

Pickering Putnam, architect. In his interesting brochure on "The Outlook for the Artisan and His Art," just published by Charles H. Kerr and Company, of Chicago, Mr. Putnam defines socialism as "the substitution of constructive for destructive competition." The difference between the two he succinctly describes. "Destructive" competition is "objective, a seeking to obtain for oneself some object desired equally by others, but without adding to the world's wealth;" whereas "constructive" competition is "subjective, aiming at the development and happiness of the individual without injury to others, through the creation of something useful." We doubt if socialists generally will accept Mr. Putnam's definition. They may well object to it, for it would sweep away their philosophy, which rests upon the idea of abolishing economic competition. What he calls "destructive competition" is nothing but monopoly; and what he calls "constructive competition" is nothing but true economic competition. Mr. Putnam vaguely recognizes this when he says that "the most prominent and dangerous characteristic of the present industrial scramble is not the fostering of a healthful competition, but rather its very destruction by monopoly and special privilege." To foster healthful competition, what is really needed, is very far from being the program of change in industrial details which Mr. Putnam prescribes. All that is needed is the abolition of monopoly and special privilege, which he truly indicates as the antitheses of healthful competition. With freedom and equal opportunity secured to all, men would decide for themselves, through the action and reaction of healthful competition, better than they could through any law making machinery, whether such changes as Mr. Putnam proposes are desirable. Desire would then regulate production. That is what it should do. That is what all classes of economic reformers wish it to do. That is what it naturally would do. Yet that is

what it never can do except through the force of economic competition, of free competition, or, as Mr. Putnam calls it, of "constructive" competition.

It is unfortunate that the old-time American debating society has never developed into something like the parliamentary debating clubs which are found in England and some of her colonies. The old American debating societies were never very useful. Seldom did they discuss questions of more vital interest than "Resolved, That country life is preferable to city life." Vital questions were as a rule taboo. Those of a religious character opened the door to heterodoxy, and those of a political character to partisan rows. Both were, therefore, dangerous. Modern American debating societies, however, do handle questions that have life in them, but usually in academic form, and as a rule men are assigned to debate the question, on this side or the other, with an utter disregard of the debaters' convictions. Debates of that kind can have but little influence either in making debaters or influencing public opinion. Yet debating societies could be so organized as to make them the moulder and mouthpiece of public opinion wherever they exist.

Even in so large and cosmopolitan a city as London the parliamentary debating clubs are real institutions, and in provincial places they exert a marked influence upon public affairs. They are mimic parliaments, where actual measures are as seriously discussed as in the law making body itself. To illustrate the earnestness and public spirit which characterize these clubs, we quote from the leading paper of Durban, Natal, South Africa, the following report:

The concluding meeting of the fifth session of the Durban Parliamentary Debating society was held in the council chamber, town hall, on Tuesday evening last, and proved to be one of the most interesting meetings of the session, the business being the election of leader for the ensuing session. Messrs. McLarty, Tassie and Dunlop were nominated for the post, and the

two first-named were chosen to submit programmes they would be prepared to debate should they be elected. Mr. Tassie's programme was as follows: (a) Imposition of income tax in order to relieve existing duties and abolish the stamp duties; (b) compulsory vaccination of the white population with calf lymph; (c) the introduction of the decimal system of weights and measures; (d) amendment of the customs union tariff as regards the tax on meat; (e) introduction of the postal order system on the same lines as existing in England; (f) proposed issue of loans for railway extensions, acceleration of traffic and the duplicating of the main trunk line; (g) taxation of land values. Mr. McLarty's programme embraced the following: (a) Abolition of taxes on food; (b) imposition of the single tax; (c) entire stoppage of Indian immigration; (d) railway reform and facilities as regards the export of coal; (e) safeguarding of drifts and rivers; (f) provision of open spaces as "lungs" for the populace of towns; (g) vaccination of the white population. Questions were asked the two candidates on their respective programmes, and upon a ballot being taken, Mr. McLarty was declared elected as premier, and Mr. Tassie as leader of the opposition.

