THE
SINGLE TAX REVIEW

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

THE QUEER THEORY OF GEORGE HENRY.

(For The Review.)

By J. W. BENGOUGH.

(Continued.)

CHAPTER VIII.

A "PLAUSIBLE" IDEA.

The day was bright and beautiful, and the sunshine, tempered by the ever present sea breeze, made the temperature delightful. These conditions, supplemented by the easy movement of the pneumatic tires over the excellent roadway, and the attractiveness of the view on all hands, pretty homes, flower gardens, spacious parks, with monuments and well-kept lawns, made the excursion in the open vehicle an exceedingly pleasant one to the Professor. It had a tendency to arouse and brighten his mind, and he was in fine argumentative condition when his companion suggested the prospect of a discussion by saying—"Nature you admit has something to say of the food we should eat; has she, in your opinion, anything to say as to the taxation we should impose?"

The Professor laughed.

"I am as certain of a negative to your latter question as of an affirmative to the former," he answered. "Certainly not. Taxation is unquestionably a matter purely of human devising—it is entirely a matter of expediency. Study, of course, will throw light upon experience; but nature assuredly leaves us to work out our own salvation in the taxation question."

"Nature is silent, then, on the whole subject of human government, in your view?"

"I think I would say so; yes," answered the Professor. "Human government is a matter of experiment; we have by no means found perfection as yet. I speak of course for the world in general, present company excepted," he added with a smile

"Government is an absolute necessity of civilized society. That I presume you grant?" remarked Courtesie.

"Of course," assented the Professor.

"And civilized society you would regard as ordained of God, if you believe in a personal intelligent Creator of all?"

"Yes; I do, of course, believe in the existence of God, and I think it unquestionable that He meant man to live in conditions of civilized society," replied Henry.

"Well, does not civilization or society, or government imply taxation?" pursued Courtesie. "Are not taxes as essential to the life of government as food is to the life of the body?"

"Certainly government cannot be carried on without funds, and taxation is the only means I can think of by which funds can be obtained," was the reply.

"Pardon another question, sir."

"Go on," cried the Professor, cheerfully "As many as you please!"

"I was going to ask whether, granting an intelligent and beneficent Creator, it would not be reasonable to assume that He had in some way provided for this necessary adjunct of the condition in which He had decreed that mankind should live?"

"You mean, do I think it reasonable to suppose that God has in some way indicated the source from which taxes should be drawn?" asked the Professor.

"Yes; that is my meaning," said Courtesie.

"Such a question I must confess has never before occurred to me," replied the Professor. "Political Eeonomy as I have studied and taught it does not, I must confess, deal with God and His purposes. That is the province of Theology."

"Then I take it you reply in the negative, sir?"

"Well," said the Professor, "without definitely saying either yes or no, I may at least affirm that I know of nothing indicating such a divinely-appointed source of taxation.

"In other words, you reiterate in effect your statement that while nature has something to say about what we may or may not eat, she has nothing to say as to what we may or may not tax?"

"Yes; that is my position," assented the Professor.

"You will remember," resumed Courtesie, "what Allegori said during our conversation in the Hospital about Nature's protests. When he was eating improper food the invariable result was pain and distress; when he changed to a proper diet, he had comfort and benefit."

"Yes, I remember."

"Well, now, sir, don't you think that when certain systems of taxation are invariably accompanied by pain and distress in a Government that it is an equally clear notification from Nature that such taxes are improper."

"An interesting analogy, at least," remarked the Professor. "But what precisely do you mean by pain and distress in a Government? A country hasn't feelings like a man."

"Those terms fairly describe the dissatisfaction, ill-feeling, resentment, sense of injustice and inequality and general social unrest which wrong taxes invariably occasion."

"And hence, I gather, you would infer that any tax which produces these symptoms is a wrong tax and stands condemned by nature," remarked the Professor.

"Yes, sir, that is my clear deduction. And whereas taxes on goods, internal revenue taxes, income taxes, personal property taxes, legacy taxes and business taxes invariably produce these effects, they all alike stand condemned," said Courtesie, firmly.

Then we have no tax in America that escapes sentence of condemnation," commented the Professor.

"Yes, you have one tax there, as every country has, that is perfect."

"How perfect?"

