

# THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform  
Throughout the World.

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## THE RECURRING ANTHRACITE COAL PROBLEM; WHAT IS ITS SOLUTION?

*(Expressly for the Review).*

BY HON. ROBERT BAKER, M. C.

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### SOME LESSONS FROM THE COAL STRIKE.

Although the mere number of the men engaged in the Anthracite Coal Strike of 1902, would of itself insure that contest having a noteworthy place in the annals of the great industrial disturbances that have marked the latter part of the 19th, and the commencement of the 20th centuries, it is probably destined to stand out conspicuously for other and different reasons.

While the last ten years have witnessed some mammoth labor struggles, notably those at "Homestead," at "Chicago," and at "Buffalo;" yet none has had the influence upon the politico-economic affairs of the country, that the anthracite coal struggle will surely have. It is possible that a few thousands of people may have had their eyes opened to the hypocrisy of the great beneficiaries of "protection?" in their pretence that a tariff of \$6.76 a ton was necessary to "enable" them to pay high wages to the steel workers of Pittsburgh and vicinity (when an official report recently disclosed the fact that sixteen men sleep, in two shifts of eight each, in a room less than 20 feet square); but if that were so, the lesson was soon lost. It is also possible, that a few more students of economics may have recognized, as a result of the action of a President—elected as a democrat—in sending Federal troops into the State of Illinois, at the demands of the railroads, but against the protest of the executive of the state, that "government by railroads" is the inevitable corollary of permitting those governmental functions to be farmed out to private individuals. But even if that were so, the number so educated was at the time inappreciable.

But unless all signs fail, the Titanic struggle carried on by 140,000—in the main—half-starved miners, of the "protected" State of Pennsylvania, against the most complete, and probably the most heartless monopoly in the United States, is to have an influence—economically—far and beyond any effect that has followed any previous contest that labor has waged with monopoly.

It is true, that most of the so-called "leading" citizens, (among them at least one who regards himself as Presidential timber) have sneered at that plank in the Democratic State Platform of New York—which called for National ownership and operation of the anthracite coal mines—as "a piece of political charlatanry," declaring that the man who dominated that convention was in-

sincere, and that he inserted the plank simply to catch votes. But this very disclaimer is the strongest tribute they could offer, to the increasing intensity of the demand that the "Gordian knot" of anthracite coal monopoly, should be cut with the sword of "government ownership." That this demand was not confined to the great "unwashed," whom the superior people—the "better element"—assert, constitute the bulk of the democracy, is shown in the demands, unanimously adopted, of the convention of mayors and other representatives of the cities of the middle west which met at Detroit in October, 1902, and which called upon the Federal Government to exercise the right of eminent domain, condemn the mines, and operate them and the necessary connecting railroads in the public interest.

While Congress did not convene until six weeks after the strike terminated, yet the American people—usually so short memoried as to everything which does not directly affect their daily lives—expressed so general and vigorous complaint against the exactions of the gentlemen who are the "divinely appointed guardians of the property interests of the country," that even the influence of the masterful Pierrepont Morgan—the real head of the coal trust—was not sufficient to prevent the putting of anthracite, permanently and bituminous, temporarily—until January 1st, 1904,—on the "free list." These insistent demands for relief from the outrageous exactions of the anthracite monopoly, compelled even the tools of the protected interests in Congress to vote to place coal on the free list, from which, according to the present Secretary of the Navy, it was taken and smuggled into the Dingley law in a "sneaking and cowardly manner."

#### "FREE COAL : " A PROBABLE FIRST STEP.

Although bituminous was only placed on the free list until January 1st, it may well be, that the "Iowa idea" will have grown strong enough among Western republicans, even though officially emasculated by Sen. Allison, by the time the 58th Congress convenes, as to prevent a re-imposition of the duty of 67 cents, or any other rate.

The manufacturers and consumers generally, of the region of the great lakes and the border land of the Northwest, having had a taste of the beneficial effects which flow from the obliteration of tariff barriers, even when but one article of commerce—coal—is involved, may make it plain to their representatives in the House, that it will be the part of political wisdom to place the desires of their constituents above party regularity, to stand for free coal, rather than listen to the siren songs of Pittsburg's bloated beneficiaries of protection.