No one could participate in debates of that kind without gaining strength as a practical debater, nor could any community maintain such a society without benefit to its political and moral sense. If the entrance into American public life were through similar debating societies, we should soon have a higher grade of politics and a better order of politicians than we are at present familiar with.

LAND TENURE AND TAXATION.

Though the imperialistic craze has thrown English politics into confusion as regards foreign policies, pretty much as it has disturbed the currents of politics in the United States, the political tendencies in England were never so satisfactory as now, so far as they concern home government.

Sound principles of taxation are making a distinct impression there upon public sentiment. Split into two great factions as is the liberal party—which corresponds to our democratic party—by the tory principle of imperial expansion, it is nevertheless virtually a unit for the democratic principle of taxing ground values. Upon whatever else that party

may in the early future agree or disagree, it is almost certain to come together upon the issue of making landlords support the government out of the values which government gives to their land.

Chief among the liberal leaders of the imperialistic faction are Lord Rosebery and H. H. Asquith, both of whom were members of Mr. Gladstone's last ministry. Lord Rosebery was himself prime minister in 1894. And both these men are advocates of ground value taxation.

Lord Rosebery speaks of ground values as a "gold mine" given to landlords; and the *Ayrshire Post*, of October 29, 1898, alluding to this, comments as follows upon a striking illustration which it gives of the present system:

Things work out after this fashion at present. A man has a hundred acres of arable land in the outskirts of Ayr. He lets it for agricultural or for grazing purposes at £3 per acre. At 30 years' purchase the value of his hundred acres, agriculturally considered, is £9,000. He does nothing to improve it. That is not his business; all he has to do is to sit still and wait, for he knows that the town is growing and thriving and that by and by it must come to him in its need and feu his land at the figure he puts on it. In due time he has his reward. The town creeps out and out till it reaches his hundred acres, and by a few years, or perhaps less, the fields disappear, roads are formed, terraces and villas are built, the corporation supply drainage, light and water, the police perambulate; and the land that was worth £3 an acre per annum, and that was worth £9,000, agricultural value at 30 years' purchase, returns to the ground landlord £20 an acre, or £2,000 a year, and, valued at 30 years' purchase, is worth in the market £60,000. To the community that gave it its enhanced value it returns nothing in the shape of rates. The men who build the houses on it are taxed. The men who live in them are taxed. But the man who alone did nothing, and who yet "scoops in the pile," escapes. That is the anomaly sought immediately to be redressed. If the ground landlord in such a case as that specified were rated as he should be, it needs no demonstration to show that the general taxation of the town would be reduced. Things are at present upside down. Industry is paying right into the pocket of the man who plays the waiting game. . . . Of course this is only one phase of the question, but it touches the crux of it, and affords an interesting and a striking example of the anomalies that be-

set a system that has succeeded in throwing itself clear of its own lawful burdens, and that has settled itself a dead-weight upon the growth of communities.

Only a few days before, at East Fife on the 14th of October, Mr. Asquith, the other liberal leader we have mentioned, spoke in the same strain upon the same subject. He said:

How are all these great improvements in our social and municipal life which we have witnessed during the past generation, how and at whose instance have they been effected? They have been effected by the representatives of the rate-payers, and they have been carried out at the cost of the occupiers of houses and land. But, gentlemen, who in the long run have benefited, and will continue to benefit by them? Those who have contributed little or nothing to the cost—the owners of the ground. I am convinced that the next great step in the direction of a larger and better municipal life will be in the opening up, as justice and reason require, for the benefit of the community, of the hitherto untried source of taxation—a form of taxation which no one can assert to be inequitable, because it simply imposes the burden upon those with whom the benefit will ultimately rest. I trust, therefore, that in the years that are before us we of the liberal party will, with increased vigilance, ventilate this great question; accumulate, as we can, by inquiry and by personal experience, the facts which bear on, and which form the foundation of the demand, so that when we are again intrusted with the control of legislation, and with the management of the affairs of the country we may be able to submit to parliament a well-considered scheme which will free our municipalities from the trammels under which they at present act, and which will open an avenue to a new source of social and industrial development.

