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Criticism of the Single Tax. Newton M. Taylor.

Mr. Henry George in his book entitled "Progress and Poverty," describes in a most eloquent and powerful manner the ruinous effect on society of the monopoly of the land of a country by a comparatively small number of its citizens, and as a remedy he proposed, "To abolish all taxation save that upon land values." I freely endorse all that he has so eloquently said concerning the evils of land monopoly, but I am firmly convinced that he has wholly misconceived the true remedy. Before showing some of the unjust and disastrous effects that would result from the enforcement of this system of taxation, I desire to briefly notice a few of the peculiar catch words and phrases by means of which the Single Taxers greatly deceive themselves.

Indictment No. 1. They have a great deal to say about "land values," and say that they propose to tax "land values." But that is nothing new, for we have always taxed land values. We tax the fertile land in our valleys from two to ten times as much as we do the land in broken, hilly, rocky and mountainous regions, for the simple reason that it is worth more—it has more value. For the same reason we now tax an eighth of an acre of land in a town or city as much as we do a hundred—or two hundred—or five hundred—acres of good land in the adjoining country districts. We tax everything according to its value. We tax one horse at forty dollars and another at one or two hundred dollars or even much more than that, because they possess different amounts of value. We always tax value—horse value, cow value and land value. Yet the Single Taxer rolls the phrase "land value" under his tongue as a sweet morsel and imagines that it is a wholly new idea. When we tax land we necessarily tax land value. To say that there is any difference in taxing "land" and taxing "land value" is absurd. It is simply a play on words. When the Single Taxer proposes to throw all of the burden of taxation upon "land value" he simply means upon "land" alone. Of course, the word land includes lots, mines, etc.

Indictment No. 2. The Single Taxer talks a great deal about the "unearned increment," by which he means the increase in the

value or price of land as the demand for it increases by the increase in population. He says that the unearned increment should be taxed. But we are now doing that, and always have done so. As land increases in value we increase the tax assessment on it. Farm lands and city lots in the state of Illinois and city of Chicago are assessed at many times as much now as they were fifty years ago. Then when the Single Taxer says that he proposes to tax unearned increment he means nothing new. We have always done that. It is simply one of his plays upon words.

Indictment No. 3. The Single Tax advocate greatly overdraws the fact of the unearned increment. There is very little prairie land in the Eastern and Southern states—as well as in many of the Western states. In their natural condition they were covered with dense forests and almost impenetrable growths of underbrush. Large areas were swampy low lands, and much of the land was covered with rocks and stones as a legacy of the glacial period. Our city Single Tax agitators (and they are mostly found in cities) do not seem to have the slightest idea of the amount of labor it took to make beautiful farms out of those heavily timbered, rocky and swampy lands, to say nothing of the hardships and privations that were endured by our forefathers. If we only rate that labor at fifty cents a day for each day spent in clearing of those forests, digging out the roots and stumps, ditching and draining the swamps and gathering up the rocks and stones, these lands would not now sell for enough to pay for the work. As to these vast areas there is absolutely no unearned increment. Yet, as we will see further on, the Single Taxer wants to throw much of the burden of taxation on these lands!

In our towns and cities and in prairie countries there has been a large unearned increment. I say "has been" advisedly, because for the most part the unearned increment has been harvested and scattered to the four quarters of the globe, and the property is for the most part in the hands of innocent purchasers. As to our farm lands, the unearned increment reached its high water mark twenty-five years ago and since that time they have declined in price nearly if not quite 50 per cent. And the owners of real estate in the most of our towns and cities have during that period suffered in the same way, only the decrease has not

been so great. But the process is still going on and it will continue for many years, because the most of our towns and smaller cities have attained their normal size, and many of them have outgrown the country surrounding them. Many of them are not gaining at all in population and in most of them the future growth will be exceedingly slow. Besides all this, town and city lots must go down to the gold basis if we maintain the gold standard. Farm lands and commodities have gone down in price to correspond with the rise in gold, and town and city property must do the same. Nothing can resist the fall of prices consequent upon a rising monetary unit. Everything must sooner or later go down to the common level of general prices.