No one who has followed the revealed history of tariff legislation, (to say nothing of its subterranean transactions) can doubt, that the divinely appointed gentlemen, who relieve the American people of the worry and bother of attending to these matters, must have been profoundly impressed with the extent of the demand of the people for relief, or they would never have passed the word to their agents on the floor of Congress to yield "temporarily" to "popular clamor" and put coal on the free list. They have a vivid conception of the permanent danger to "business interests" that may follow the driving of a wedge into that sacred institution—the tariff—no matter how small the wedge, so long as it relates to an article of general consumption. To permit this, is in their judgment, to court disaster to the whole robbing system—to run the risk of having the whole house of cards topple about their ears. Even a strenuous President, whose pet phrase is, "words do not count unless backed up by deeds," will have some difficulty in convincing those who have obtained coal cheaper, because of its being on the free list, that it is only "wild-eyed dreamers" who desire reductions in the schedules and who would thus upset

the country's prosperity, by making a hole in that sacred institution which he declares produced it.

There is another aspect of the anthracite coal question that has been forced upon public attention by the very man who should be most concerned for its suppression.

#### BAER'S ANTI-SPOILIATION THREAT!

On the occasion of the recent investigation by the Interstate Commerce Commission of the charge of conspiracy, made by Wm. R. Hearst, that the coal carrying railroads constituted a "Trust," the high priest of the anthracite coal monopoly—George F. Baer—gave utterance to an implied threat that may well have far reaching consequences.

I quote from the official verbatim report :

Commissioner Prouty: You think then that the freight rate if reduced would have the effect of reducing the price of coal ?

Mr. Baer : Why I think it probably would, that ought to be the natural effect. I am not prophesying as to what might be done. For example, we might take the position, that so far as the interstate traffic went, we sold so little outside of the State of Pennsylvania, that it would be more profitable for these great Pennsylvania railroad corporations to encourage manufacturers to settle in Pennsylvania and to keep this coal in Pennsylvania ; things of that kind might happen if the rate were made so that it would be unprofitable for the Railway Company to transport beyond the boundaries of the State. I do not think that would happen—but this will not happen: that the great State of Pennsylvania is going to allow her great corporations and her great coal and mineral deposits to be spoliated for the benefit of the rest of the United States; we want to deal fairly and justly in the reduction.

#### GOVERNMENT BY RAILROADS.

Of course we thoroughly understand that when the great Baer uses the phrase: "the great State of Pennsylvania," he does not refer to its seven millions of inhabitants. Although he is Vice-Regent of the Almighty and therefore abstains from mirth, which mere mortals occasionally indulge in to relieve the monotony of ceaselessly paying tribute to the "Baers," big and little, yet even he would find it difficult to keep a straight countenance, were it seriously suggested that the "commonwealth" of that State, meant its seven millions of people. The "great" State of Pennsylvania, in his mind, is composed of those who control its transportation systems. No one knows better than Mr. Baer, although by this time it should be known of all, that in paraphrase of Louis XIV. the railroads of that State, say: "the State? it is we." They direct its policies; they make its laws; they choose its officials. But like us mere mortals, even they at times lapse, or else why did these "Christian gentlemen" put upon the statute books of that State, laws which explicitly prohibit that which notoriously they are habitually doing. Were they at the moment in a mirthful mood, or were their legislative servants asleep, that laws were permitted to be enacted which prohibit railroads from mining coal. It is comprehensible that their control of the State may not have been complete and absolute at the time the State constitution was framed. And we have no doubt that over their cups, the railroad magnates frequently, in the language of a distinguished New York East-side statesman, say : "What's the constitution between friends?" and laugh at that section of the Pennsylvania constitution, which says:

"No incorporated company doing business as a common carrier, shall directly or indirectly, prosecute or engage in mining or manufacturing articles for transportation over its tracks; nor shall such company directly or indirectly, engage in any other business than that of common carriers."

But why repeat language so obsolete, so entirely out of harmony with our modern "government by railroads," in the laws of the State? Is there not danger that the uninitiated heathen, lacking comprehension of the real state of affairs, or rather, as to who constitute the "real" State of Pennsylvania, may flippantly suggest, that the first duty of Christian men, is to obey the laws and abide by the constitution. It would make the task of the pastors of these "Christian" gentlemen easier, if such obsolete sections of the constitution of the State were expurgated, and those statutes which infringe upon the sacred right of the railroads to do as seems best, repealed. Or a better and simpler plan would be for the railroads to amend the State's constitution, as follows:

"Those sections of the constitution and all statute laws which limit, restrain, or in any way interfere with the railroads of this State, are hereby annulled."