Commenting upon this speech, the *North British Daily Mail* said that—

all the great improvements in our social and municipal life have been effected at the cost of the occupiers of houses and land. The owners of land get the benefit, yet they have contributed little or nothing; therefore the just taxation of land values must be the next step in the direction of larger and better municipal life.

This position on the land question, taken by liberals who are also imperialists, is taken, too, by Sir William Vernon Harcourt and John Morley, liberal leaders who were liberal members of the last Gladstone min-

istry, and are not imperialists. And the speech of the liberal-imperialist Asquith, quoted above, was vigorously applauded by the *Manchester Guardian*, the leading anti-imperialist paper of England, and one of the few really great newspapers of the world, in an article quoted by us early in the winter, which we here reproduce:

The taxation of ground values offers many difficulties of detail; but, from Mill onwards, economists have recognized the injustice and impolicy of allowing so large a measure of the wealth created by municipal energy and the industry of the community to pass in the form of enhanced ground rents into the hands of land owners without calling upon this class for any proportionate return. The system is unjust because it throws upon the occupiers, those who live and work in a town, the whole cost of the improvements through which it grows and thrives, while the result of this thriving and growth is that in a few years the occupier has to pay so much more for the privilege of living in the place. Thus the occupier pays twice over, while the ground landlord makes no return for the increased value of his land. This is the injustice of the system. Its impolicy is that by imposing too heavy a burden on the rate payers it cripples municipal administration and deprives a progressively minded community of the sinews of war. We are glad to find Mr. Asquith following Lord Ripon in urging this matter upon the attention of the liberals.

The subject has been brought to the attention of the people of Glasgow, Scotland, in a pressing manner and they have taken emphatic action. Glasgow is the city which has made such a noteworthy success of municipal ownership of the street car system. But the people there have been forced to observe that the pecuniary benefits of this extraordinarily successful experiment have gone not to the people at large but to the landowners. Higher ground values, as a result of excellent street car service, have enabled the ground-owners to collect, and compelled tenants to pay them, in the form of higher rents, for the pecuniary benefits of the improvement. Urgent demands, therefore, have been twice made upon parliament by the Glasgow council for permission to tax land values in lieu of other property, and at two elections these demands have been approved by popular vote.

Similar evidence to that we have quoted might be cited in abundance, all going to show that the English are awakening to the fact that land-owners alone are enriched by public improvements and good government; and that they are bent upon adopting the fiscal reform which in this country is colloquially known as "Henry George's single tax."

This reform must not be confounded with land nationalization, which also finds extensive support in England, and of which Alfred Russell Wallace, the great naturalist, is the leading exponent.

The theory of land nationalization contemplates the acquisition of land by the government as public property, and its rental for short terms to tenants. The single tax, on the other hand, would leave land titles as they are, but take ground rents for public use, by means of a tax on land in proportion to its value, as a substitute for all other taxes.

To appreciate the significance of the English land tax movement, as well as to understand the distinctive character of the single tax agitation which had its origin in the publication in 1879 of George's "Progress and Poverty," and of which the English land tax movement is a phase, it is important clearly to recognize the difference between the single tax and land nationalization.

In one respect, the single tax and land nationalization are alike. Each theory recognizes at bottom the principle that all men are equally entitled to the land, and therefore to the rent which land—the soil as distinguished from the improvements—commands. Thus, both theories deny the justice of private ownership of land; and both propose its abolition. But there the identity ceases. Beyond that, there is hardly so much as a similarity.

The difference may be indicated in a word, if we describe land nationalization as socialistic and the single tax as individualistic. The former would transfer land ownership from individuals to the state, turning the state into a universal landlord; the latter would leave existing ownerships nominally undisturbed,

merely requiring the owners to compensate the state annually for the value which it annually gives to their land.

It is not difficult to see that the single tax would accomplish all the beneficial objects of land nationalization. By taking the rent of land for public purposes, it would remove every incentive to appropriate land except to use it. Consequently the appropriation of land to hold it for a rise in land values, now so common, would cease. Only used land would be withdrawn for private occupation. All other land would be common. And this not because the law so ordered, but because mere ownership of land would no longer pay. Everyone wanting land would be free, therefore, to help himself from the common. He would not have to ask permission even of the state. Nor would he be obliged to pay either rent or tax for any of this land which no one else needed. No land would be taxed until land of the same desirability had become so scarce as to command rent.