An old citizen of Philadelphia says that back as far as 1820 farm lands in the vicinity of that city were as high as they are now. And we all know of the hundreds of farms thruout New England that have been abandoned in the last twenty-five years.

Therefore it is important to remember that as to a large part of our country there is not now and there never has been any unearned increment, and that if there is to be any confiscation done it should not apply to any of these lands. And we should also remember that as to those parts of the country where there was any unearned increment as to lands and lots, the most of the persons who got the benefit of it are in their graves, and that the most of these lands are now owned by persons who paid full value for them, and who in many instances have already lost money on them. There has either been no rise in price—unearned increment—or the interest on the money invested and taxes have more than counter-balanced it. It will be very difficult for the ordinary person to see why the public should confiscate these last named lands and lots. So I respectfully submit that when our Single Taxers talk about the unearned increment they are for the most part talking about a back number—ancient history.

Indictment No. 4. There is another word about which our Single Tax advocate has very confused ideas. I have reference to the word rent. It simply means the consideration paid to the owner of the land for the temporary use and occupation of the land by another. But the census of 1890 showed that 3,142,746 of our farms are occupied by the men who own them, and that

there are only 1,624,433 rented farms in this country. The 3,142,746 farmers pay no rent. And the census reports show that 2,928,671 of our homes in our towns, villages and cities are owned by the families occupying them, and therefore these persons pay no rent. In heaven's name are the homes, farms and residences of all of these six millions of families to be confiscated simply to enable us to punish the landlords of the country? In his inscrutable reasoning and elastic conscience the Single Taxer says yes. He has to do so for he makes no distinction between the property occupied by its owner and rented property.

The Single Taxers actually want the government to forcibly appropriate these millions of homes and farms without compensation and force all of these people to go to paying rent—that is a tax that is to be equal to and as burdensome as the rent that is now paid by our tenants to our landlords. They want to return to feudalism and change everybody into tenants and make the reign of rent universal. I protest against this ruinous scheme. Instead of destroying our millions of happy homesteads in our villages and towns, cities and country districts, we should foster, protect and multiply them. Instead of increasing the burden of taxation on them we should relieve them from taxation, and throw all of that burden on our large estates, on our landlords, and wealthy owners of both real and personal property. Our homesteads are the very last thing that should be taxed.

But Mr. George in his book says that this theory will not result in the confiscation of land, but only of the rent, and by confiscation of rent he means the imposition of an annual tax that shall be equal to the annual rental value of the real estate. Here is another instance of that play upon words in the art of which he was a consummate master, and which he handed down to his disciples. Yet in the same paragraph he admits that by taking the "rent" he is taking the "kernel" and only leaving the landowner the "shell." (See Chapter II., Book 8.)

A simple illustration will prove that it would be the actual confiscation of the real estate itself. Let us suppose that Mr. A. rents a farm at a yearly rental of \$300, which was about 6 per cent of the value of the property. He pays the rent for several years, and finally to avoid the further payment of rent he concludes to buy the land. He manages to make the first

payment and gives his note for the balance, payable in installments and secured by a mortgage on the land. He finally succeeds in paying for the property. But about that time a Single Tax law is passed and he is at once forced to pay a tax of \$300 a year. How much better off is he than he was before he bought the land. None at all. He has lost the money and value he paid for the property. And he would still be liable for the unpaid purchase money notes. He could not sell the property because no sane man would buy property upon which he would have to pay the government a tax equal to a full rental for the privilege of occupying it. No sane man would pay much for the mere "shell."

In Chapter III., Book 9, Mr. George admits that the land could not be sold, and that his scheme would result in public ownership of land, and he says that the former private land owners should not receive any compensation for this loss. But he says that the holders of vacant lands and lots would be compelled to sell them. How could they sell that which has been appropriated by the public? In Chapter I of the same book he says that his scheme "would be in effect putting up the land at auction to whoever would pay the highest rent to the state." Is not this confiscation? It is confiscation of both the land in the rural districts and the lots in towns and cities.