"I mean that does not in any degree rob the man who pays it of his earnings; and that never fails to represent precisely the price of the advantage he enjoys—in other words the tax I refer to is precisely equivalent to the thing for which it is paid, and is therefore in every case fair. It is the scientific and natural tax, that must inevitably be paid and be collected in every country and in every condition of civilization. Only, "went on Courtesie, impressively, "in America you permit private persons to collect this tax for their private purses, whereas, here we collect it for the public revenue."

"You mean the rent of land, of course?" said the Professor.

"Exactly," replied the Official. "The rent of land, irrespective of improvements in or upon it."

"It is a plausible idea, I admit," said the Professor. "Of course as an economist I know that the rental value of land rises or falls with the rise or fall of population."

"Yes, and note—it *therefore* invariably represents the value of living in any community; it measures exactly what the protection of the government is worth to every citizen, or in other words what the public revenue ought to be. To put it in a phrase: '*population creates land value, and population creates the need for public works and services—take the one to pay for the other.*' "

"That is neatly put, at least," said the Professor.

"I think it is also the expression of a profound truth—it is the statement of the law which God has manifestly ordained to indicate the true source of taxation—for this law of land value accompanying population in its rise and fall is as universal and invariable as the law of gravitation," said the Official, impressively.

Meanwhile the carriage had been travelling through beautiful tree-shaded streets in the fashionable residence quarter, and the bright scenes on every hand had formed a picturesque background to what the reader may regard as a somewhat dry discussion.

CHAPTER IX.

IN THE SLUMS.

"Your theory," said the Professor, "is a very pretty one and in that respect it is like your city. I have certainly never seen a more attractive place."

"The correspondence, sir, is not merely incidental," replied Courtesie. "Our city is the confirmation of the soundness of what you call our Theory, for it is the result of its application."

"I scarcely feel disposed to admit that, pardon me," replied Henry. "We have several cities nearly as beautiful, conducted on what you would probably call the opposite theory. They are comparable with Tkswolfskin, that is, in their fashionable districts. Perhaps you will let me have a look at your slums, that I may make the comparison more complete."

"Certainly, sir," and Courtesie gave directions to the motor-man in the native language.

As the carriage came round a picturesque crescent at this moment the party were brought in view of a very comfortable and homelike villa, with a spacious lawn in front of it. An elderly man—looking very hale and prosperous—had just turned on the lawn sprinkler, and it was throwing a profuse and delicate cascade over a wide circle.

Courtesie stopped the corriage and greeted the old gentleman, who heartily returned the salutation. He then introduced the Professor, mentioning that the latter was a distinguished student of economics from America and in turn naming the citizen Symboli,—"also a student of that science highly reputed throughout this Island." The gentlemen bowed simultaneously.

"We have been discussing the law of land-rent as we came along," said Courtesie, "and I am gratified to tell you that Professor Henry grants that our theory of natural taxation is at least a pretty one."

The Professor smiled patronisingly.

"Protective taxation, I prefer to call it," said Symboli. "It *is* 'pretty', if that is an adequate word for any law of God; but it is also true and unfailing, like every other divine law. *Land values, the creation of the community, for the community; labor values, the creation of the individual worker, for the individual.* You do not dispute the soundness of that principle, sir?"

"I do not see my way quite to granting it," said the Professor.

The old man looked at him with a nonplussed expression for a few minutes. "He will reply in the form of an illustration—he does not talk much; he is great on illustrations—observe carefully," whispered Courtesie.

"Perhaps, respected sir, you do not grant either that this method of watering the lawn is a sound one? It may be that you would give your approval rather to another system—more in this manner—"

So saying Symboli turned off the water from the sprinkler, unscrewed the hose-pipe connected with that implement, and placed the end of the hose in a large tub which stood on the lawn and again turned on the water, which now poured into the recepticle. Then picking up a watering can he proceeded to

a pump some distance away and laboriously filled the can, walked back to the lawn with it and began sprinkling the grass. When the can was emptied, he proceeded once more to the pump, refilled it, resuming his sprinkling labor. Then turning to the Professor, he made a gesture which plainly implied—"That is my answer to your position," and followed it with a bow which indicated that he had no further remark to make. Courtesie understood, and with a parting salutation gave word for the carriage to move on.

"Queer old chap, isn't he?" said the Professor.

"Somewhat eccentric, but always very much to the point. You read the interpretation of his illustration quite readily, I presume."

