

## Compensation for Landlords

(Written for Henry George Edition of The Independent.)

In the Cooper Union debate, between Louis F. Post of Chicago and Prof. John B. Clark of Columbia college, the latter laid stress upon the fact, in adopting the single tax, many people who have invested their money in lands would suffer loss and therefore the single tax would be unjust. This objection to the movement has often been urged and to the average citizen is probably the most powerful of all the arguments against the single tax. It is admitted by single taxers that the adoption of this system would destroy the selling value of land aside from improvements thereon, and to the popular mind, it seems unfair to legislate the value out of any man's holding. Many people who believe the single tax would be a good thing if it had been adopted in the first settlement of the country, cannot see how it could now be put in force without working hardship to a large per cent of the people unless the land owner be compensated for his loss.

But those who study the single tax without prejudice and who are willing to follow truth wherever it may lead them, will find this objection more apparent than real. Professor Clark illustrates by citing the man who owns a lot worth five thousand dollars on which he has built a house worth five thousand dollars. To exempt the house and lay all taxes upon the lot would destroy the five thousand dollars value of the lot, and whereas the man is now worth ten thousand dollars, under the single tax he would be worth only five thousand dollars. To many people this looks like confiscation, but is there any real loss to the owner? If the value of the house and the lot are now equal, it will make his taxes no higher by laying them all on the lot. The house will be just as useful for a dwelling as before. He could sell the property, it is true, for only half what it would bring now, but that could make no difference, since all other lands and lots, under the single tax, would have no selling value and should he want to build another house in some other locality or erect a business block or a factory of some kind, he would not have to pay out a large sum for a site. The same principle holds good when applied to improved land in any form where the land is being put to its highest use. While the property owner as cited in this illustration would nominally own less wealth under the single tax than under existing conditions, he would in reality own just as much real wealth, and if the single tax would benefit the community, as all single taxers claim, then he would share in the benefits. It is often pointed out that while the single tax might be all right in cities and towns, it would be unjust to the farmer since it is claimed that the value of farming lands is greater than that of the improvements and personal property of the farmer. This may be true in many farming districts, or for that matter in all, but here again the difficulty is only apparent. As to local taxes for school and township purposes in a farming community the farmers must pay them any way and they certainly can lose nothing by exempting their improvements and stock. But where is the farming district that does not contain many farms and tracts of unimproved land owned by non-residents? To exempt the resident farmer's improvements, stock and machinery, and increasing the tax on the land held by the non-resident could certainly be no loss to the farmer. But if the land values in farming districts are greater than the value of improvements and personal property, it is so only because under the present unjust system the average farmer has not been able to equip and improve his farm as it should be. With timber, coal, and iron lands monopolized and tariff-protected trusts controlling all products used by the farmer in improving and operating his farm, and the highways by which he must reach the markets of the world controlled by private corporations, it is little wonder that his stock, machinery and improvements are of less value than the land. The single tax carried to its full extent would destroy the power of the trust to rob the people and make the railroads public highways.

What should it matter to the working farmer if under the single tax his unimproved land values were swept away, if it, at the same time, rendered the trust and railroad monopoly powerless to rob him of half his yearly earnings and opened up boundless opportunities in the future for his children? The farmer's real wealth cannot be measured by the number of

dollars his farm would sell for, but by the number and extent of the opportunities he may make use of to give his family a comfortable home, to educate his children and to give them a start in life. What better could the farmer do for the future of his children than to make the land forever free?

