of other men's land by their effort? Not one of them has put forth an effort on this land, or near it, for which he has not been paid according to its value. No individual has earned the increment by effort.

Has society as an organization earned the increment by effort? Society has put forth no effort to increase the value of land; has done nothing for land which it has not done for labor; indeed, labor has required all the effort of society in the way of protection and defence of its rights. Labor and products need and receive the fostering care of government, while land is able to take care of itself.

The appreciation of land is not due to the effort of society at all; therefore society has no more earned the increment than have the owners. Society appreciates land by demand and not by effort; it appreciates labor in exactly the same way, as we have already learned.

5. So far as society appreciates land, it registers the fact on the tax books. If land in the centre of New York is worth fifteen million dollars an acre, then society will note that fact in the assessment of its value, and so up and down the scale. Land ought to pay, and is made to pay, according to its value, and it makes no difference from what cause or source that value may arise. If society fails to tax increment, whether earned or unearned, it has no one but itself to blame. It rarely, if ever, fails to tax the increment of land.

IV. INTERFERENCE WITH TRADE.

Tax on labor interferes with trade, and should therefore be discouraged, so Mr. Post argues.

1. This is undoubtedly true. Any tax on labor, no matter how necessary or how justly laid, interferes with trade, and should be discouraged to the point, that not one unnecessary dollar should be taken from labor; and when it must be taken, the utmost care should be observed that it be done in the way most equitable and most easy for labor to pay.

Protective tariff taxes interfere unnecessarily, unevenly and unjustly with trade, and should not be levied at all.

2. Tax on land also interferes with trade, because it interferes with production. Land alone is unable to produce food, clothing, shelter, servants, and luxuries for the government. Labor alone is equally powerless. These indispensables must be provided by the joint effort of land and labor. It now requires nearly a billion of dollars annually to maintain the various governments of this country; a billion dollars worth of food, clothing, shelter, services and luxuries must be provided every year by taxes. Let this immense sum be taken from labor, and labor must sorely feel it, and be greatly weakened in its productive capacity. Let it be taken from land, the other factor of value, and land must sorely feel it, and be greatly weakened in its productive capacity. Let it be taken from both, as each is best able to bear it, and both will feel it and be weakened; but less in their joint productive capacity than if one of them was fatally injured. They are like a pair of shears; break an inch off each blade, and their capacity is abridged one inch; break both inches off one blade, and their capacity is abridged two inches.

V. SOME OF THE WEAK POINTS IN "PROGRESS AND POVERTY."

1. The root of the whole matter lies in the question of the right of private property in land. Is there such a right? Mr. George contends that there is but one basis for the right of property, and that is production; each one has a right to what he produces, and to nothing else. The individual does not produce land, therefore he has no right of property in it. Very well, society, or the people, do not produce land, therefore the people have no right of property in it; God does produce land, therefore it belongs to him. But, Mr. George will say, he did not mean land, but land value; the individual does not, and the people do, produce land value. The producer, says Mr. George, is the owner; whoever produces a value owns that value; the people by demand produce land value, which must therefore belong to the people. Well, the people by demand produce labor value, which also must belong to the people; the people by demand produce all value; therefore all value belongs to the people, and private property of all kinds is, like that of land, a robbery of the people. But Mr. George denies that he is a communist.

God as the producer is the absolute owner of the universe in whole and in its parts; his creatures all hold under him. What, then, is his primary natural and universal law of property? It is appropriation; each individual from the bounty of nature appropriates what he needs and can. In the inorganic world this law prevails, each element appropriating by elective affinity what it needs and can, thus forming mixtures, like air, or compounds, like water. In the vegetable world the law holds, each plant appropriating what it needs and can. The law is equally manifest in the life of the lower animals, each individual of which appropriates what it finds and needs. The continuance of organic being, and all changes in inorganic being, depend on this law. The law is not abrogated for man, it is merely modified; it is for him, as for lower nature, the primal, basic law. So far as nature's bounty goes, it is the one law, modified alone by the ethical law of the Golden Rule; in the application of which society may put a limit to the extent of appropriation and regulate it by law, but cannot properly annul the law itself.

Appropriation is the law of property for Mr. Post's natural things, or land; production is the corresponding primal, basic law for artificial things, or Mr. Post's labor. The secondary laws are purchase and gift.

2. Mr. George bases his theory on Ricardo's Law of Rent, which rests on the Law of Diminishing Returns. We do not question either of these laws, but we do question the wide reach of application which is given to them. The Law of Diminishing Returns is not a complete nor a universal law. There are three laws of returns in production: the Law of Proportional, the Law of Increasing, and the Law of Diminishing Returns. The Law of Proportional Returns is the ordinary and presumptive law, universally applicable where neither of the others operates. Carey's Law of Increasing Returns is undoubtedly a real law, and applies wherever, in advancing civilization, improved methods and processes are employed. The Law of Diminishing Returns does not seem to apply to manufactures, transportation, or exchange; and, in the extractive industries, it supersedes the two other laws only when the limit of quantity and quality is reached.

Within each circle of exchange the Law of Diminishing Returns will come into play when the limit of quantity in the best or the most productive natural agencies has been reached by the most efficient processes. As the circle of exchange enlarges, this limit retreats, so that when freedom of exchange and perfected transportation shall have become universal, this circle will be conterminous with the earth. Civilization thus postpones the Law of Diminishing Returns. The practical conclusion, bearing on Mr. George's theory, is, that but little influence is exerted by this Law of Diminishing Returns, except in the most congested parts of the country.