Indictment No. 5. The Single Taxers exaggerate at least one thousand-fold the amount of land and number of lots that are being held out for use for speculative purposes, or in other words to procure an unearned increment. As to our town and city lots, the taxes and interest on the money invested in them prohibit their being held out of use for any great length of time. When the 7 to 9 per cent of interest and taxes exceeds the annual increase of the market value of the lots, as is the case at present in the vast majority of our towns and cities, the lots will be improved as rapidly as there is any demand for houses. In fact, the zeal of the owners of lots to make them bring in a yearly income usually results in an excess of houses. The large surplus of unemployed capital in this country is anxiously seeking profitable investment in houses. That these causes lead to a supply far in excess of the demand for houses is demonstrated by the 23,000 vacant houses said to be in Philadelphia and the vacant houses on every street in Chicago, and the same condition

exists in our towns and cities all over the country. Then why should these lots be built upon? Vacant houses are not a credit to any town nor a source of profit to their owners. And certainly no person wants to in any way entice our rural population to move to our towns and cities in order to occupy these vacant lots. The tide should be turned in the other direction—away from the cities to quiet country homesteads. There are too many people in our towns and cities now. Whenever there is a labor strike there are always, in good times as well as in bad times, thousands of unemployed who are eager to take the places of the strikers. Houses and lots can be rented at a low rental that hardly pays 6 per cent interest on the investment. This ought to be free enough to suit the most fastidious.

As to our farm lands, the facts are clearly against the claims of the Single Taxers. The world's demand for grains, vegetables, fruits and meats is so great that no man can afford to deliberately hold good farming lands out of use. If the owner does not desire to live upon them and farm them himself, he can rent them to others for a fair annual rental, and of course he will do so. A man can rent his land out for what it will bring and still hold it for an increase in price so he may be able to sell at a profit. Why should he not do so? Will a duck swim? The simple fact is that land owners do not to any material extent withhold their land from use. They have to pay taxes on it every year and it is but natural that they should make it yield enough to pay the taxes and also pay as much as possible on the money invested in it. And especially is this true at a time when the price of the land is declining, as it has been in this country for the last twenty-five years. Their lands are being used either for cropping or grazing purposes. Surely no one wants any more of our forests cut down, in order to increase the area of cultivable land. Too many of our forests have been cut down already by our citizens in their greed and zeal to put land into use and make it yield a profit. The amount of farming land and the number of lots that are being held out of use is very small indeed, and yet for the purpose of forcing these lands and lots into use before there is any active demand for them, the Single Taxer would destroy five or six millions of homesteads and compel them to be yearly let "out to the highest bidders in lots to suit," as Mr. George expresses it in his book.

What a queer old world we live in any way! Truly it takes all kinds of men to make a world.

Indictment No. 6. What would become of the three or four billions of mortgage debts that now are secured by these homesteads? Is repudiation to be added to confiscation? It would seem so.

But let us analyze this mortgage question, for our Single Taxer who never stops to analyze anything and who has no use for the facts and figures shown by the government census reports. We will see that not only would our mortgage debtors be ruined, but that many of our mortgage creditors would be also. The total amount of our mortgage debts in 1890 was \$6,019,679,985. This was an increase of \$2,404,839,985 since 1888, and these mortgage debts now probably amount to ten billions of dollars. These mortgages are secured by both the real estate and the improvements thereon. Now let us suppose that the public through the Single Tax system, has appropriated the land. This throws the entire mortgage debt on the improvements and such personal property as the debtor may have subject to execution. Of course, the debtor will not be able to pay the debt after the real ownership of land has been taken from him, and he will have to pay interest on the debt and also a full rental on the land, if he chooses to remain on it. As we shall see further on, this rental would absorb all the profits he could make out of the land by tilling it, and he could not pay the annual interest on the debt—much less the principal. The result would be that the mortgage would be foreclosed on the improvements. This is a most serious matter, because in 1890, 273,352,109 acres of our improved farms were under mortgage and thousands of homes in towns and cities were also encumbered.