#### SPOLIATION! YES, BUT BY WHOM?

The threat of Mr. Baer is however not directed against the State which he and his associates control, but against the United States, which are not to be permitted to "spoliate" its coal and mineral deposits. He is evidently fearful that the game of spoliation which these "Christian gentlemen" have engaged in, may have opened the eyes of people in other States as to the extent they have been robbed. If two-thirds of the 60,000,000 anthracite tons annually produced are sold outside the State, and if the spoliation only amounts to \$1.50 a ton—a low estimate—then \$60,000,000 is the annual tribute paid by the people of other States to the coal trust for an absolute necessity of life; anthracite coal being as truly a necessity in large cities as are bath-tubs. In fact the general use of bituminous coal in our large cities is more unsanitary than would be the abolition, or non-use of bath-tubs by their inhabitants. For not merely would outward cleanliness of the individual—especially the toilers—be made impossible, but the very atmosphere we breathe would be polluted, our buildings, public and private, would soon become begrimed, our parks would suffer in loss of beauty and attractiveness; while the little that is artistically pleasing in our architecture and statuary, would be well nigh obliterated.

#### A PECULIAR FEATURE OF THE COMMISSION'S REPORT.

One wonders whether it is, that "one touch of nature makes the whole world kin!" or, "a fellow feeling makes us wondrous kind!" or, "the concern of one is the concern of all!" or some other aphorism, that expresses the reason why the leading newspapers—nearly all controlled by monopolists—have almost entirely ignored one of the most peculiar features of the settlement (?) affected by the anthracite strike commission. It certainly seems that there must have been some common underlying motive to account for the glossing over of that feature of the report which provides, that "For each increase of five cents in the average price of white ash above \$4.50 in the vicinity of New York the miners are to secure an addition of 1 per cent. in their pay."

If there were any doubt from any other feature of the report, that the anthracite monopolists were able to exert an hypnotic influence over that commission, this "shrewd" provision must dissipate it. It certainly displays great shrewdness from the standpoint of the operators, but it is the "devilish-shrewdness" of a highwayman or a buccaneer. If Captain Kidd had offered to divide with the captains of the ships he looted, on the basis of 5 per cent. to



them and 95 per cent. to himself, provided they agreed to bring other merchantmen within the "sphere of his influence," he would not have displayed as great cunning, nor have affected a more one-sided bargain, than that the operators have "dished" the miners with in this clause.

Observe the cool effrontery of the proposition! The miners are to reap no advantage, so far as this proposition is concerned, there is to be no amelioration of the insufferable conditions that were the cause of their striking, until when? Not until their oppressors have secured a price for the product of these very miners, which gives the operators at least \$1.50 a ton, over and above what would yield large dividends on the actual capital invested. Monopoly is to receive at least four times as much profit as will pay a high rate of dividend on actual capital—two dollars and a half per ton would suffice for that—before those who risk their lives in digging the coal are to derive any benefit from this clause.

But even this does not disclose the real malignity of the "agreement!" Realizing that while the great American public gave no concrete evidence of their sympathy for the miners in the shape of financial assistance, yet there was a strong feeling among the people generally that they were not receiving an adequate, or even fair wage, and that a slight rise in the price of anthracite should be endured, *if there was no other way to insure the miners receiving decent wages*, the "shrewd" gentlemen who exploit the public through monopolizing the anthracite deposits, use this very sympathy of the people for the further undoing of the poor. They say, in effect, you ought not to complain if anthracite at tidewater does cost more than \$4.50 a ton, you yourselves expressed sympathy for the miners in the wages we were "enabled?" to pay them when coal was low, surely you will not complain of paying a trifle more, now that you know that for every five cents increase in price the miners are to receive an increased wage.