But why should the single tax be singled out from all other proposed industrial reforms and be condemned on this ground? Is there now or has there ever been a social or economic measure advocated or adopted that is not open to the same objection? Many people honestly believe a protective tariff is a benefit to the farmer and wage laborer, yet its adoption destroyed immense values based on the shipping industry and foreign trade. Many people also think that free trade or at least a large reduction of existing tariffs would better the condition of the masses, yet this would evidently result in heavy loss to a large class of investors. Several states have adopted laws against the manufacture and sale of intoxicating liquors which entailed great loss upon the liquor dealers and manufacturers. The repeal of the national banking act would cause a slump in the price of government bonds, and the remonetization of silver would reduce the value of credits. Even the destruction or regulation of trusts and combines would cause a tumble in industrial stocks, and the widows and orphans whose savings are invested in these securities would be impoverished. Have the advocates of any of these movements ever considered the question of loss or compensation to the classes affected. It is true that the government reimbursed Queen Liliuokalani for the loss of her throne, and the sultan of Sulu and his datus have been given a monthly allowance for permitting their subjects to revel in the benefits of a higher civilization, but there never has been or never can be a social movement for the betterment of mankind without some individual loss or temporary hardship. Of all the proposed reforms the single tax would be attended with the least inconvenience and result in the greatest benefits.

Allusion has been made to the anti-slavery movement in its early days, when the opponents of slavery always advocated compensation to the slaveholders. It may be that at that time the advocates of freedom thought it the right thing to pay the slaveholder for his lawful property or they may have made this concession in order to escape persecution, but it is a notorious fact that when the anti-slavery movement gained sufficient power to accomplish results the public conscience was not so considerate of the slave-owners' rights. Apologists may say that the abolition of slavery was effected as a military necessity and perhaps this is to some extent true, but the emancipation proclamation did not aid the federal cause so much by weakening the south as it did by strengthening the north. There was a widespread fear among the old anti-slavery leaders that the war might end without the slaves being freed and some definite action on the part of the government had to be taken in order to hold the abolitionists in line with the government. It was not, however, a military necessity that led congress to adopt the thirteenth and fourteenth amendments which set free the slaves, not only of the states which had seceded, but of the loyal states as well; not only the slaves of men who had given their aid and support to the rebellion, but of those also who had held true to the stars and stripes and at the same time inserted a clause forbidding congress ever to allow a claim for the loss of slaves.

The single tax, like all other proposed measures for the good of man, should be tried on its merits and if it would result in benefit to the masses after once it became established any temporary hardship that might result on its adoption should not be considered.

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What's in a name? Is there any significance in the fact that A. FREELAND and Louis FREELAND Post are foremost among single taxers, or is it a mere coincidence that they are battling for Free Land, Free Trade, and Free Men?—De France.

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## Land Values Without Labor

(Written for Henry George Edition of The Independent.)

In the year 1626 the West India company acquired from the Indians, through Peter Minuit, the right of possession of Manhattan Island, which contained about twenty-four thousand acres of land, for the sum of twenty-four dollars, about one-tenth of a cent per acre. The company did not sell the land thus acquired, but permitted any one to select such as he wanted to use. The original members of this community were mostly traders, requiring for residence or store but small lots of land, which they selected without regard to uniformity other than that suggested by the formation of the land itself. It was not till 1656 that there were any streets or other public improvements; yet as early as 1643 a lot thirty by one hundred and ten feet on what now is Bridge street was sold by Adam Jacobson Van Steenwyck to Anthony Jansen Van Fees for twenty-four guilders, equal to nine dollars and a half.

In 1656 a survey of the city of New Amsterdam was made, and the city laid down on a map which was confirmed by law "to remain from this time forward without alteration." After this time grants of land were made only to actual settlers on condition that they should be improved at once; and several persons who were disposed to keep the lots which had been previously granted them in their original condition for speculative purposes, were ordered either to build on them or sell, and if they refused to do so, their lots were taxed.

Larger tracts of land in the outskirts of the town and beyond were granted to settlers for farming purposes, while other tracts were retained by the company for its own use as farms, one of which, bounded by what is now Fulton and Chambers streets, and Broadway and the North river, has since become the property of Trinity church corporation.

