

Western Canada. It allows cities and towns to exempt improvements from tax, but does not compel any city or town to make exemptions. The law does not say anything about taxing personal property, because no city or town in Australia is allowed to tax personal property.

The Victoria law is now like the home rule laws of New South Wales and South Australia. The cast-iron tax laws are abolished in those three Australian States.—Santa Ana (Calif.) *Register*.

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## THE REAL CAUSE OF THE HIGH COST OF LIVING.

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(For the Review).

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By HENRY H. HARDINGE.

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From every section of the United States comes the cry about the high cost of living. Many writers, editors, and economists have attempted to explain it with very poor success or no success at all. It is still an unsolved problem to the mass of mankind, despite the weird array of attempted explanations which really explain nothing. It is the modern riddle of the sphinx and the economic riddle of the ages. To talk of the high cost of living in the 20th century is another way of saying "Progress and Poverty" in the 19th; they both mean the same thing and one explanation will fit them both.

This is preeminently the age of invention and the inventor is the greatest of revolutionists. In the production of wealth he is every day performing wonders and in trade and exchange doing today what yesterday was impossible; and in transportation he is working miracles. Modern science is the real alchemist and wonder-worker of all the centuries.

This is preeminently the age of the automatic machine. Add to this, steam and the waterfall, the electric current and compressed air, artificial and natural gas, high explosives, specialized machinery, educated brains and organized muscle, and in spite of the fact that these vast forces are organized co-operatively and producing wealth on an unheard of and unexampled scale, yet, from all parts of the world and particularly the United States comes the insistent complaint of the high cost of living. Verily here is a paradox and also a problem.

The utilization of these vast and inexhaustible forces and materials have resulted in the production of the four great necessities of life, food, clothing, shelter, and fuel, on a scale so vast as to be almost incomprehensible when stated in round millions. No human mind can really grasp and absorb the figures, yet in spite of these obvious facts and that the object and effect of machinery is to produce abundantly, and that modern chemistry utilizes hundreds of millions of dollars' worth of by-products which formerly went to

waste, wealth for the average man is not any easier to obtain, nor is it within reach of the poor.

Consider the contradiction. Chemistry, machinery, organization, specialization, transportation, trade, and the weaving of all of these together in one great industrial fabric by and with the vast invisible and almost incredible powers of nature, have resulted in unparalleled abundance, and this by every rule of logic, should spell cheapness; yet in spite of all this the whole world is complaining of the high cost of living; that is to say, of dearness.

Now it can be readily seen that none of the current explanations will fit this case.

Extravagance is one of them, but it is only an extravagant explanation; it evaporates when the "acid test" is applied. It will be observed that extravagance stimulates production instead of lessening it. Things have to be made before they can be used up, wasted, or thrown away. War is extravagance at its best, or worst, but it does not throttle production. Monopoly alone can do that, and it is one of the characteristics of monopoly that it can do this; indeed, it is the great leverage with which and by which it pries wealth loose from its producers. If monopoly could not extort wealth from producers as a condition of production, there would be no advantage in it, and it is precisely because monopoly can do this that it is created by law and maintained by it. Monopoly is the creature of government and it should in turn sustain government. Its revenues are ample.

One of the favorite explanations of some alleged economists is the increasing volume of gold, which by reason of its redundancy and constantly diminishing value causes the price of everything else to advance. It would be difficult to imagine a sillier explanation than this. If the statement relative to the decreasing value of gold is true, what has become of the gold standard? But is it true? Is it not a fact that when a man mines or finds an ounce of gold, he can today as well as twenty years ago get twenty dollars for it in the market, in money or anything else?

If the logic of these theorists is sound when gold becomes twice as plentiful as now, the cost of living will be twice as high, and if gold were suddenly to evaporate and disappear from the earth, the cost of everything else would go down to zero and we could all live without effort, because values according to these theorists would have disappeared. This may sound nonsensical but it is no more so than this explanation as related to the high cost of living.