3. Mr. George asserts that, under the present system, wages and interest are falling and rents are rising, so that laborers and capitalists are suffering for the enrichment of landlords. He quotes with approval (*Progress and Poverty*, page 352) Senator Wade's prediction that "by the close of this century every acre of ordinary agricultural land in the United States would be worth fifty dollars in gold." There were 623,218,619 acres in farms by the census of 1890, and these lands, with all improvements, were valued at \$13,275,959,068 (not for taxation, but for advertising purposes), which is something over twenty-one dollars an acre. Every observant man knows that this is an excessive valuation, and yet it is less than half Mr. George's adopted prediction. Mallock, in his *Labor and the Popular Welfare*, says that in 1814 the incomes of the landlords and farmers in England were 56 per cent. of the total assessed income-tax; in 1851, 37 per cent.; in 1880, 24 per cent.; and now, only 16 per cent.

Capital, Mr. George says, is depressed under the present system. Where are the signs of it? On the contrary, while it is true that the percentage of profits tends to decrease, the aggregate has largely increased, so that capital is far better off than it was fifty years ago. There are in this country probably not less than ten millionaire capitalists to every millionaire landlord.

Wages have not fallen, but have risen, both nominally and really, in the past fifty years; as Mr. Giffen has shown, over two hours a day less work, and wages on an average about seventy per cent. higher. From the report made by the Committee on Finance to

the Senate, second session, Fifty-second Congress, it is seen that the wholesale prices of the means of living declined, with fluctuations, from 116.8 in 1840 to 92.2 in 1891, while wages, with fluctuations, have risen from 87.7 in 1840 to 160.7 in 1891.

4. We have an object-lesson in this country, which exemplifies Mr. George's ideal condition of society. It is found in the Indian Territory, where private ownership of land is ignored, and all land is free for occupancy. According to Mr. George, the various races of the earth are substantially equal, and, under similar environment, the Indian is equal to the Teuton. The ideal environment is furnished by free land; we may, therefore, see humanity at its best in the Indian Territory. We wonder why the Single Tax Leaguers do not emigrate thither to enjoy its unadulterated blessings.

5. Should the single tax on land be adopted, there will continue to be, as now, two classes of persons, the landless and the landholding; this classification will then be identical with the non-tax-paying and the tax-paying. At present every property-holder and almost every consumer is a tax-payer, and in most States many that own no property pay a capitation tax. This makes nearly every one interested in the governments which he supports, and concerned that they shall be prudently and economically administered. Under the single tax, however, there might and would be a large element, intelligent, thrifty, and wealthy, holding no land, and, therefore, paying no taxes. These would, naturally, be indifferent to the amount of tax levied, and would favor lavish expenditures on rivers, harbors, public buildings, pensions, official salaries, etc. By our system of general suffrage the substantial tax-payers are now largely at the mercy of those who hold little or no property; the evil would be greatly increased, and might become intolerable, under the single tax *regime*.

6. Mr. George's strongest point in arguing the injustice of private ownership of land is his assertion that it is virtual slavery to the laborer. His ground is, that whoever owns the conditions of labor owns the labor itself, and as the landlord owns that which is indispensable to labor, he is the virtual master of the laborer. If the fundamental proposition is true, then the conclusion surely follows. Is it true, that he who controls the conditions of labor

owns the labor itself? If so, then every one is more or less both a master and a slave in production. The landlord owns the conditions on which capital and labor can be made productive therefore the landlord is the master, and the capitalist and the laborer are his slaves. The capitalist owns the conditions on which land and labor can produce, therefore the capitalist is the master, and the landlord and the laborer are his slaves. The laborer owns the conditions on which land and capital can produce, therefore the laborer is the master, and the landlord and the capitalist are his slaves. Each is alike dependent on the others for production. The capitalist enjoys an advantage over the other two, not for production but for consumption, in so far as his capital is already in a condition for the sustenance of life. Both the others enjoy an advantage over the laborer as such, because their land and capital are so much saved and accumulated labor.

7. Mr. George is a pessimist. In his view, the economical tendencies are injurious to all but a favored few, the landlords. In sociology, the negro in slavery and the peasant in feudalism were in a happier condition than the free laborer of to-day. Labor, in his view, is a curse. In religion, the church is losing, if it has not already lost, its hold upon the masses. Civilization has the mere glitter of tinsel to hide the base metal beneath. It is the madness of folly to send missionaries to the barbarous.

Many earnest, good men are Jeremiahs, weeping over the present, despairing of the future. Solomon, however, never spoke more wisely than when he wrote, "Say not thou, What is the cause that the former days were better than these? for thou dost not inquire wisely concerning this." The good lives, the evil perishes; the good is cherished and remembered, the evil is distasteful and forgotten. The bitter of the present cup we taste, the worse bitter of a former cup has gone.

If there be a God, optimism must be true. A calm, patient, critical survey of facts justifies not only the belief that the present is better than the past, but the hope that the future will be better than the present. Facts show not only that civilization raises rent, but wages and the aggregate of interest also. Intelligence

and virtue are increasing. The poor have advantages to-day that their fathers never dreamed of. We have better laws, more justly and efficiently administered than ever. Slavery is no longer known in Christendom, and pure religion is gathering under her beneficent wing more and more of the sin-ruined children of Adam.

DISPROOF.

Having stated the arguments of Mr. Post for the single tax, and shown that they do not sustain his position, there will now be presented some considerations which seem more or less fatal to it.