So far as the public yields to any such specious pleading it is tantamount to an admission that \$4.50 is a fair price, and operates as an estoppel of complaint against that figure as an outrageously high one. But note the devilish cunning of the proposition from another point of view. None appreciate better than the men who dominate the anthracite "gentlemen's agreement," that the high prices of commodities of the past four or five years have reached their zenith, and that prices are bound to fall very generally—the sloughing off of prices of Mr. Morgan's "undigested securities" is pretty strong evidence that they are tired of holding them until the "lambs take them off their hands—for some time to come. Therefore possessing as they do an almost absolute monopoly, and being able to fix the price anywhere they please (short of driving consumers to the use of bituminous) the coal trust will be in a position where they can, in the era of low prices which will surely soon come for all articles not monopolized, continue to charge even so extortionate a price as \$4.50 without the people doing much "squawking," the same public having in effect admitted that that price was "fair"—or else why use it as the *minimum* price from which any increase in the wages of the miners must count. On the other hand the miners will find their hands tied, should they again protest against the prices and conditions under which they are employed. They will be told "why you agreed that all demands for an increase of wages shall count from \$4.50, that was an admission that that figure is a low one. You see that we are now operating our mines at a loss as we are selling coal for less than \$4.50 a ton, how is it possible for us to pay a higher rate, when even the rate we now pay results in our being compelled to sell at a loss. If the operators feel themselves equal to keeping their countenance while doing so, they will probably gravely suggest, that the miners accept a sliding reduction in wages until such time as the price of coal shall again reach \$4.50.

I can think of nothing that so aptly illustrates the value of this concession? by the coal barons as the story of the boy, who, munching an apple, is asked by a smaller boy standing by, to "save me the core!" to which modest request comes the rejoinder: "There aint going to be no core."

And how can the public complain of any price less than \$4.50 when a quasi-judicial body, really extra-judicial in effect, put the seal of their approval on the operators contention that \$4.50 is a low price, for surely so eminently respectable a body as the anthracite commission will not contend that any "divvy" in which the miners were to share, could only be had after the trust had received an extortionate price.

#### ONE OF THE LESSONS OF THE STRIKE !

The lesson to be drawn from all this should be clear to the American people, but it is questionable whether they have really learnt it yet. That lesson is, that while it is right and proper for them to express their sympathy with any class of toilers who are shown to be the direct victims of monopoly, in fact it would be cowardice to do less, yet they must not expect that these victims will take the interests of the people as a whole into consideration, in any settlement they make with their oppressors. Why should they? Did the American people in this or in any similiar case, express any sympathy, or even interest in the condition of the oppressed toilers, prior to the differences between monopoly and its employees bringing about some derangement of the established order—or rather lack of "order"—which either increased prices of commodities, or, as in surface railroad disputes, suspended temporarily facilities theretofore available. Nor is it to be expected that a body of men made up in the main of illiterate foreigners, brought to this country by the coal operators so as to insure an unfailing supply of cheap labor, ignorant as most of them naturally must be of the genesis of American institutions, would consider the public interest in any arrangement they might enter into with their employers. No, they are not to be blamed if the public interest suffers. If the public is unable, as it certainly has shown itself to be, to look after its interests, why should these men be blamed.

#### MUST THE PROBLEM BE LEFT TO PENNSYLVANIANS ?

The existence of this, as of other trusts, being due to stupid methods of taxation (the mere fact that a trust exists implying either that it has been relieved of natural—and therefore just—taxation, or that wrongful taxes have been levied, or both) at first thought it would seem that we must leave it to be dealt with by the people of Pennsylvania; that we must await an awakened public intelligence there, before relief can be had for the people of the rest of the country—more particularly of the Eastern and Middle States. But is this really so? Are the people of other States, of right, estopped from taking such action as will terminate this monopoly? Does not the very fact that anthracite is a necessity, together with the further fact that it is practically all situated in one State—Pennsylvania—necessitate and even justify, the treatment of this question on lines different from that by which other mineral deposits are treated.