"Er— I'm not quite sure of that," was the reply. "If he meant to show that the ordinary way of watering a lawn by means of a sprinkler is better than the plan of doing it, so to speak, with the sweat of one's brow, he certainly succeeded."

"That was what he meant to show, and it only requires that you make note of the symbols he used," said Courtesie. "The volume of water beneath ground represents the natural fund of ground rent; the turning of the key which sets it at liberty is the presence of population; the hose through which it flows is the Single Tax, and the sprinkler is the public treasury, into which it goes and from which it is distributed for the good of the whole community represented by the lawn. This is what we may call the Natural method of watering a lawn. Now observe how he symbolized the unnatural method in vogue in some countries that we have heard of. The tub stands for the private coffer of the landlord, who, because he owns the land is wrongfully permitted also to own the land-rent. The hose leads into the tub—that is to say, the public revenue is made private property. But the lawn must be watered; in other words, the public expenses must be met. How is this to be done now? As you have well phrased it, the lawn is to be watered with the sweat of the individual citizen's brow, that is to say, by the state forcing each man to give up in the form of taxes some portion of his earnings, or of what his industry has accumulated in the shape of houses, goods or other forms of wealth. It puzzles me," concluded Courtesie, "how you can so clearly recognize the common sense of the lawn-sprinkler system without also seeing the beauty and fitness of natural taxation and the absurdity and injustice of the taxation of labor."

Perhaps it was to dismiss an inconvenient subject that the Professor here remarked upon the altered aspect of the district at which the carriage had come.

"Evidently," said he, "your Single Tax system fails to make 'all men equal.' I notice that the homes in this section are much more humble looking."

"We do not pretend that all men are or ever can be equal except in one respect, namely, equal in the freedom of opportunity," replied Courtesie. "We do not attempt the vain and impossible task of levelling either up or down the essential nature of men; government does its whole duty to liberty when it removes every artificial obstacle from the path, and thus secures a fair field

to every man in the enjoyment of his right to live, liberty and the pursuit of happiness."

"The people hereabouts are not of your rich class, then?"

"No; yet none of them may be called really poor. You may judge of their circumstances by their appearance," replied the official, and he indicated the passers by, who were almost invariably well dressed, cheerful looking, and evidently engaged upon useful business.

"I must confess I see no signs of poverty as that word is understood in San Francisco," answered the Professor.

"And why?" persisted Courtesie. "Because every one of these men is engaged in some useful or productive business, making fair wages and with no fear before his eyes of being thrown out of work or coming to want."

"But how can that be? Don't your factories sometimes close down? Don't employing firms fail? How can a working man always be sure of his job?" asked Henry.

"Business houses do sometimes break down through the faults of their conditions," replied the official, "but the results can never be wide spread or lasting calamity here, because the land is open. Close by the city there is abundance of vacant land free of access to any man who desires to employ himself, and the use of which he can have on condition simply of paying the ground rent as his sole taxes. There a good living always awaits a fair amount of industry, and under those circumstances no man will work for less than he can make by working for himself."

"But are not those vacant lots owned by your rich men, as a rule?"

Courtesie smiled. "Our rich men," said he, "are not quite so generous as to own lots they have no use for simply for the privilege of paying the annual value of them to the city. Please don't forget that the essence of our system is that there is no such thing among us as land-speculation."

"Ah—to he sure," said the Professor, smiling at his own blunder.

"No," went on Courtesie. "Because of this too, we have no such thing as want and the fear of want among us. We differ in outward estate in proportion as we have possessed talent and industry, but our poorest do not envy our richest, for no man possesses anything in this Island which he has not earned and given value for. You speak of our working-men. We do not use the phrase to indicate a class, for we are all workers; honest work of some sort is the only road to idleness here;—if a man cares to be idle, he must be so at his own expense. As for working-women, we have no such class at all, so far as regards employment outside of our homes. Women and children are not permitted to work in factories, etc., as our circumstances render such perversion of society unnecessary."

"But what about the slums?" said the Professor.

"You are now in the midst of the slums—this is the best I can do for you in that way, I am afraid," said Courtesie.

"You are surely jesting!" cried Henry.

"No, this is really the poorest section of our community occupied by those

who are willing to work. That I understand to be your definition of a slum."

"Astonishing!" ejaculated the learned man, almost involuntarily.