I. THE SINGLE TAX IS UNCALLED FOR.

1. The first consideration which points in this direction is, that there is already a discrimination against land (which must continue to be) in the assessment and collection of taxes. There are many forms of so-called labor, which easily elude official search, and so are not found upon the tax-books. Money, notes, bonds, mortgages, incomes, exemplify this class. These and other forms of labor can be hid; and, as many otherwise honest people think it merely shrewd and not wrong to evade taxation in every possible way, the result is, that a large part of this kind of property is kept from the assessor's eyes. Moreover, as the value of this species of wealth is fluctuating and uncertain, it is quite frequently under-estimated in the valuation.

Land, on the other hand, is permanent, visible, and of a valuation comparatively steady. No acre in the farms nor foot in the city escapes the eye of the tax-gatherer. It is all on the books, and at a value approximating, at least, what it is really worth.

As a consequence, it is now true, and must remain so, until the standard of strict personal honesty prevails amongst the owners of labor, that land bears the chief financial burden in the maintenance of government. It needs relief rather than additional burdens.

2. There is but very little land in this country of high value. The census of 1890, as already stated, shows that the average value of real estate in the United States is a fraction over fifteen and a half dollars an acre. In the centres of a few cities and in

rare spots in farming districts land has probably reached a maximum value, under Ricardo's Law of Monopoly; but such cases are the smallest fraction of the lands.

On the contrary, we hear a wail from the farmers all over the country, South, North, East, West, in the most fertile as well as least-favored sections, that they are not only not prosperous, but can barely make a frugal living from their farms. The *New York Nation*, in one of its December numbers of 1893, showed statistically that wheat-raising in 1893, both in the winter and spring belts, was a disastrous loss to those engaged in it. The farmers already have a yoke which they find hard to bear; we cannot properly add to their difficulties.

3. There is little or no pressure of population upon subsistence in the United States. Mr. George declares, in his *Progress and Poverty*, that Ireland, China and India are not suffering from an unduly congested population. He is right; this is not the cause of their troubles. Indeed, as he has shown, Malthusianism is a mere spectre; frightful to theorists alone, and vanishing into air as the light of facts falls upon it. So far from its being true, the most prosperous portions of the earth, other conditions being equal, are those where population is at the maximum. It is so in Europe; it is so in Asia; it is so in America; it is so in the United States. Take the most congested spot in our country, Manhattan Island, and the rich have more of luxury there, and the industrious, virtuous poor more of comfort, than anywhere else on this continent. The indolent and vicious, as a rule, are the sufferers.

But, allowing over-population to be as great an evil as it is represented to be by the school of Malthus, it is still true that the United States are not sufferers from it. The census of 1890 shows that we have an average population of 21.31 persons to the square mile; whereas Mr. George says, in his *Progress and Poverty*, that Saxony, Belgium and England have each about 440. The population of the entire globe could be put into the United States, and the average would not exceed the rate of these countries. It is manifest that we are far from the time, if, indeed; it will ever come, when population will press upon subsistence in our country. With free trade and perfected transportation, it will be a vanishing evil in the civilized world.

II. PRACTICAL DIFFICULTIES.

1. The practical adoption of the theory would tend to prevent improvement upon and in land. If the tax should be made a fixed sum for a term of years, like the rental of a long lease, then the owner would be able to make his calculations for that length of time, and could improve the land as he might judge most expedient. Mr. George, in *Progress and Poverty*, advocates a lease of twenty-five years. This would reduce the inconvenience of the single tax to a minimum. This arrangement, however, is inconsistent with the principle of the theory, for it may easily and frequently happen that the land would greatly appreciate early in the period of fixed taxation, and, as a result, society would lose, and the owner gain, the unearned increment.

If, on the other hand, the tax should be levied annually, as now, and as would seem to be necessary in order that the varying expenses of each year may be met, then the holder of land can have no assurance what the demands of the government in the future may be, or what estimate future assessors may put upon his land, and so will be deterred from putting expensive improvements on the land he occupies, for, as Mr. George says, "Fixity of tenure is necessary to improvement."

2. Difficulties of assessment. The first is drawing the line between bare land and the improvements on it and in it. A farm is worth five thousand dollars; how much is land, and how much improvement? Improvements on it are houses, fences, trees, fruits, vines, meadows and roadways. Improvements in it are removal of stones, trees and roots, drains, loosening of the soil, irrigation and fertilizing. What are these improvements worth? They have cost, it may be, as much or more than the land is now worth. Is the bare land, then, valueless?

Again, Mr. George says that the single tax is not to be laid upon land, but upon land values. He accepts Ricardo's doctrine of rent, and holds that the lowest grades of occupied land yield no profit, and, therefore, pay no rent. It is the more valuable grades of land alone that are to be taxed, and these not upon their entire value, but upon their value in excess of that possessed by the poorest occupied lands; that is, economic rent shall pay the ex-

penses of government. The task, then, for the assessor is to draw the line between the land that yields profit and that which does not. Rejecting the latter as non-taxable, he must then estimate the various degrees of economic rent yielded by the former. It is manifest that assessors, in that day when the single tax abolishes poverty, will have to be gifted with practical omniscience.

3. The single tax will discriminate against the poor. Many of the present owners of land are men of moderate means and moderate ability. They are barely able to meet the demands of life by what they can extract from the soil. As a result, it is a struggle with them to save money enough to meet their present taxes, and often they are unable to do so. Let the tax-burden of this large and comparatively helpless class be doubled, and the consequence will be the loss of their lands, and hopeless poverty.