So far as I am aware there is no parallel case. There is no other one thing, that is a necessity to millions of people, which is entirely contained within the confines of one political sub-division of a country. But even if an analogy could be found in some other country, it would not affect the problem for the American people, for we can only deal with our own domestic problems, no matter how much the people of other countries emulate our stupid methods of taxation. Does anyone doubt, that if gold, or silver, were to be found

exclusively in one State of the Union, and if civilization, under such circumstances, as now, regarded its or their use as currency as a necessity, that the American people would permit the residents of that one State to decide how, when, and under what terms and conditions, production should take place! Is it not as certain as anything hypothetical can be, that the Federal Government would long ago have been called on to exercise its right of eminent domain, and take over the control of those deposits. It is no answer to this proposition to say, that the nation does leave to the several States the power to regulate and tax the mines containing the precious minerals. Gold and silver, like bituminous coal are found in a majority of the States. Even if this were not so, they are found in so many and widely scattered places in so many different countries, that an effective combination to restrain production or advance prices is inconceivable, while no tariff impedes their inflow or outgo.

The American people, inside as well as outside of Pennsylvania, are "held up" by the anthracite coal barons to the tune of at least One Hundred and Twenty millions of dollars annually. It is as truly a "hold up" as was ever any act of a highwayman, for no equivalent is given for this immense tribute. Part of it is levied as royalty, but the greater part is squeezed out of manufacturers, merchants and other consumers by the coal trust in treble and quadruple freight rates.

It may appear a matter of indifference to people outside the state, whether they are taxed by the few men who now own the anthracite deposits—railroads principally—or whether the \$60,000,000, or more, taken from them in excessive prices goes into the state treasury of Pennsylvania. But is this so? Assuming the people of Pennsylvania should become sufficiently enlightened to say; "These exceedingly useful and unique deposits were placed by the Creator in the ground for the benefit of mankind and not for the exclusive benefit of coal monopolists; we therefore decree: "That all coal lands shall be placed on the assessment rolls at their full value, their owners shall pay into the treasury of the state—in taxation—the full annual value thereof, the same as if each parcel, or holding, was rented to the highest bidder and by him paid direct into the state treasury; that no taxes of any kind or nature, shall be levied on any other property whatever in the state." Then having so decreed, they should find, as they undoubtedly would, that the revenue thus obtained was in excess of all their present expenditures—state, county, municipal or township—and should proceed to abolish all taxes now levied, collecting nothing from any other kind of property whatsoever, exempting houses, stores, factories, farm buildings and implements; all horses, cattle, sheep and hogs; exempting all machinery and stocks of goods, all bonds, stocks, mortgages or other debts, all cash and all credits; collecting no road, school or dog tax; levying no liquor, hotel or saloon taxes; but confining the tax levy entirely and exclusively to the annual raising of this One hundred, or One hundred and twenty millions of dollars that now goes into the pockets of a few monopolists.

#### EFFECT UNDER PRESENT SYSTEMS OF TAXATION!

Supposing they should do this and then stop, what would then happen? They would simply have decreed, that a present should be given to all owners of land within the state—other than "coal land" owners. That present would amount to many millions of dollars, just how much could only be determined if the exact amount now raised from land values were known. What the result would be is not difficult to foretell. The beneficial results that would follow from relieving all industry of the numerous petty taxes now levied—which in the aggregate are large—would be great. But great as they would be, they would be almost entirely offset by an immense increase in the value of all

land—other than coal land. That increase in the cities, Philadelphia and Pittsburg particularly, would probably be not less than thirty per cent, assuming that city lots now pay one and a half per cent in taxation. The merchant and the manufacturer would find themselves relieved of the present annoying and injurious taxes upon their buildings; their machinery; their stocks; their assets and their credits; only to discover, that the value of the land they rented had enormously increased, and they would have to pay the entire saving, either in increased rent for the land now occupied or in an augmented price should they desire to purchase.

#### EFFECT, IF THE SINGLE TAX IS APPLIED.

But if instead of confining land value taxation to anthracite coal deposits, Pennsylvania should extend the system so as to collect from all land, having value, its full annual rental, what would then be its relation (so far as these unique coal deposits are concerned) to the rest of the people of the United States? Is it not clear, that so long as any large part of the anthracite production was shipped without the state, that Pennsylvania would be levying a tribute on the people of other states. This is seen when it is considered, that the value of the anthracite coal deposits in the state is not depending upon, nor largely determined by, the demand for use within the state. Were there no demand from without there is no doubt that the price would be largely reduced, it might almost be cut in half. This however would not result so long as the present system of state taxation continued, as a larger proportion than now would be held out of use, thus tending to maintain to the full present monopoly prices, but it would result, if the entire rental value of these lands were annually taken in taxation and there were then no demand for anthracite from without the state.