"Outside the bounds of our real citizenship we regard those who are unwilling, though able, to work. We have some such. This is where most of them live." This was said as the carriage turned down a street in which the houses had a neglected appearance, and the people were poorly dressed and had evidence of laziness and dissipation. Yet even here there was no sign of the horrible squalor to be found in the tenement districts of New York and London. The houses were poor and mean and far from cleanly, but they *were* houses, and they stood apart, with plenty of fresh air about them. In the midst of this little community stood a neat church, which Courtesie called attention to as the carriage passed.

"We think these people fit subjects for missionary dealing," said he. "Their trouble is moral shortcoming not economic inability. They are low in their ideals and addicted to drunken and dissolute habits. What they need is conversion, and we labor to convert them. But meanwhile, we give them no charitable doles whatever. They have the same opportunities as others, and must justly suffer if they will not avail themselves of their own powers. We hold with the great Apostle that "whoso will not work shall not eat."

"That seems pretty hard doctrine," said the Professor. "In our cities we have all sorts of funds and societies for the relief of just such unfortunates."

"Ah!" said Courtesie. "Because in your country they *are* unfortunates; they are disinherited and robbed of their opportunity. Having taken away their heritage surely the least you can do is to dole out charity to them. But here we do justice, and where justice reigns, there is no excuse for idleness, and no occasion for alms."

CHAPTER X.

SOCIAL PROBLEMS EN ROUTE.

"To the Public Treasurer's Department," were Courtesie's directions to the motor-man, as the carriage turned out of Shiftless Row, as the poor thoroughfare was called; and accordingly toward the centre of the city it was headed.

"So strong drink is a problem here as everywhere else," commented the Professor, thinking of the victims he had just seen.

"No, it can hardly be called a public problem," replied Courtesie. "It is a factor, and a lamentable factor, in some lives, among us, and a cause of poverty where the conditions make prosperity the easy and natural thing. But it is a purely personal matter, and not a great public problem; it is a cause of poverty and shiftlessness in some—in too many—individual cases, but certainly an *effect* of poverty in none. That is more than can be said of liquor drinking in any other country that I know of."

"We regard it is amongst the principal causes of poverty in the States," replied the Professor, "perhaps indeed, the one cause."

"Which is very superficial on your part, permit me to say," answered Courtesie. "In your slums, at least, I should suppose it was almost invariably a *result* of the conditions of life. Private monopoly of land is the real root of this and nearly all other social difficulties."

"But you have drunkards here as I have just seen, where land monopoly does not exist," remarked the Professor.

"We have some, undoubtedly. Depraved appetite and perverted nature are facts which must be acknowledged and which cannot be reached by social conditions however perfect. Christ's gospel is the only cure in such cases. But we have far fewer drunkards in proportion to population than any other country."

"And is not the saloon a powerful political factor as elsewhere?" demanded Henry.

"Have you seen any saloons in this city?" asked the other in reply.

"Well, now that you mention the matter I cannot say that I have. Do you mean that you have Prohibition in force?"

"No," replied the official. "But we recognize not only the danger of a saloon element in politics, but also of alcohol as a common beverage. We therefore guard against the existence of the one at all; and endeavor to minimize the other to the utmost extent."

"How do you manage it?"

Courtesie pointed to a plain, shop-like building they were passing at the moment. "That," said he, "is our solution of the question. That is a liquor store, owned by the government and in charge of a salaried official, whose business it is to sell liquor exclusively for consumption off the premises, between the hours of eight in the morning and seven in the evening. The manufacture, importation, and sale are controlled entirely by the government, and the quality of the liquor scrupulously inspected. There is no such thing as a public bar in the country, and no treating custom; indeed, no public drinking whatever. But the total sale of liquor is comparatively light. Our people are outgrowing the habit of using stimulants rapidly. Our conditions do not generate the feverish rush of business or the grinding wear of labor, and thousands among us have no use for strong drink at all, even as a medicine."

"That is very satisfactory" remarked the Professor. "But still you *have* drinkers."

"Yes; we recognize the right of a man to drink liquor if he wants to, but we discourage the habit in every reasonable way."

"In what way, for example?"

"Well," replied Courtesie, "we have text books dealing with the nature and results of alcohol in our public schools, so that our children are enlightened as to its dangers; and we have frequent popular lectures on the subject at the Public Institute, our Civic Lyceum, which I hope to tell you something of later."

"And don't you prohibit even in the case of drunkards?" enquired the Professor.