This theory is only equalled by the "free coinage of silver lunacy" of twenty years ago and the "crime of '73," the criminality of which was not discovered until twenty years after the alleged crime was committed. This diaphanous explanation was used to account for the poverty of farmers in the West, whose luckless condition was caused by purchasing land on the very edge of civilization at inflated prices, and encountering four successive years of bad crops, bad weather, bad grasshoppers and bad mortgages. "Sweet are the uses of adversity," however, if it teaches men to trace effects back to causes and not to mistake the one for the other, a very common error.

In the year 1901 the aggregate capitalization of the trusts of this country was the very modest? sum of \$784,000,000. Today it is largely in excess of \$31,000,000,000, more than 70 per cent. of which is water, and this so-called water is simply twenty-two billion dollars' worth of legalized stealing power, capitalized.

It means just so much capitalized sovereignty, for without sovereignty, no government can levy taxes, and it is the delegation of this power to private corporations and individuals that constitutes the fortified fortunes of the few. Without the aid of civil government the privileged classes of all countries would be helpless. They are as dependent upon it as the desert farmer is dependent upon water; but, while the farmer doesn't get the water unless he pays for it, the privileged classes not only get their privileges without paying for them, but they shift the burden of taxes for the support of government upon the poor by taxing consumption. This explains the strenuous opposition to any reduction of the tariff taxes upon the necessities of life, all of which lends color to the assertion that if the victims of our present system of taxation understood its evils one-tenth as well as its beneficiaries understand its intimate relation to their own good fortune, there would soon be an end to this vast organized iniquity.

The high cost of living is caused by the legal but wholly irreligious alliance among big business, civil government, and private monopoly. This precious trinity has been living together in polygamous intimacy for many, many years, and the vast and multiplying progeny of this tri-union has reached the proportions of a widow and orphan asylum of colossal and scandalous dimensions. For proof, note that any attempt to lessen the exactions of these social mendicants will at once be met by the cry that every widow and orphan in this country will at once be impoverished if any blow is struck at "innocent investors." Of course these jug-handled moralists lose sight of the countless victims of present day injustice, but their copious tears are always on tap for the widows and orphans who own practically all of the watered stock and are the sole proprietors of our "infant industries."

"The power to tax is the power to destroy," said Justice Marshall; it is, it is also more than that; it is the power to enthrone monopoly and to impoverish industry, and the taxing powers of our governments, National, State, and Municipal, have always been and are still used today to build up monopoly and to tear down industry.

Every dollar taken from industry in taxes upon production, consumption, or exchange, or any of the intricate processes of industry, is simply a cash present of a dollar to some monopolist, and there are billions of dollars so taken; and, while taken by impersonal processes, and institutional means, the evils engendered are not lessened. It is a perpetual violation of the wholesome commandment, "Thou shalt not steal." There are more evils, crimes and injustices incorporated and involved in our present system of taxation than in all the other branches of our civil government ten thousand times multiplied.

It involves almost everything that assembles under the head of malad-

ministration. It is the great universal corrupter of politics. You can gauge the value, morality, justice, utility and economic status of a government more accurately by the way in which it levies its taxes than by any other known method; it is an infallible index. Nearly all of the social and political revolutions of human history have had their foundations laid in barbaric taxing methods, and we promptly escort to our jails the men and women who resort to methods of private revenue-getting not half so disreputable. We even arrest those who try to evade this rotten system and we brand them smugglers.

We sneer at Turkey for farming out the taxes, yet in every custom-house in this country you can every day in the year (including Sundays) see the same system in active operation on a gigantic scale, and you may know that for every dollar so collected, private interests get four. Yet, there are people who talk about our Christian civilization with smug complacency.

The high cost of living means that the easier it is for society to produce wealth, the harder it becomes for the average member of society to get it; what a strange contradiction! It is because monopoly carries with it private taxing powers that monopoly is valued by its owners. This is why people struggle so fiercely to get hold of it.