I leave for the Single Taxers to say what the improvements would sell for without the land. They have never been able to agree among themselves what will be the status of the improvements on real estate under their system. We know that in most instances they would not sell for half enough to satisfy the mortgage debt, interest and costs of rent. The balance of the judgment would be levied on such personal property as the debtor might have and he would be turned out of house and home a pauper. In ninety-nine cases out of one hundred the personal property of the debtor would not sell for enough to

pay the deficit and the creditor would lose the greater part of his debt, for in most instances mortgage farm loans are made principally on the value of the real estate irrespective of the improvements. It must be clear to all that the uncompensated appropriation of the land of the nation by the general public would result in ruin to our mortgage debtors and repudiation and ruin to many of our mortgage creditors.

Indictment No. 7. But this is not all of the case against the Single Tax by a great deal. There is probably more money loaned out on personal security—on notes with sureties—than there is on mortgage security. In reckoning the solvency of the makers of these notes and their sureties the creditor looks principally to the amount of the unincumbered real estate they own. If the government by the Single Tax appropriates all of this land it so far destroys the security of those notes and also so far destroys the ability of the debtors to pay the notes. Hence suits will be brought on the notes, the debtors will be stripped of their improvements and personal property and even then the creditors will probably lose a part of their claims. When we consider the fact that the last census report shows that the people of this country owed over twenty billions of dollars on those classes of debts that could be readily ascertained and tabulated by our census takers, and that the other debts amounted to nearly as much more, we can form some faint conception of the disastrous and far-reaching effects of the adoption of the Single Tax system. Is it not perfectly plain that it would result in the creditors absorbing the greater part of the personal property of the nation and also the greater part of the improvements on our real estate, and all this property they would hold free from taxation? Yet the Single Taxers pose as the friends of the common people!

As we have seen, after exhausting the improvements and personal property of the debtors, in most cases the debt would still be unpaid and there would be a loss to the creditor. The rich creditor could stand this loss, as he would have plenty left to satisfy not only his necessities but every conceivable luxury. But not so with the poor creditors who have their savings or small patrimony loaned out. This loss would be heavy and ruinous to them. The deposits in our savings banks amount to \$2,065,631,298. They are mostly loaned on real estate security,

The Single Tax would ruin every savings bank in the country and their depositors would lose their savings. Our people have deposited in our national banks \$2,106,600,000, and also fully as much more in our private banks, trust companies, building and loan associations, etc. Much of this money is loaned out either directly or indirectly on real estate security. It is certain that these depositors would lose enormously by the appropriation by the government of the lands and securing these loans.

Therefore it is perfectly clear that the Single Tax would rob over six millions of our citizens of their homes and personal property, and rob the poorer class of our creditors of their savings, and bankrupt tens of thousands of our business men and produce the worst panic ever known in the history of the world. And yet Mr. George says in Chapter IV. of Book 9 that "this measure would make no one poorer but such as could be made a great deal poorer without being really hurt," and that "it would impoverish no one." And his followers try to believe it. But they dare not attempt to enter upon any proof in regard to the matter. The facts are against them. It should also be remembered that our business men are heavy creditors and a loss of a material portion of their bills receivable would bankrupt them. Yet this would be the inevitable result if the debtors of business men were to be robbed of their lands and lots and they would all have to go to paying rent. They would not be able to pay their debts to business men. Surely our Single Tax friends "know what they do."

Indictment No. 8. But let us go a little deeper into this question. It will be necessary to make a few calculations. In his fine flights of oratory Mr. George did not stop to bother with figures, and his disciples have inherited his weakness in the science of mathematics. The reports of the census and statistical departments of our government have no charm for them. We will therefore have to do the calculating for them.