But as to land in use, a tax would be exacted in proportion to the rent it could command. Such land as was highly desirable, and therefore very scarce, could command a high rent and would pay a high tax. Such as was not especially desirable, and therefore not very scarce, could command little or no rent, and would pay little or no tax.

In this manner, valuable land would be required to contribute its value to the support of the state, while non-valuable land—no longer capable of exciting the cupidity of speculators—would be common and free. Everybody who wished could work or live upon the latter without paying anything, not even a tax, for the right; and everybody who wished could work or live upon the former, by paying in lieu of all other taxes a tax equal to the annual value of the difference in desirability between the common land and the valuable land he chose.

With such a system in full operation, equal rights to the use of the earth would be as fully established as they could be under the highest possible ideal of land nationalization.

But the single tax principle would inevitably accomplish something besides, which land nationalization, while it might or might not accomplish it, does not comprehend at all in its philosophy.

Looking exclusively to the socialistic side of the social problem, land nationalizers forget that there is an individual side also. Under their system, individual rights of property are ignored.

While land nationalization, if realized in perfection, might operate to secure individual rights of property incidentally, there is nothing in the theory to antagonize an invasion by the state of those rights. For example, taxation of private property, of labor products, is not inconsistent with land nationalization principles, and personal property and improvements might be taxed though land were nationalized. But all such taxation is inconsistent with the principles of the single tax. According to the single tax philosophy, a man's earnings are his own; and no one, not even the state, has a just right, by taxation or otherwise, to deprive him of them. Thus, the single tax recognizes on one hand the equal rights of all to the use of land and to the enjoyment of its rent; and on the other the right of each to the full wages of his own work.

Moreover, for securing equal rights to the land, the single tax is superior in every way to land nationalization, as a method.

The latter would be revolutionary. It would run counter to prejudices which will never bend and can only be broken. Many generations have passed since civilized peoples were accustomed to tenures corresponding in form to land nationalization. And those were the feudal tenures, regarding which our traditions bring down to us no pleasant reports. Feudalism is in the common mind a synonym for tyranny. The difficulties, then, in the way of effecting a revolution which would appear to be a return to feudalism may be surmised.

But we of this generation are familiar with taxation. We are familiar with it not only for the purpose of raising revenues, but also for the purpose of effecting ulterior purposes

—such as taxes on dogs to lessen the number, taxes on saloons in the interest of temperance, taxes on foreign goods for the promotion of prosperity at home, and so on. A tax upon land values, therefore, for the purpose at once of raising revenues and destroying land monopoly, would run counter to no prejudices. It would be fought, of course, fought bitterly; but the opposition would derive no support from long established prejudice.

The single tax has the advantage, also, of being susceptible of adoption gradually. Every tax abolished, except land value taxes, is a step in the single tax direction. It is one more labor tax removed, the loss of which from the treasury necessitates a higher tax upon land values.

For the single tax is everywhere in operation to some degree even now. That part of real estate taxation that rests upon the value of the site as distinguished from the value of the improvements, is the single tax. To increase it, therefore, is to increase the single tax; and every abolition of other taxes necessarily tends to increase that one. The single tax is to be established, then, by simply abolishing other taxes. Abolish personal property taxation, and follow that with the abolition of taxes on landed improvements, and you have the single tax in undisturbed operation. Then increase the tax so as to make it equal the ground rent of the land upon which it is levied, and you have the single tax in ideal perfection.

All this could be fully accomplished by normal progressive steps, before the people could be brought even to consider the propriety of substituting national for private ownership of land.

That Henry George was not unaware of the superiority of the single tax for accomplishing what land nationalizers seek, he shows in the second chapter of book eight, in "Progress and Poverty," where he says:

We should satisfy the law of justice, we should meet all economic requirements, by at one stroke abolishing all private titles, declaring all land public property and letting it out to the highest bidders in lots to suit, under such

conditions as would sacredly guard the private right to improvements. . . . But such a plan, though perfectly feasible, does not seem to me the best. Or rather, I propose to accomplish the same thing in a simpler, easier and quieter way than that of formally confiscating all the land and of formally letting it out to the highest bidders.