To own a monopoly means that food, clothing, shelter, fuel, and the personal services of all kinds of men at all times, day or night and all over the world, are at your disposal and almost at your elbows. This is why monopoly is so universally desired, and it is because of its power to lay the mass of mankind under tribute that those who have wish to retain, and those who have not envy those who have. Envy is not wholesome, but monopoly is even less so. The great majority of men cannot profit by it. It is characteristic of all bad systems, that the majority are bound to suffer; only a relatively few can wear purple and fine linen and fare sumptuously every day without working. This system invariably involves poverty for a multitude of people. Justice alone will benefit every one and injure no one.

We have tried monarchy, tyranny, and bastard democracy; almost every other form of social organization, except a just one, all in turn have been tried many times and they have all been weighed in the balance and found wanting, and now at plutocracy's feast the handwriting can again be seen upon the wall, in characters fixed and clear. Monopoly has also been tried, on a vast scale, covering many centuries of time. It has had a fair trial and like all other false institutions incorporated in human society, it is slated for eventual extinction. It has not, does not, and cannot serve the superb and supernal purposes of progressive democracy.

Practically one-third of everything produced in the forests, mines, farms and factories of the United States, is taken in the course of exchange to pay interest upon the capitalized value of the monopolies of this country, and the basis of all monopoly is the monopoly of raw material. It is the fruitful parent of all the others. It appears upon the market as shares in mines, railroads and industrials, and elsewhere as capitalized land values.

The productiveness of a country appears upon the market as capitalization; so does the power of monopoly. But with this difference, that the one represents useful work and the other represents useless parasitic absorption; the one gives, the other takes; and yet both functions are blended like the colors of a rainbow, and this is what hides the real character of monopoly in general. If it were listed separately and the taking of monopoly distinguished from the earnings of industry, the people would at once see the real character of the problem and the obvious remedy, which is, to destroy, absorb, or neutralize monopoly. It hides behind a legitimate, useful and necessary thing, and the object of this paper is to expose it to the public gaze.

Monopoly produces nothing. It is entitled to nothing and under a sane and just system, would get nothing. Under the present system the tendency of monopoly is to absorb a large and ever larger share of the grand total produced, and this is the real explanation of the high cost of living. This tribute comes from those who buy things. It is tacked on to the price of every pound of coal, every pound of rice, every bushel of wheat, and every dollar's worth of goods sold upon the market. It is the delegation of the sovereign powers of government to the base uses of the private tax gatherer. It is the negation of equal rights, the flagrant denial of justice, and because it takes its toll the working people cannot see the impersonal, invisible, institutional and automatic thief, which by intangible means absorbs their hard earned dollars.

Institutional evils are the most difficult to remedy because they are the hardest to see, and this evil is invisible to the naked eye.

The real foundation evil in this country is not illegal combinations, but legal, ancient, and very respectable monopolies, and until the people of America are sufficiently wise, patriotic, unselfish, and just, to take issue with the private monopoly of Columbus's great discovery—the Western Hemisphere—the cost of living will increase every year, because land is a fixed quantity, while population is not. As population increases so will the tribute exacted increase, and it will be levied in a thousand ways, always finally to appear on the market in the price of things, because the higher the value of land, the higher the price of everything brought forth from it. This is true because the rent of all land can be collected only when the goods are sold which are made or traded upon it.

Rent, either in the city or country, will absorb at least one-third of the wages of labor, either of factory employee or tenant farmer as a direct charge and of the remaining two-thirds, a large fraction of it will be absorbed in paying ground rent indirectly when goods are bought upon the market. Ground rent is always publicly or socially produced, and when it is privately appropriated as now, it operates as a huge sponge which stealthily absorbs everything the workers produce but a bare living. It is in effect, a huge debt of gigantic proportions which the workers have never contracted but upon which they have to pay an ever increasing interest charge on a capitalization so colossal that no human mind can grasp the total when stated in round billions.

Add to this about fifteen hundred millions of federal taxes which fall



almost entirely upon consumption instead of monopoly as it should, and on top of this a sum of private taxes levied upon consumption by tariff, railroad, banking, and patent monopolies, running into the hundreds of millions more. It can be readily seen that the cost of living cannot be cheap under existing conditions.

Here, then, is a system of public and private taxation whose exactions are limited only by the ability of labor to produce wealth.