Because of the limited supply, and because the natural increase of population in adjacent states will almost certainly increase the demand, even full rental value taxation would but for a time, (until the demand caught up with the increased production induced by so much higher taxation) reduce the aggregate tribute levied by the state on the people of other states. For the state could if it choose adopt the policy now followed by the coal trust; viz. it could charge all the traffic would bear, which in this case is the maximum that manufacturers, merchants and other consumers will pay rather than use bituminous. While there may be a divergence of opinion among equally intelligent "single taxers," as to whether taking the full annual rental value of land in taxation would decrease or increase the present presumed aggregate of rental values, there can I assume be no disagreement in this: That owing to an ever diminishing supply, accompanied probably with an ever augmented demand, the rental value of the anthracite deposits, even with full rental value taxation in force, will tend to rise rather than fall. There is but one way in which the people of the other states can be relieved of their present tribute to the anthracite monopoly, whether taken by individuals or by the state, short of the carrying out of Mr. Baer's threat of keeping it for the use of those within the state.

#### FEDERAL TAXATION IMPERATIVE.

Federal taxation, is the only means through which the people of other states can participate in the benefits of those unique deposits, i. e. by a reduction in the National taxes they now bear to the extent that revenue is collected by the Federal government from this source. Of course the whole case for Federal taxation rests upon the fact, that anthracite is a necessity for a large part of the people without that state, and it is situated entirely within it



Not only is it situated entirely within the state of Pennsylvania, but it is comprised within the boundaries of five counties which form but about one-fourteenth of the area of the state. Now if there is any natural reason why these extremely useful, highly valuable, and unique deposits, should be monopolized by the people residing within the artificial boundaries of what constitute the state of Pennsylvania, then that same natural reason would apply if the Creator had placed these deposits in the soil of Rhode Island, the smallest state of the Union, having an area less than that of the five counties containing the anthracite deposits. As Rhode Island had a population of but 428,500 in 1900, if these deposits had been discovered within that state instead of Pennsylvania, then, if the state of Pennsylvania has a moral title to monopolize these great values, it follows that Rhode Island would be entitled to retain them. We should then be treated to the spectacle of a political subdivision containing about one-half of one per cent of the population of the United States, acting as ground landlords to the remaining 99 and  $\frac{1}{2}$  per cent and exacting a tribute amounting to over \$200 per capita for every man woman and child in the state, a tribute be it understood twice as great as the average income of its toilers. This may seem a fanciful idea, but it is not. Supposing, and this is by no means inconceivable, that the political exigencies of the time should have required when the Union was formed, that the five counties which contain the anthracite, should be formed into a separate state (if Rhode Island, then why not an area larger in extent—these five counties) and this had been done, and supposing that the population of that state should be no larger than that of the five anthracite counties, who is there that will contend that the people who constitute its population shall derive in taxation—as I have shown they easily could do—a fund in excess of what they now receive as wages, which would be sufficient to maintain the whole population without toil, and which would be contributed by the remainder of the country. There is no doubt than when the time shall come that the people of any state, as a whole, are sufficiently intelligent to take in taxation the entire rental value of land, that intelligence in all other states will be quickened to the point of refusing to permit so small a population as half a million—merely because it constituted a state—to monopolize such great natural resources as we are considering, and would insist that this immense fund, its rental value, shall be appropriated by the nation. The same reason which would compel such a solution of the question under those conditions, is applicable and of equal force when the seven millions of the state of Pennsylvania is concerned.

Certainly no one who advocates, or approves, of internal revenue taxes on tobacco; on malt and spirituous liquors; on oleomargarine; all of which are the result of the employment of labor and capital, can object to a Federal tax upon a natural deposit, especially as that deposit is a necessity to millions of people.



## THE STORY OF A MONTREAL DEPARTMENT STORE.

*(Expressly for the Review.)*

BY T. C. ALLUM.

There stands in the up-town business section of the City of Montreal a splendid red sandstone building with polished granite columns, which for the past twelve years has been a source of pride to the Canadian metropolis and a sight to which the eyes of practically all visitors to the city have sooner or later been directed. Its walls are very massive, yet not too much so either for appearance or utility, when the large area of plate glass and the spacious windows