Again, in our towns and cities there are many cases where men of small means have succeeded in buying for themselves a lot, on which they hope to build a house and make for themselves a home some day; for the present they are unable to do so. There are many other, indeed, there are practically numberless, cases in which a man has, by economy, succeeded, not only in buying a lot, but in putting a small house on it, where he enjoys the inestimable privilege of feeling that he is at home. Right by the side of these vacant lots and modest houses of the poor are the stately mansions of the rich. In the one case, it is the hard-earned all of the struggling masses; in the other, it is but a pittance of the bonded, moneyed, personal wealth of the successful. The single tax makes these worthy poor not only pay the same tax on their vacant lots and small homes that their rich neighbors pay on their palatial residences, but, it may be, as much as their millionaire neighbors pay altogether. The men successful in making fortunes rarely invest largely in land, but prefer stocks, bonds, transportation, traffic, manufacturing.

Still, again, as to the future use of the valuable lands, the poor will be at a disadvantage under the single-tax theory, the same disadvantage that he is under now. What shuts out the poor from the possession or use of valuable lands now? Manifestly, their value forbids his purchase, and even his leasing, of them. Will they

become less valuable under the single-tax *regime*? How can they, if Ricardo's law be true? The pressure of population will be the same then as now, and so monopoly or scarcity values will be as great as now. How, then, can the single tax relieve poverty from the disability which now shuts it from the best lands? Let us suppose that the tax absorbs the economic rent, the State then becomes the virtual proprietor of the rentable lands. Will it be any easier to pay the State's tax than it was or is to pay the landlord's rent? The amount will not be less in the latter case.

4. The single tax will tend to increase, rather than to decrease, the monopoly of land. A large part of the better lands are now held by owners who find in them a home and the means of a frugal livelihood, but who do not realize from them a money income beyond their needs. Let this large class be compelled to double their annual payment of taxes, and they will find it impracticable, with the result that their lands, sold for taxes, will pass into the hands of the few who have management and capital sufficient to work farms on a large scale. Thus the small holdings will be absorbed by the capitalistic land-sharks, as they are called, and "*latifundia Americam perdidere*" will be our fate, as it was said to be that of Rome. Mr. George thinks otherwise, and says that the crowded poor will leave the cities and occupy the vacant lands. If so, why have these poor left the country, where land is cheap, and gone to the city, where it is dear? Why do not these poor now leave the cities, and homestead government lands, which can be had for the mere occupancy?

Will the laboring poor be benefited by the single tax? There is more land cultivated now than pays, for wheat is grown at a loss, and corn is burned for fuel. If, then, land continues private property, as Mr. George prefers, the present owners will continue to hold all that pays. If the government takes possession, the same result will follow, for the thrifty farmers will lease all that will pay the taxes, and the thriftless poor will be as they are now. Now the laborer gets wages, and the landlord gets the rent; under the single tax, the government will get the rent, and the laborer will still have nothing but wages. In neither case does he pay taxes.

5. The final and fatal practical difficulty in the way of the single tax on land is the fact that land does not yield a sufficient revenue to pay the taxes. The theory is that economic rent should pay all taxes. Mr. George accepts Ricardo's theory and, therefore, means by economic rent just what that theory means.

REVENUE FROM ECONOMIC RENT.

Economic rent first interests us now as to its exclusions. It does not include waste or unoccupied lands. Those tracts unsold by the government, all swamps, desert and rocky sections, all lands that for any reason are not eligible for occupancy or cultivation, are excluded. None of these do or can furnish any rent to be applied to taxes. It would be useless to include them, for they furnish no revenue.

Again, no rent is obtained from the lowest grade of occupied lands. This is the basic doctrine of Ricardo's theory, and is accepted by Mr. George, who says distinctly that he does not propose to tax land, but land values, that land values are determined by rent, and that rent is revenue from all grades of occupied land except the lowest. Land is valuable for fertility or situation. Those farming lands, now tilled, which have the least fertility and the poorest situation, merely pay the cost of cultivation and do not yield any rent. There is a similar grade of land in town and city lots, whose locality is so disadvantageous as to neutralize the benefits of occupancy, and therefore cannot pay rent. Not only are these lands excluded, but a similar value in all the occupied lands.

Again, the revenue from improvements *on* land is profits, not rent, and, therefore, cannot be used for taxes. Mr. George not only admits but contends for this exclusion, on the ground that improvements are not the unearned gift of nature, but the laborious product of man.

Still again, and for the same reason, we must exclude all improvements *in* land. Improvements on land embrace houses, fences, bridges, fruit trees, vines, crops, shade trees, roadways, etc. Improvements in land include clearing of trees, shrubs, roots and rocks, grading, draining, tillage, irrigation, fertilizing, etc. As already said, these improvements must be excluded from economic

rent on the very same ground as the other class; they are not the unearned gift of nature, but the laborious product of man. Only the natural fertility and situation are to be taxed.

To sum up the exclusions: We first cut off all unoccupied lands, then the lowest grade of values in occupied lands, then all improvements *on* the higher grades of occupied land, and, finally, all improvements *in* the higher grades of occupied land. There is left the bare land, as nature made it, and valuable by virtue of its natural fertility and its situation. It is difficult to determine accurately the value of these exclusions. We desire to be not only just, but liberal, to the single-tax theory.