Their proposition is to throw all taxes on land alone. And when the Single Taxer uses the word "all" he means just what he says. Therefore Henry George was a free trader, and in Chapter III of Book 9 of "Progress and Poverty" he makes a strong argument against tariff duties; and of course he was opposed to our internal revenue laws because tobaccos and liquors are personal property. And his followers are free traders almost

to a man. Then let us see how much of a burden this theory of taxation would throw on land alone.

Let us first see what would be the annual tax rate or rental under this system for state and local governments alone without interfering with our present tariff and internal revenue laws.

The total property assessed for taxation in this country in 1890 was as follows:

Real estate and improvements.....	\$18,956,556,675
Personal property	6,516,616,743
Total.....	\$25,473,173,418

The total taxes collected on this property in 1890 by state and local governments amounted to \$470,651,927. This makes the average tax rate a very small fraction less than 2 per cent. It will be noticed that the land and improvements are given together. Therefore we must next get at the probable value of the land alone. In the state of Massachusetts the land and the improvements are assessed separately, and in 1880 the land and lots of the state were assessed at \$587,824,672, while the improvements were assessed at \$752,669,001. The improvements amounted to 56 per cent and the lands and lots 44 per cent. In states having large cities like Chicago, New York or Philadelphia the per cent of improvements would be considerably larger, while in some of the sparsely settled Western states the value of the lands would exceed that of the improvements. In England the improvements are valued at £2,280,000,000, while the lands and lots are only valued at £1,880,000,000. Therefore it would seem that taking our country over the value of the lands and of the improvements are about equal. And this was the estimate of the census department in 1880, showing that at that time the real estate of the country was assessed at \$6,592,000,000, while the improvements were assessed at \$6,437,000,000. By counting them of equal value in 1890 this gives us the assessed value of the land alone at \$9,478,278,337. Throwing upon this land the total expenses of the state and local governments for that year—\$470,651,927—would give us an average tax rate of about 5 per cent. That is to say, that the farmer who owns a farm of 100 acres worth \$50 per acre without improvements would have to pay taxes to the amount of \$250 per year on his \$5,000 worth of land. Under our present system, if we count

his buildings and personal property at \$2,000 (which is a liberal estimate for the average farm) his taxes would only amount to 2 per cent on \$7,000—\$140. But as a rule the citizens in towns and cities have more value in their improvements and personal property than they have in their lots.

Let us take the typical shoe or dry goods merchant in the ordinary county seat of from three to ten thousand inhabitants, who owns his home and whose combined property is assessed at \$7,000, the same as our farmer above mentioned. Under our present system of taxing all wealth alike, his taxable wealth would be something like this:

Residence lot	\$1,000.00
House, barn, fences, etc.....	2,000.00
Furniture, carpets, piano, etc.....	500.00
Stock of goods in store.....	3,500.00
Total.....	<u>\$7,000.00</u>

Under our present system with an average tax rate of about two per cent, his taxes will be \$140. But under the Single Tax five per cent rate on the lot alone his tax would only be \$50, while under the same system the farmer of the same wealth would have to pay \$250 on his land. Is not this an unjust discrimination against the farmer and in favor of the merchant? But let us consider the thousands of men in towns and cities who have an abundance of personal property and no real estate. They would escape taxation entirely under the Single Tax. Take the store keeper who has say \$7,000 worth of goods in his store, and furniture in his house, etc., or take the money lender who has \$7,000 loaned out on interest. Is it right to relieve them from taxation entirely and make the farmer owning a like amount of property pay an annual tax of \$250? That is precisely what the Single Taxer proposes to do! The stores, the factories, the hotels and office buildings and the notes, etc., are means of production, and why should not they be taxed the same as the farmer's means of production? The land is the farmer's means of production and it is absolutely criminal to relieve the means of production of all other classes of citizens from taxation and thereby greatly increase the burden of taxation on the farmer's means of production. And when we remember that under the single land tax, the wealthy owners of the billions worth of property in the form of stores, factories, money, notes, mortgages,