To do that would involve a needless shock to present customs and habits of thought—which is to be avoided.

To do that would involve a needless extension of governmental machinery—which is to be avoided.

It is an axiom of statesmanship, which the successful founders of tyranny have ever understood and acted upon—that great changes can best be brought about under old forms. We, who would free men, should heed the same truth. It is the natural method. When nature would make a higher type she takes a lower one and develops it. This, also, is the law of social growth. Let us work by it. With the current we may glide fast and far. Against it it is hard pulling and slow progress. . . . Nor to take rent for public uses is it necessary that the state should bother with the letting of lands, and assume the chances of favoritism, collusion and corruption that might involve. It is not necessary that any new machinery should be created. The machinery already exists. Instead of extending it, all we have to do is to simplify and reduce it. By leaving to land owners a percentage of rent, which would probably be much less than the cost and loss involved in attempting to rent lands through state agency, and by making use of this existing machinery, we may, without jar or shock, assert the common right to land by taking rent for public uses.

We already take some rent in taxation. We have only to make some changes in our modes of taxation to take it all. . . .

In this way the state may become the universal landlord without calling herself so, and without assuming a single new function. In form, the ownership of land would remain just as now. No owner of land need be dispossessed, and no restriction need be placed upon the amount of land any one could hold. For, rent being taken by the state in taxes, land, no matter in whose name it stood, or in what parcels it was held, would be really common property, and every member of the community would participate in the advantages of its ownership.

Now inasmuch as the taxation of rent, or land values, must necessarily be increased just as we abolish other taxes, we may put the proposition into practical form by proposing—

To abolish all taxation save that upon land values.

One very important objection to land nationalization which the sin-

gle tax method would practically avoid, is what is known as "compensation."

When it is proposed to transfer the ownership of land from private individuals to the state, the idea at once arises in the minds of just men, that the expropriated owners should be compensated for their loss. The idea is misleading, and from really just and intelligent minds it can be removed; but it is an idea which this method of accomplishing the land reform vitalizes.

The reasoning in favor of compensation will run somewhat in this fashion: The state has furnished the land to its owners; it now proposes to transfer this ownership to itself; should it do so, it ought in justice to compensate them for their loss. And when you show, as well you can, that compensation would only be another mode of continuing the unjust privilege you wish to abolish, nevertheless the idea of ownership obtrudes, so as to make the nationalization plan seem to be confiscation. It is not the strength of the argument for compensation that gives it vitality. The argument is void of strength. It is the weakness in form of the proposition that confronts it—that of transferring ownership from the individual to the state. This proposition comes in conflict with the prejudice produced by that long cherished custom of allowing the state to take nothing from individuals without paying them for it.

So plausible, superficially, is the plea for compensation as a condition of land nationalization, that most land nationalizers favor compensation. And land nationalizers who upon doing this realize the truth that compensation would nullify the reform, abandon their ideal altogether, as insusceptible of even approximate realization. They assert that private ownership of land is wrong; but conceding that nationalization of land without compensation would be another wrong, and conscious of the futility of nationalizing and compensating too, they sigh a hopeless sigh and conclude that the whole thing is too much of a muddle for them.

There is no such embarrassment in connection with the single tax theory.

Though the single tax would ultimately put an end to the evils of private ownership of land as completely as land nationalization could, and though the question of compensation is therefore involved in the one proposition as well as in the other, it is not involved in the single tax proposition in the same way in which it is involved in land nationalization. In connection with the land nationalization scheme, compensation is a practical question. The state cannot transfer land ownership from individuals to itself without directly deciding whether to compensate or not. But in connection with the single tax proposition, compensation is only an academic question. Nothing could be more absurd than seriously to propose to compensate men for paying their taxes. That would instantly be seen to be a proposition to return his taxes to every taxpayer. The single tax, therefore, does not and cannot raise the question of compensation, as a practical issue. The only question it raises is whether public expenses ought to be met by taxes upon property which public improvements and government do not increase in value, as at present, or upon property which public improvements and government do increase in value.