Let us take one hundred as the aggregate value of all the lands in the country, what proportion are unoccupied? Excluding Alaska, not yet surveyed, the entire land surface of the United States is 2,970,000 square miles, or 1,900,800,000 acres, of which about one-third, or 623,218,619 acres were in 1890 in farms. Of the farm lands something over half were improved, that is, 357,616,755 acres, while nearly one-half remained unimproved by the census of 1890. The remaining two-thirds of the land surface constitute the public domain and the area of lots in cities and towns. We have no data as to the aggregate area of lots in cities, nor as to the ratio of the occupied to the unoccupied.

By the census of Massachusetts, taken in 1885, the land surface of that State, 8,040 square miles, or 5,145,600 acres, has 3,898,429 acres in farms, and the remainder, about one-fourth, is in town and city lots, etc. Of the farm lands, 939,261 acres, valued at \$59,891,808, are classed as cultivated; 1,389,501 acres, valued at \$25,279,209, are woodland pasture; and 1,569,667 acres, \$25,529,690, are put as uncultivated. Here the uncultivated lands are about two-fifths of the area of the farms and are reckoned at nearly one-fourth of the value.

Let us take Massachusetts rather than the entire country, as the statistics are more complete and probably more accurate, but we should remember that this State is probably above the average of the country in favor of the single-tax theory, by reason of its disproportionate amount of economic rent and its frugal taxes. The unoccupied farm lands of this State were rated at nearly one-

fourth the value of all the agricultural lands. We are not given the ratio of the unoccupied city lots to those occupied, but the entire real estate was assessed at \$1,287,993,899, including city lots; of which the assessed value of the unoccupied farm lands alone is nearly two per cent. We shall be within bounds, therefore, to place the exclusion for unoccupied rentless lands at three per cent.

The second exclusion is for the lowest grade of occupied lands, which Mr. George agrees furnishes no rent, and therefore can yield no tax. In Massachusetts the land known as woodland represents this grade, inasmuch as it pays nothing for cultivation. Then of the cultivated land there is a grade corresponding to this, though more valuable, as it justifies the labor of tillage. Above these are the farm land values that yield rent. The woodland is assessed at \$18.20 an acre; this will put the rentless grade of cultivated land at not less than \$20 an acre. The woodland is valued at \$25,279,209; to which adding \$20 an acre on the cultivated lands, \$18,785,220, we have an aggregate rentless value of occupied farm lands alone of \$44,064,429; about forty per cent. of the farm values, and nearly three and a half per cent. of the total real estate valuation. We are safe then in putting this exclusion at five per cent.

The third exclusion, for improvements *on* land, is divided into two parts:—Buildings, on the one hand, and fences, roadways, fruit and shade trees, on the other. The buildings on the real estate in Massachusetts, including farms and city property, are not separately given in the census of 1885, but are for every year since then. From 1886 to 1893, both included, the assessed value of the buildings is about fifty per cent. of the whole.

Strange to say, neither the government records at Washington nor the census of Massachusetts give any data as to the value of fences. We have not been able so far to find any from any quarter; and yet we know that this is a serious item of expense; so much so, that some counties and cities seek to minimize it by laws dispensing with fences so far as possible. The only item found is the cost of building and repairing fences for the year 1880 in the United States census, which for Massachusetts is put at

\$618,503. If this is an average, we may capitalize it at five per cent. and it will give a fence value of \$12,370,060. Then we have roadways on the farms and streets in the cities; and here again we have no data as to either their value or cost. Fruit trees and vines were valued by the Massachusetts census of 1885 at \$6,658,282, while the orchards themselves, of 23,800 acres, were rated at only \$2,182,836, less than one-third. Thus the fences and fruit trees, outside of the roads, streets and shade trees, have a value of over nineteen million dollars, about one and a half per cent. of the total valuation of the real estate; making altogether an exclusion of fifty-one and a half per cent. for improvements on the land.

The fourth exclusion is for improvements *in* the land; and here we shall consider, first, the cost of making a farm or a city. Farm-making depends on the locality. On the prairies, the cost is least, and yet there it is worth one year's crop. In timbered regions, it involves the labor not only of removing the trees (which generally pays for itself), but also of freeing the land from stumps and roots. In rocky soils, the stones must be gathered and removed. In wet lands, drains must be made. In arid sections, irrigating ditches, pumps, or artesian wells must be supplied. The making of a city, besides the buildings and the pavings, includes the shaping of the ground by grading, often an expensive item. As already suggested, this improvement in land varies greatly, and it is correspondingly difficult to make an estimate of it. An intelligent, careful friend informs me, that on his farms he allows the use of a field three years as a recompense for clearing it of timber for cultivation. Estimating interest at five per cent. and taxes at one, this would aggregate eighteen per cent. Using this as a basis, in Massachusetts it would amount to one and a half per cent. of the whole real estate valuation.

Again, the farm lands of Massachusetts have been improved by fertilizing. Several facts show this. The uncultivated lands and woodland pastures are valued at about \$17 an acre, while the cultivated are assessed at nearly \$64. This difference is due, of course, partly to natural fertility and advantage of situation, but it is partly the effect of fertilization. From the partial reports

of 1885, it is probable that over four millions of dollars were expended that year in manures and other fertilizers. A striking collection of facts, revealed by government reports, shows conclusively the great improvement in these farms. The New England States produce the largest average yield of Indian corn per acre of any section of the country! The average of the United States from 1870-1889 was 25.6 bushels per acre. For 1892 the average of the six Southern States, Virginia, North and South Carolina, Georgia, Florida and Alabama, was 14.55 bushels; of the six chief corn States of the Mississippi Valley, Indiana, Illinois, Wisconsin, Minnesota, Iowa and Missouri, 31.87 bushels; and of the six New England States, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut, 40.74 bushels. The average yield of Massachusetts for the three years, 1890-'92, was 41.33 bushels per acre, while that of Illinois for the same time was 35.83 bushels. These facts show conclusively that in Massachusetts, and in all the better lands of the older States, the value of the rent-producing lands is largely due to artificial improvement.