Production has a limit and there is always a point beyond which it cannot go at any given time. Capitalization has no limit. It consists merely of ciphers and of them there is an inexhaustible supply. The wealth-absorbing power of mere ciphers is illimitable, inconceivable, and almost unbelievable. In themselves they are quite innocent, but when they appear upon the market as capital and draw interest as such, as they do now, it can be readily seen that it amounts to a perfectly automatic system of spoilation.

Here, then, in the 20th century is the logical consequences of a system which England borrowed from Rome and which we imported from England with the first shipload of emigrants that sailed up the James River in Virginia more than three centuries ago—a very striking case of the economic sins of the fathers descending upon the children unto the twelfth generation—and they brought this institution over in their heads, the real lodging home of all human institutions, both good and bad.

The remedy for this galaxy of evils is simple; it consists of absolutely free commerce, free production, the abolition of all tariffs and the utter extinction of taxes upon industry, and in place of these legalized exactions, to simply use the social machinery of taxation for collecting the socially-created value of land, placing it in the social treasury, and using it for social purposes.

Our national debt, as ordinarily understood, is a very small affair compared with this. It differs from all other debts. It wears a perpetual mask which hides its real character. It is not a war debt, but a peace debt. War will diminish it; peace will increase it.

Its wealth-absorbing capacity is as boundless as the spaces between the stars. Its power to keep a people in economic subjection is simply wonderful and resistless. It was not hatched in conspiracy nor brought about by persons of evil intent.

On its face, it is as innocent looking as life's morning, but its potency for evil is almost incalculable. It is the heart and core of our social inequalities. It is nearly as old as superstition. It is almost as respectable as a saint. It has the harmless exterior of a church, and the attractiveness of a good dinner.

The real estate man is its agent, the market place the scene of its activities, and human desires its motive power.

It possesses the stealth of a burglar and performs the function of the vampire. It is an invisible, impersonal, institutional and irresistible force which must first be understood before its economic rigors can be abated.

Finding fault with middlemen is useless; talking nonsense equally so;

nothing short of careful study, and the application of definite well-known laws of economic science, can cope with it. When properly understood the remedy is simple and can easily be applied. It is simply a question of an enlightened public opinion, and the law of self-preservation will operate to do its perfect work.

Economic freedom is not only the key to the solution of the high cost of living. It is the only way to settle the labor question; for when the question of monopoly is settled, the question of labor and capital will disappear. It is the only scientific method of getting the people back to the land. The land must come back to the people. It is the prohibitive price at which land is now held that has cheapened men and driven thousands away from it, and keeps them away from it now. The higher the price of anything, the harder it is to get and to use, and this is true of land.

There are a thousand collateral and related questions which will automatically settle themselves when once the Single Tax upon value of land is applied in any reasonable measure. It is the one simple yet sovereign remedy that will abolish both thieves and beggars at one bold and noble stroke, dry up the sources of special privilege and tap the everlasting well-spring of equal rights and equal opportunity.

This system will strike from the arms and limbs of labor the shackles which now hold it in subjection, and it will build up and vitalize a nation of free men and women, who are self-respecting, self-supporting, self-sufficient, self-confident and self-contained.

It is a philosophy that will realize the best dream of the socialist and melt the opposition to civil government of the anarchist. It is a system that will give us the liberty, equality, and fraternity that Jefferson dreamed about. It is the finished philosophy of Henry George. It is the Single Tax.

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LETHBRIDGE, Alberta, will no longer assist churches to engage in land speculation. All vacant land held by churches will hereafter be assessed the same as other land.

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FORTY thousand citizens in Texas have signed a petition, asking for a tax equal to full rental value on land held for speculation.

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JOHANNESBURG, South Africa, City Council has passed a motion ten to seven in favor of exempting houses and taxing land values only.

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PARAGUAY has adopted a graduated land tax, ranging from \$2.50 per \$1,000 up to \$4 per \$1,000 on estates of over \$70,000 value. The Act also provides for an additional surtax on vacant land. The tax will be strictly on land values only and not on improved value.