That question has been raised in England, as the quotations at the head of this article pretty conclusively show. And though the movement there may at the beginning aim to do no more than bring land values into the category of taxable property, the principle from which it evidently derives its impulse, that of taxing men in proportion to the pecuniary benefits which the public confers upon them will not allow it to stop with that beginning.

After the English people see that the pecuniary benefits of government are absorbed in ground rents by land-owners, and so made to doubly burden tenants—once in taxes to maintain the government, and again in higher rents for the privilege of living under the government they maintain—the English movement for the taxation of ground values will not lose its momentum until all ground values are swept by taxation into the public exchequer and all other taxes are abolished.

NEWS

The first step in the process of establishing a large standing army for the United States was accomplished on the 31st, by the passage in the house of representatives of the bill for army reorganization. This bill makes many alterations in detail, but its leading and most important feature is its provision for increasing the size of the regular army.

Since 1875, and up to the war with Spain, the army was strictly limited to 25,000 enlisted men and 2,116 officers, exclusive of the hospital corps. Its actual strength fell slightly short of this maximum. Attempts were frequently made in congress to raise the maximum, but always without success. The traditional dangers and expense of standing armies still strongly influenced public opinion. This influence was felt also when the army was put upon a war footing last spring. As the bill for that purpose was first reported by the military committee of the house, it authorized an increase to 61,000, without providing for a reduction to the old maximum at the end of the war; but by amendment, the bill when finally passed required that at the end of the war the army should be reduced to the peace basis of 25,000 enlisted men. But at the present session of congress, when the war was virtually at an end and the army had been recruited up to the new maximum, its reduction to the old maximum of 25,000 was sought to be forestalled by the introduction of a bill raising the maximum to 100,000 men. By amendment this maximum was coupled with a minimum of 50,000, leaving the size of the army, between those extremes, to the discretion of the president; and in that shape the bill passed the house on the 31st, as stated in the preceding paragraph. The vote for the bill as thus amended was 168. There were 125 votes in opposition. Six republicans voted against the bill; 4 democrats and 1 populist voted for it.

Representative Amos Cummings, of New York, proposed an amendment to the army reorganization bill, prohibiting the use of United States troops to suppress riots and maintain the local peace, except upon the application in writing of the governor of the state in which such domestic disturbances might occur; but his amendment was defeated.

Orders have been issued by the war department to expedite the movement of reinforcements to the Philippines, and all the week troops have been in motion in that direction. The 4th regiment of infantry is on its way on board the transport Grant, which sailed from New York, and is probably not far now from the Suez canal. The 22d infantry sailed from San Francisco on the 1st; and the 3d infantry, with several companies of the 17th, are on their way to New York to go to the Philippines through the Suez canal. The 12th infantry is under orders to sail from New York on the 9th.

This hustling of reinforcements to the Orient is supposed to indicate that a conflict with the Filipinos is expected. But hardly any information is given out at Washington, and news from Manila is censored by the American authorities there. It appears, however, that Gen. Otis has recalled the 51st Iowa volunteers from near Iloilo, leaving the 18th regular infantry and the 6th artillery behind. There is also news to the effect that the Filipino congress at Malolos has adopted the republican constitution, passed a vote of confidence in Aguinaldo, and empowered him to declare war on the Americans whenever he deems it advisable.

Agoncillo, the Filipino envoy to the United States, has submitted a voluminous memorial to the state department at Washington. He protests that legislation not authorized by the people of the Philippine islands can have no binding force; that upon American testimony the Philippine revolt against Spain was fully alive before the American war; that its purpose was independence; that the Philippine republic was entitled to recognition by the United States before the protocol with Spain; that Spain has no substantial possession in the Philippines to deliver to the United States; and that the American purchase of public buildings in the Philippines is ineffective, as the Philippine republic had already acquired them by conquest. Agoncillo asks that this memorial be forwarded by the president to the senate. On the 31st, the day after the submission of the memorial, the secretary of state reported its receipt to the cabinet, which decided that it should be ignored.

Commissary General Eagan, who became subject to court martial two