We are now ready to make a final statement as to the fertility of Massachusetts and of all parts of the country settled twenty-five or more years ago: that *all* the fertility of the farming lands is due to labor, and none of it to primitive condition. This seems a startling statement, but it is probably none the less true. Let us suppose that nothing is done to renew the soil, no fallowing, no grassing, no fertilizing, but that successive crops are taken from it each year, how long will it last? In some sections, ten years; in some, twenty; in some, thirty; in some, forty. On an average, they would all be exhausted in twenty to thirty years. Nearly all the rent-producing lands have been tilled not less than fifty to seventy-five years, so that their natural fertility has long since been exhausted, and all they possess now is due to the renewing efforts of the husbandman. Especially is this true in Massachusetts. This exclusion will absorb the remaining value of the cultivated farm lands, or \$59,891,808, less \$18,785,220, already taken out as the rentless grade, \$41,106,588—about three and one-fourth per cent. of the whole value of the real estate.

Summing up these exclusions, we have three per cent. for unoccupied land, five per cent. for the rentless grade of occupied land, fifty per cent. for the buildings, one and one-half per cent. for other improvements *on* the lands, and four and three-fourths per cent. for improvement *in* farming lands chiefly, making a total of sixty-four and one-fourth per cent. As the entire value of the real estate in Massachusetts in 1885 was \$1,287,993,899, after deducting sixty-four and one-fourth per cent. as not properly taxable by the single-tax theory, we have a balance of \$459,177,819 as a principal from which to draw a revenue to meet all the expenses of government.

What rate per cent. may we reasonably expect to receive upon this principal in the shape of rent? A few years ago Mr. Edward Atkinson gave, in the *Century*, an opinion to the effect that rent does not reach an average of five per cent. in this country. This is doubtless a full estimate, when we consider that the average rate of profits, including interest and risk, is not over six per cent. for the entire United States. Thus we would have as our revenue for Massachusetts in 1885 five per cent. on \$459,177,819, or \$22,958,891.

EXPENSES TO BE MET.

The total State, county, city and town taxes levied in Massachusetts on real and personal property for 1885 were \$25,850,317. To this must be added other taxes, such as licenses, which, as shown by the census of 1890, will amount to at least \$10,000,000 more, making a total of not less than \$35,850,317. The entire economic rent would thus fall nearly thirteen millions short of meeting the expenses of the State government alone. As the census of 1890 shows that the Federal taxes are nearly equal to those of the State, the total economic rent would not furnish more than one-third enough revenue.

Mr. George attempts to meet this difficulty by the assertion that lands are not assessed at their full value. This is true; and yet, when we see the farming lands of Massachusetts rated at an average of sixty-four dollars an acre, and its orchards at nearly one hundred dollars an acre, with an additional assessment of

nearly three hundred dollars an acre for the trees, we are sure that the rate is quite up to the selling or yielding value. The assessment, however, must be about trebled in order that the necessary revenue may be raised.

All rise in rents, says Mr. George, is at the expense of wages and interest, or of labor and capital. As it is manifest that the present rents will not pay the expenses of government, under the single-tax *régime*, rents must rise at least one hundred per cent., which, according to Mr. George, will result disastrously to labor and capital.

The total value of taxed real estate in the United States is put by the census of 1890 at \$35,711,209,108, and the total assessment of real estate for taxation for the same year at \$18,956,556,675. This makes the estimated real value not quite twice as much as the assessed value. It is true, however, that, while values are usually rated low for taxation, they are also usually rated high for a census, as every community has an ambition to be considered as rich as possible. It is curious, moreover, to see how much greater the difference is in some States and sections than it is in others. In the North Atlantic States, the real valuation is about 50 per cent. more than the assessed; in the South Atlantic, about 66 per cent. more; in the North Central, about 250 per cent. more; in the South Central, about 85 per cent. more; and in the Western, about 110 per cent. more.

Looking at particular States, the lowest comparative assessments are found in Washington, a little over one-third of the real; in Florida, Nevada, Idaho, and Oregon, about one-third; in Iowa, Kansas and Colorado, less than one-third; and in Illinois and Nebraska, less than one-fifth. Maine and the District of Columbia have the same valuation for taxation as for the census. Massachusetts, in which we are now specially interested, has substantially the same valuation for both purposes:—for the census, it is \$1,673,052,797; for taxation, \$1,600,137,807. This shows clearly that the economic rent of Massachusetts would not nearly pay all its taxes. If, as Mr. George asserts, rents should fall as the result of the single tax, owing to the stoppage thereby of land speculation, then this insuperable difficulty would be aggravated.

Moreover, there is the further trouble, growing out of the occasional lessened capacity of the land to yield rent, due to excess or lack of rain, the depredation of insects, etc. Again, what provision can be made under this theory for extraordinary needs? When more than all is wanted for ordinary demands, how shall emergencies, such as wars, be met? Thus, for instance, in 1866, when land values were about one-half what they are now, the needed national revenue alone was \$619,600,000.