stocks, bonds, street cars, railroad cars and engines, etc., would escape taxation, the enormity of the proposition is more apparent. These things are all means of production and they are piling up millions of wealth for their owners every year, and they should not be relieved of taxes and the additional burden thrown upon the farmers' means of production. From the land the farmers produce the food we eat and the raw materials for the clothing we wear. Why should all the burden of taxation be thrown upon our primary means of production? The taxes must be raised and it is an undeniable proposition that if we relieve one class of citizens from taxation the taxes of the other classes will be increased. If we relieve all personal property and improvements from taxation we thereby of necessity increase the tax on land. Surely no man can be found to deny these propositions.

That we have a large class of extremely wealthy citizens in this country (mostly in cities) who own hundreds of millions of dollars worth of personal property and very little or no real estate, is true. Twenty millions of our citizens live in our 448 cities of ten thousand inhabitants and over. These people own nine-tenths of the personal property and improvements of the nation. Why should they be relieved from taxation? The conclusion cannot be avoided that if we relieve them from taxation, the owners of the land and lots must bear the additional burden, and that their taxes will be increased and they as a rule are least able to bear it.

Let us take a much older country than ours for an illustration. In Belgium in 1872 the total amount of taxes raised was 213,352,689 francs. Of this amount only 20,258,083 francs were raised on land and improvements, and only 13,230,057 francs on personal property. The remainder was raised by means of trade licenses, stamp duties, custom and excise duties, income and inheritance taxes, etc. Is it not clear that if all this tax should be put upon the land alone the burden would be enormous and utterly unbearable? Of course in a new and thinly settled country where there are but few valuable improvements and where there is but little personal property, and where the public expenses are light and they are already of necessity mostly raised on real estate, the adoption of the Single Tax would not throw much extra burden on real estate. This has been proven in some of the new countries in Australia, where the Single

Tax has been adopted in a modified form. But conditions are altogether different in older countries where the public expenses are heavy and are mostly raised on things other than real estate. The state of Pennsylvania levies no tax for state purposes on real estate at all, but only on personalty, corporations, inheritance, etc.

But let us consider the question solely as to the owners of real estate and improvements. Here again we must simply open our eyes to the facts and see that there are classes of real estate owners whose per cent of improvements on their real estate is much larger than is that of other classes of real estate owners. By the exemption of improvements from taxation the former would be greatly benefitted at the expense of the latter. That this would again be a discrimination in favor of the rich and against the poorer and middle classes is evident, because it is the rich only that can own palatial residences, ten and twenty story hotels and office buildings, and enormous store buildings and factories covering whole squares. Their excess of improvements over land is very large.

Who are the poorer classes of real estate owners who would be hurt by this system? Let us first look to our towns and cities. The vast majority of our town and city lots are occupied for residence purposes. The lots in any one portion of our towns and smaller cities are of about the same value. Yet the improvements upon them generally differ very widely in extent and value. One lot owned by a rich man may have on it a house worth ten, twenty or fifty thousand dollars, and which would be filled with fine furniture, carpets, tapestry, paintings and musical instruments of the value of many thousands of dollars, while another lot in the same square and on the same street and of the same market value, but belonging to a poor man, may have on it a residence worth only a thousand dollars, and have in it furniture, etc., not to exceed \$500 in value. Is it not as clear as the open light of day that if we relieve the improvements and personal property of the former from all taxation we are favoring the rich man much more than the poor man? And it must be plain that the taxes now paid by the rich man on his fine house and contents or his hotel, business block or factory, will not be shifted to his lot alone, but that a great part will be shifted to the lots of his poorer neighbors, and also to the small

farmers whose lands are worth more than their improvements and personal property.

In a town or city there will be a thousand houses on 100 acres of land, while in the country there will only be one house on that amount of land. If we relieve the 1,000 town houses from taxation a large part of that burden will of necessity fall upon the farms where the per cent of improvements to a given amount of land is small.

