

December 31, 1898, were at least \$2,000,000 less than the receipts from war bonds; so that if there had been no war and no war bonds, the excess of receipts would have been only about \$31,027,544.89; and that excess would have fallen below zero but for the war tax. We should then have started out upon the new year of 1899 with a constantly growing deficit. Yet Mr. Cannon has the temerity to point with partisan pride to the Dingley law as a successful revenue raiser.

That the deficit is growing is admitted; and at the present rate of increase, it will soon rise high enough to make a bond issue necessary in the middle of the next presidential campaign. But that outrage upon the country and calamity to the Hannan ring may be warded off under the provisions of an obscure paragraph in the sundry civil bill which empowers the secretary of the treasury in his discretion to sell, at not less than par and accrued interest, any or all evidences of indebtedness of the Central Pacific Railroad company. Should the secretary exercise this power, he could tide over a deficit of something like \$60,000,000 without further exposing the utter failure of this administration financially, by another issue of bonds.

Deficits and toryism appear to be closely related. We have heretofore compared our prospective deficit with the English deficit which the imperialists over there have produced. How to deal with the latter is one of the new problems of British politics. Characteristically, the tory London Times proposes to put duties on corn and sugar, while reducing the income tax. Its argument for reducing the income tax has the one merit of being unique. The Times argues, and argues gravely, that such a measure would benefit the working classes, who pay no income tax. Its argument rests upon the idea that the rich support the poor. The prosperity of the poor depends, therefore, upon the amount of wealth which rich men can lay by! From which it follows that a

reduction of the income tax, by enabling the rich to augment their savings, would promote the prosperity of the poor. As the Manchester Guardian suggests, a really democratic application of this argument would lead to the total exemption of the rich from taxation. Government would then be supported wholly by the poor, so that the rich might the better qualify themselves to make the poor prosperous.

There is, however, another view of the matter, in England, and the liberal party in parliament is committed to it. In the form of an amendment to the address to the throne a motion was made in the commons by E. J. C. Morton, expressing the regret of that body that

there is no indication in your majesty's gracious speech that measures will be submitted to this house dealing with the ownership, tenure or taxation of land in towns.

This amendment precipitated a debate in which the right of the community to the value which its growth attaches to the land was discussed upon radical premises. Of course the amendment was defeated. In a tory parliament it could hardly have been otherwise. But it was defeated by a narrow majority, and resulted, according to the Financial Reformer of Liverpool, in bringing out

first, the strength of the case for the taxation of land values; secondly, the weakness of the case against this reform; and, lastly, it has absolutely committed the liberal party, as a party, to the principle that the value added to the land by the presence and industry of the people belongs to those by whom it was created and not to the landowners.

How completely the liberal party has been so committed may be inferred from the editorial assertion of the Manchester Guardian, the leading liberal paper outside of London, —

that a very great proportion of the increased wealth of the community, all that is known as "economic rent," must pass, under existing conditions, into the hands of a comparatively small class; that this element of wealth is due not so much to the exertions of any assignable individual as to the general growth and energy of the com-

munity; and that it is very desirable that the community should lay it under contribution for common needs.

Henry George himself could have asked nothing better of the English liberal party than that.

It is a little shocking, while English liberalism is moving so evidently toward the goal of Henry George's thought, to find a distinguished English liberal like James Bryce going out of his way to reflect upon the beneficent measure to which his party is giving in its adhesion. In the Century Magazine for March, Mr. Bryce, writing upon British experience in the government of colonies, implies that Henry George's single tax principle has been largely tried in the far east, and found wanting. He says:

Oriental empires have usually been "run" on the single tax principle, and have not found it so simple or easy to work as it looks in theory.

It is not to be presumed for a moment that Mr. Bryce would misrepresent. It is almost as difficult to suppose him ignorant of the facts about which he writes. Nor are we inclined to charge him with indifference to the right and wrong of important matters. Yet it is certain that Mr. Bryce's assertion that "oriental empires have usually been 'run' on the single tax principle," is a mis-statement. In all the oriental systems of taxation, nowhere does the single tax principle appear. There are taxes upon land, to be sure; but when examined these taxes prove to be either taxes in proportion to area, or taxes in proportion to production. The single tax principle is more distinctly in operation in the United States than anywhere in the orient. For in the United States, land is taxed in proportion to its value—at least that is what the law requires,—and nothing remains to perfect the single tax here, but to abolish all other taxes.

As a mere matter of fiscal reform, the abolition of taxes upon industry, enterprise and thrift, should be welcomed by all but monopolists. But the single tax would in its effects be more than a fiscal reform. It would open up unused land on all sides to the demands of labor and business.