At a very early date a piece of land was set aside as a burial ground for the English, situated north of Bowling Green and west of Broadway, which in 1656 had become so full of dead men's bones as to make it desirable to close it up and select a site for a new one; but it was not till ten years later that this was done, when the old graveyard was divided into four lots, each twenty-five by one hundred feet, and sold at auction, fetching a price, although no labor had been exerted upon them. The new site chosen for the English church was nearly opposite the head of Wall street, running from Broadway to Hudson river, a part of which was set aside for a graveyard. It is on this land that the present Trinity church and graveyard are located, which together with other large tracts of land that have from time to time come into possession of the English church, or practically the same organized body, that now forms the basis of the great wealth and power of the Trinity church corporation. The land between the old and new graveyards was at that time occupied by the gardens and dwellings of Mr. Vandegrist and Mr. Van Dyck, which as well as the old graveyard site, have since undoubtedly changed hands many times. But all the land described, whether it has changed hands or not, whether it has had labor expended on it or has remained a graveyard, has acquired an enormous value. The first Trinity church was built in 1696 and destroyed by fire during the revolutionary war, but the value of the land was not destroyed with it. Could this undestroyed value owe its existence to the destruction of the labor value of the church? If the present Trinity church and all the receptacles of the dead attached to it, and the accumulated remains of the dead that have been buried in them during the past two hundred years were to be removed from the land, the value of the land would not move with them, but would be enhanced; and if this land were to be sold at auction today, it would realize many millions of dollars; and it will hardly be claimed that these millions represent the result of the labor that has been expended upon it.

There are at the present time parts of the island from which all evidence of individual labor has disappeared, and upon which little, if any, communal labor has been exerted, that when sold command enormous prices. One illustration will suffice. In 1884 Vice President Morton bought a piece of land in the upper part of Manhattan, containing four hundred city lots, for which he paid \$400,000. In 1890 he sold these lots for \$1,000,000 and during the time they were in his possession no labor, either individual or communal, was exerted upon them.

The only labor Mr. Morton performed in connection with them has been the payment of the taxes, which cannot have exceeded \$30,000. It will hardly be claimed that the payment of such taxes has caused the land to more than double in value in six years. Three weeks or so later the syndicate that had bought these lots from Mr. Morton again sold them for \$1,500,000 at no cost to it over and above what it had paid to Mr. Morton except the expenses of the sale.

What has brought this immense value into existence? It has been shown that shortly after the West India company located on the southern extremity of Manhattan island, and before any public improvements had been made, a certain lot of land upon which no labor had been exerted, had acquired a value and was sold for a price. In common parlance we say the land was sold, but this is only apparently true, for man cannot produce land, therefore he cannot rightfully sell it, and as no labor had been exerted on this land it could not have been the result of labor that was sold. What was sold? The privilege of using the land. What gave value to this privilege? The presence of population and the existence of communal life. What caused the existence of the community? Manhattan Island being favorably located for trade and commerce, it was a natural opportunity which men could use to great advantage. Did man create Manhattan Island? No. How then could he rightfully sell it? Men produce wealth which is their property, communities create land values which is their property; respect on the part of each for the other's rights will secure the rights of both in the land.

I think it will be conceded that the value of the lot which was sold in 1642 was the value of the privilege of using it, the value of the good will given to it by the community, so to speak; and if it was true of this lot, it must have been of the old graveyard, and of the present graveyard attached to Trinity church, and it must also be true of all land that has any value; for no matter how costly the improvements may be that are attached to land, the value of such improvements is always additional to the value of the privilege of using it. The selling price of bare land alone, without improvements, represents the capitalization of the untaxed value of the privilege of using it, which were it wholly taxed would totally destroy the selling price of land.

The single tax is the means by which the rights of the land of both the community and the individuals who compose it can be equitably adjusted, as it will discriminate between what is rightfully the property of the landholder and the property of the community. The individual will then retain as secure possession of the land he uses as he does at present; nay, more so, because he will hold it honestly, and also of his property, because the community will then support itself out of its ground rents and not out of the property of its members, as it now does.

JOHN FILMER.  
Brooklyn, N. Y.

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Pat. May 5, 1903

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