But let us for a moment consider the question solely from the farm owners' standpoint, as among themselves. The first fact to observe is that they too are divided into the rich and the poor, as determined by the amount of land they own. The last census shows that the farms of 100 acres and under in size were 2,440,006 in number, covering an area of 122,000,300 acres, and their owners may be considered as the poorer class of farm owners. There were also at that date 3,246,128 farms of over 100 acres in extent, covering an area of 973,836,000 acres, and their owners may justly be classed among the rich class of land owners. Now, the question is, which class has the greater per cent of improvements and personal property as compared with the value of the land alone. When this is determined we can then easily tell which class is benefitted and which class is injured by exempting personalty and improvements from taxation and throwing the whole burden of taxes on land alone.

Those who have any knowledge of farmers and farm life know that it is on the large farms that we find the fine residences and large barns, and also the latest and costliest farming implements and machinery, and also the large flocks of sheep, droves of horses and hogs, and herds of cattle, running up in value to tens or even hundreds of thousands of dollars in value. The small farmer lives in a cottage, and as he is forced to make the most out of his land he cultivates the most of it and sells the grain and vegetables. This leaves him but little land for grazing purposes, and therefore he cannot have much live stock about him. He must be content with a milk cow or two, a team of horses and a few pigs. And he cannot afford expensive implements and machinery. He does his work in the old methods as far as possible. Therefore, it must be clear that the owners of large farms will be benefitted by the Single Tax, and that the owners of small farms will be damaged by it. In the last

analysis of the whole matter it is evident that the general effect of the whole scheme will be favorable to all classes of rich people and unfavorable to the holders of small farms and the poorer classes of lot owners in our towns and cities, and that the greater part of the taxes now paid by the rich will be shifted on the classes last named. The little that the latter would gain by relieving their personal property and improvements would be small indeed as compared with the increase in the taxes on their lands and lots. The fact is that in many of our states they are now relieved of taxation on much of their personal property. In these states the Single Tax would bear heaviest on them. And yet these are the very classes that most need assistance and encouragement. Instead of increasing the taxes on them we ought to exempt them from taxation altogether. We cannot have too many small homesteads in town, city and country. We ought to so legislate as to multiply them a thousand-fold; and we can do so if we only will. The experience of other nations as well as our own points to an easy and certain way. There is no need of trying any wild experiments. The farms in France only average $12\frac{1}{2}$ acres in size. Every one of them supports a family. We need to so legislate as to subdivide our land into small family homesteads that shall be cherished and loved and handed down in the same family for generations.

But let us consider the effect of a five per cent tax on our six millions of home owners in town, city and country. This is about what Mr. George thought the tax would be, for in Chapter 19, Book IX, he says that his system would "very nearly consume the value of the land," and five per cent is about the average per cent of profit on the money invested in real estate. So far as people in towns and cities are concerned the five per cent on the value of their lots only would not be oppressive because they own so much in improvements and personal property which would be exempted from taxation. Taking our merchant who owns \$6,000 in improvements and personal property and only \$1,000 worth of land as an example, if he is exempted from all tax on the \$6,000, he can afford to pay fifty dollars a year tax on his \$1,000 lot, as that would be much less than he now pays on all of his property. But the burden that is shifted from him must fall upon somebody else.

As we have seen it would fall mostly upon the owners of small farms and homes in towns and cities who have but little personal property and whose farms and lots are worth more than the improvements upon them, as is so frequently the case. If a mechanic owns a lot worth \$1,000 and a cottage on it worth \$800, the five per cent on his lot would amount to considerably more than his taxes under our present system. But still he might be able to pay it if he does not get sick or lose his employment.