It is manifest that, were the theory practicable, it would involve the ownership of land by the government; for no one would be willing to bear the burdens and risks of property, all of whose proceeds would go to another; especially, when he would be expected to make good any deficit in its profits. Thus other practical difficulties emerge. The property itself and production from it would lose all the benefits attendant upon ownership; and the occupiers would no longer be subject to the moral influences of proprietorship.

The question would at once arise, which of the governments shall own the land? Local ownership would be impracticable, on account of the difficulties connected with the equalization of values and the collection of taxes for the State and Federal governments. The national government must own the land; and then we shall have an increase of centralization, paternalism, and of the hungry horde of officials. With our complex civilization, it is preposterous that the central government should undertake to own, manage, rent and collect its revenues from some five millions of farms, besides an untold host of town and city lots. It is well known that the government pays two prices for all it gets, and the result would be, that economic rent would be frittered away as the spoils of contending parties; and, at the same time, would be greatly increased to the occupiers of land, in order that these spoils might furnish fatter feed for the cormorants that prey upon the treasury.

THE ETHICS OF THE CASE.

Economics lies next to ethics, and the territory of ethics sometimes overlaps that of economics. When it does, as Kant says,

ethics speaks with a categorical imperative. We propose, therefore, finally to show that the single tax, in its revolutionary remedy, would violate the principles of justice. This will be done by first calling attention to the fact that private land titles in this country originated in accordance with Mr. George's theory, and by then showing that the single tax would be an act of repudiation and unjustifiable confiscation.

I. THE ORIGIN OF LAND TITLES IN THE UNITED STATES.

1. The thirteen original States and Texas held or hold all the land within their respective boundaries as a common public domain belonging to society in each of these commonwealths. All the land in the remaining States, in the Territories, and in the District of Columbia, was or is held by the United States as a public domain belonging to society in the United States. This is in exact accordance with the theory of Mr. George; society, not private individuals, was or is the possessor of every foot of land in this country.

2. Much of this land is still held by the States, or by the United States, in trust for society. Much of it, however, has passed from the possession of society to the ownership of individuals. How was the change of ownership effected? Did individuals steal or seize the lands they hold, against the wish and protest of society? This would have been impossible, and has never occurred. Did the agents of society prove recreant to their trust, and divide this land among themselves and their favorites? Had such frauds been practiced, the courts would and should annul the titles. No; every acre of land in this country now held by private parties was deeded by society, through its legal agents, to those under whom these individuals now hold their titles. Society owned the lands, and society, knowingly, voluntarily, and, as a rule, for value received, deeded them by solemn covenant to private individuals. Every acre of land in the United States not now held by society was granted by deed of patent to the present proprietors, or to those from whom their title comes.

3. If A sells B a tract of land, and executes to him a deed of warranty, there is no question that it is A's duty, not to claim the

tract from B, but to defend B's title against all that would attack it. Is the obligation any less sacredly binding on society to protect the titles which society itself has conferred on its individual members?

4. A sells B a horse for \$150, and considers himself fully paid. There arises a very extraordinary demand for horses, or else the horse develops unexpectedly superior qualities, and B sells him for a thousand dollars; is A entitled to the unearned increment? Do not increments of value belong to the buyer? Have they not been relinquished by the seller? The United States sell and deed to a citizen a tract of land for one thousand dollars; in a few years its value has increased twenty-fold; surely, the citizen buyer, and not the government seller, is entitled to the unearned increment.

5. Mr. Post, however, demurs to all this. In his official lecture he says that the League believes in the expediency of the private ownership of land; and yet, in a letter to the writer of this paper, he says: "Cannot the victims of the tribute" [*i. e.*, labor-owners] "repudiate the mere legal obligation to pay tribute for the use of what the Creator intended as much for them as for their landlord?" That is, the Single Tax League believes it expedient and right for society to repudiate the legal obligation of its own sovereign deed of patent, and to reclaim, *without compensation*, from those to whom it has sold them the lands now held by private owners! Thus the League accepts Mr. George's teaching, that it is just and proper to dispossess, without compensation, the present owners of land, whether original patentees, or those who have bought their land with their labor. This seems a moral monstrosity.

More than this, Mr. George not only thus outrages our notion of justice in advocating the robbery by society of land values, but also goes so far as to violate his own theory in his extreme repudiation of private right to land. According to him, as land, nature's gift, belongs to society, so wealth, man's product, belongs to the individual. Cases occur, however, in which the individual's labor becomes indistinguishable from land. With reference to these cases, Mr. George says (*Progress and Poverty*, p. 308), "Very well; then the title to the improvements becomes blended with the title to the land; the individual right is lost in

the common right." He would have society, in these cases, not only appropriate the individual's land, but his labor also, without compensation.

Mr. George makes a plausible point in defence of this spoliation (*Progress and Poverty*, pp. 328, 329), where he says that the common law gives to the legal owner what an innocent purchaser has bought from one holding a defective title. The legal owner of land, he says, is the people, the present landlord is the innocent purchaser, and the original landlord had the defective title; the people, therefore, by the common law can dispossess the present land-owners. There is a radical fallacy here: the assertion that the original landlord had a defective title; this cannot be so in this country, because his title came from the people, who, as Mr. George says, are the legal owners. To put it another way, the common law gives the innocent purchaser recourse on the parties from whom his title comes; and, in this case, his title originated with the people, the alleged plaintiff.