"No; liquor is sold to all who wish to buy it—that is, all who are of age,"

replied Courtesie. "Any man or woman anxious to give up the drinking habit may voluntarily register their names with our Health officer, who notifies all the dispensaries, and thereafter no liquor will be sold to such; or a husband may authorize his wife to give such notice for him, or *vice versa*. Our mission workers happily bring many victims of drink to this decision, and the absence of open temptation renders their struggle against the habit in nearly all cases successful."

At this moment the carriage happened to be passing a large store, which attracted the attention of Prof. Henry, and he enquired whether they were actually cursed in this model community, with the Department-store nuisance?

The official looked extremely puzzled.

"Nuisance?" he echoed. "Why do you speak of such stores as nuisances? We regard them as very decided blessings."

"We find them a source of much evil and suffering, and the ingenuity of our statesmen has been exerted in every way to suppress them," said Henry.

"Pardon me," replied Courtesie, but I think common sense would demand the suppression of such alleged statesmen. But let me hear the case against the stores."

"Well," replied the professor, "First, they cheat and deceive by their methods; they pretend to give bargains that are no bargains."

"If they indulge in fraud, the law ought to easily settle that," replied the Official; "and as to pretending to give bargains they did not give, I should think the intelligence of the customers would speedily set that right by leaving them without patronage."

"But, my dear sir, they buy on such terms that they are able to sell goods so ridiculously cheap!"

"Goods, you say. Do you mean articles that are good? In that case they do really give bargains, though you say they only pretend to do so."

This was something of a poser, but the Professor soon rallied.

"The main charge, however, is," said he, "that by this cheap selling they ruin and drive out the smaller retailers and thus cause widespread misery and suffering."

"But in thus injuring small retailers," commented Courtesie, "I suppose you admit that they benefit consumers? It is a decided advantage to a man who wants a hat, if he can get it for $1 instead of $3, is it not?"

"I admit that, of course," repiled the Professor, "but what of the unfortunate small retailers and their families?"

"I have not forgotten them," replied Courtesie. "Is not their position in thus being driven out of their stores exactly the same as that of hand-compositors driven out of printing offices by the advent of the type-setting machine?"

"I suppose it is," acknowledged the Professor.

"Well, what is the remedy for such a misfortune? Would you say that such machines should be destroyed, or prohibited, or taxed out of existence?"

"No, of course that would be going backwards in civilization," said the

Professor, decidedly. "We must first let events work their own cure in such a case."

"And how do events generally work out, as you have observed them?"

"Well," said Henry, "the printers scatter. Some of them learn to work the new machines and so retain their jobs; others secure employment in offices where hand-work is still in vogue; others again go into other lines of business if fortune favors them so far, and I presume others possibly die of starvation."

"And why should any of them, who have health and strength, be in danger of starvation, even though they could find no other employer in the printing or any other line?" persisted Courtesie. "Why should not such men go and employ themselves independently when thus driven out of any particular business?"

"A man cannot employ himself if he has no capital to start on," replied the Professor.

"Why does he need capital? Suppose he should decide to take to the primitive occupation our father Adam was engaged in—tilling the ground for his own sustenance, he would need nothing but a few tools and vegetable seeds. Could not an earnest man easily get these on credit if he sought them?"

"Yes—but—" here the Professor significantly paused.

"Exactly," replied Courtesie. "I catch the full meaning of that *but*. You see clearly that the road is blocked by landlordism, whether the man wants to start in this humble way, or in the store-keeping line, or in any employment whatever. He can produce no wealth without the use of land, and he cannot get access to land in your country without paying tribute to an owner—tribute which amounts to all he can produce beyond a living poorer than a slave's. Is not that the *but*?"

"He cannot expect, of course, to use other people's land for nothing," replied Henry.

"Precisely. But you see the conditions in this country are free. We have no 'other people' who own God's earth in that way, as mere tribute takers. The path to the land is open and always open to everybody. There are no private barb-wire fences around land that is not in use. And so, we never hear of industrious people starving who are driven out of their chosen lines of business by reason of the progress of civilized methods which advance the well-being of the people generally. That is why the Department store is a blessing in this country, whereas it appears to be a curse in your topsy-turvey system—if you will pardon the expression."

(To be Continued.)

"THE whole trend of the age is to abolish personal property taxes and taxes on improvements and concentrate the taxes on community made values."—C. B. KEGLEY, Master of the Washington State grange in his annual address