But how will it be with the farmer whose tax has been raised from \$140 to \$250 on one hundred acres of land? Those who know anything about the profits of small farms for the last 25 years know that such a large additional burden as that would be absolutely unbearable. Their very narrow margin of profits was clearly shown by the elaborate investigation of the matter by the Labor Commissioner of Connecticut in 1888. The accounts covered 693 farms of that state averaging 110 acres each, and showing a total capital employed of \$3,810,742. The total receipts, including products consumed by family, were \$707,153, and the total expenditures, including products consumed in family support, but not counting labor done by the owner and his family, were \$680,990, thus showing a net profit of only \$16,163. It is safe to say that the farms of Connecticut could not stand a tax of five per cent on their farm land. And what is true of them is true of a majority of small farmers all over the country. Many of them have not been able to make ends meet, and have been forced to mortgage their farms in the last few years, and many have lost their farms entirely.

And here is another very serious matter that must be considered. The census of 1890 showed that 886,957 of our improved farms, aggregating 273,352,109 acres, were encumbered by mortgages. Then we must squarely face the question as to whether or not the owners of these encumbered farms could pay their mortgage debts and the increased taxes? The above statistics from Connecticut and the experience of small farmers all over the country unite in saying that they could not. The mortgages would be foreclosed by the wholesale and the creditors would get the improvements and possession of the farms and the debtors would be turned adrift. It is safe to say that the farmers of the country will never favor the Single Tax, and

that they will have a very poor opinion of those persons who are trying to take their farms from them in this way.

Indictment No. 9.—But the half has not yet been told in regard to the deadly effects of the Single Tax. We have seen that if the expenses of our state and local governments were thrown upon land alone, the tax rate would be five per cent. But in addition to this the Single Taxers propose to abolish our tariff and internal revenue laws and throw upon our land the enormous expenses of our general government!! Now of course they have never calculated the effects of this. The government statistical and census reports have been open to them. They have even been published in pamphlet form for free distribution by the government. And abstracts of them have been published in cheap form in our newspaper almanacs. But our friends do not want to be bothered with facts. Their minds are too full of theories. I have already quoted freely from those reports and I will be obliged to do so once more to find out what this additional burden will be.

In determining this question I have thought best to take the expenses of the government for 1896, as that was before our very honorable war with Spain was begun, and also before our very dishonorable war with the Philippines was begun, and the expenses for that year were about normal. The reports of the Secretary of the Treasury show that the expenses of the government for 1896 amounted to \$748,369,469. If to this we add the \$470,651,927 annual expenses of our state and local governments we have a total annual tax of \$1,219,021,396 that our Single Tax friends propose to saddle on our land and lots every year. As we have seen the land and lots are now assessed at \$9,478,278,337. This would give us an annual tax rate on our real estate alone of nearly 13 per cent!! Still carrying the illustration of the mechanic in the city who owns a lot worth \$1,000 and the farmer who has a farm worth \$5,000, this would make the annual tax of the mechanic \$130 and of the farmer \$650. And yet we are gravely told that the Single Tax would give us "free land." The mechanic might possibly stand this, but it is absolutely certain that the farmer could not. He could not protect himself by raising the prices of his farm products because under free trade any material increase here of the price over the average world price, would bring farm products to us

from the farmer and even if the farmer could raise the price of his product to correspond to the increased taxes on his land, this would be shifting the tax to the consumers in our towns and cities and the objects of the city Single Taxers would be defeated. They do not want to pay any tax either directly or indirectly.

Other points might be made against the Single Tax, but I have already exceeded the space allowed for this article. I think the nine indictments with the facts and statements given are sufficient to demonstrate the utter folly and injustice of the system.

There are plenty of ways of preventing land monopoly that would not have the unjust, demoralizing and disastrous effects of the Single Tax. Progressive taxation would be a good remedy with no disastrous effects. The same is true of a system of graduated income and inheritance taxation. A system embracing the exemption of homesteads from taxation, heavy stamp duties on sales of real estate not to be used as homesteads, the exemption of homesteads from mortgages, and the establishment of government agricultural villages for the very poor, would be a more complete remedy, with no bad effects whatever. And to these could be added the income and inheritance tax. There is no possible excuse for so visionary, revolutionary and disastrous a scheme as the Single Tax.