II. VIRTUAL CONFISCATION.

The mode in which Mr. George and the Single Tax League propose to apply their scheme is not to dispossess the present land-owners, but to require them to pay all the taxes needed for the maintenance of local, state, and national governments. This will be tantamount to a forfeiture of the land by the holders, and a confiscation by the government.

1. As is well known, some taxes do not rest on those who first pay them, but are shifted to other shoulders. It is equally well known that it is held by most economists, that tax on land does not shift, but remains a burden on the owner. Mr. George says that it does not shift.

2. We shall now apply the single tax, and see what its effect will be, bearing in mind that all other taxes are to be abolished, and that all the revenues of every government, town, city, county, state, and federal, are to come from land alone. We will make the application first to the whole country.

We have already seen that the entire rent of the land would not nearly pay the taxes of Massachusetts. We shall now show

that the same is true of the entire country, so that the proposal to make land pay all the expenses of government will not only absorb all the rent, but much more besides; that is, it will not only rob the land-owners of their land values, but will make them pay an additional penalty under the forms of taxation.

The entire real estate in 1890, including land and its improvements, is assessed for taxation at \$18,956,556,675. What proportion of this value is land and what proportion improvements, is, as we have seen, a difficult question to settle. On this point Mr. Post kindly requested Hon. Thomas G. Shearman to give me the results of his investigations. He has courteously complied with the request, as follows: "As the result of a very extended inquiry and as close an investigation as it is possible for one having no official power to give, I am fully convinced that the value of bare land, absolutely irrespective of all improvements, is never *less*, in any civilized country, than fifty per cent. of the entire value of real estate. In England, Massachusetts, and most of the North-eastern States, the value of the bare land is about sixty per cent. of all real estate values, and my judgment, upon the whole, is that this is the proportion throughout the United States, taken collectively; or, to put it on the other side, the value of all buildings, fences, growing crops, and improvements of every kind and description, is never *more* than fifty per cent. of the entire value of real estate in any considerable district, and is generally not more than forty per cent." How greatly mistaken Mr. Shearman is, was seen in our examination of Massachusetts. Mr. Post says: "I have made it a point to inquire wherever I have been, and results are so different in different places, that I doubt if any reliable statistics exist at present. In western New York, for example, I found that the value of farming land relatively to its improvements was about one to four, whereas in eastern Kansas it is about half-and-half. In New York city the ratio varies from about half-and-half to a ratio in which the land value is expressed by a very small figure. One of the most expensive buildings in this city—the Madison-Square Garden—although it stands upon land that is very far from being of exceptional value, is said to have cost not much more than half as much as the land. Of

course, respecting vacant land (which is a large share of land in the aggregate), the relation of improvements to land value is as 0 to almost any figure from 1 upward." These are single-tax opinions. H. C. Carey and Professor A. L. Perry, of Williams College, on the other hand, take the ground that land of itself is valueless.

From these statements, and from what we have seen in the case of Massachusetts, it would seem a too liberal estimate to allow land half the aggregate value of real estate, or \$9,478,278,337.

By the Report of the Secretary of the Treasury for 1890, p. 107, the expenditure of the national government for that year was \$630,247,078.16. According to the Extra Census Bulletin, No. 70, the total expenditure of the several local governments of this country for 1890 amounted to \$563,735,441. The total public expenses of the United States for the last census year, therefore, aggregated \$1,193,982,519.16. This is more than 12½ per cent. upon the entire assessed valuation of the bare land for that year.

Land for taxation is undervalued. From the eleventh census we learn that the real estate of this country was valued, not for taxation but for advertising purposes, at \$35,711,209,108. This is possibly as much too high as the taxation value is too low. Accepting it, however, and deducting one-half for improvements, we have as the extreme value of bare land \$17,855,604,554, of which the expenditures above given would be nearly seven per cent. The average rent of land throughout the country probably does not average five per cent. The single tax would, therefore, more than consume the rent on land values, and thus entirely dispossess the owners and leave a balance of tax for them to pay.

Applying the theory to individual cases, A and B are two brothers, with a patrimony of \$10,000 each. A invests his in a town lot, which he leases to B for \$500. B builds on the lot and rents it for \$1,000. Each now pays \$100 in taxes, and has a net income of \$400. The single tax is adopted and A is saddled with a tax of \$600, while B is released from taxation and enjoys the full amount of \$500.

3. Such a case was put to Mr. Post, who said in reply, "If the

single tax were ideally applied, it would leave the lot-owner nothing, and it would leave to the house-owner the full value of his house. To use your word [it is Mr. George's word], we would 'confiscate' the entire value of land, because we see that until that is done land-owners confiscate the earnings of labor."

The Single Tax League thus, through its official exponent, admits that its theory, ideally applied, would confiscate all property in land, and maintains, with Mr. George, that such confiscation, under the guise of taxation, would be expedient and just. What is confiscation? Bouvier confines it to the appropriation by government of the property of its alien enemies. Black, however, says that it is properly condemnation, and that confiscation is the appropriation by government of the property of its rebellious subjects. All agree that it carries the idea of penalty. A penalty in this case for what? Are land-owners alien enemies, rebellious subjects, criminals? If guilty of that for which they should forfeit their property, have they been judicially convicted? Surely the proposed single tax on land, by legislative enactment, would be an act of spoliation, a confiscating bill of attainder for no crime!

The manifest conclusion is, that land should, in proportion to its ability, bear its share of the taxes, and that Mr. Post's labor, or Mr. George's wealth, should do the same.

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