

... so you don't like taxes ...

YOU don't like income taxes. You don't like sales taxes. Luxury taxes and entertainment taxes are just added cost. School taxes, city taxes, county taxes, state taxes, taxes of all kinds are too high. Nobody likes taxes; everybody complains about taxes. But taxes keep on going up and nobody seems to have any solution to the problem.

How would you like a tax to end all taxes? If you don't like to have your income taxed, perhaps you would like a tax on unearned income only. If there was enough revenue from this source, perhaps we could do away with the taxes on purchases too. As it now stands, taxes are taken from what you earn and added to what you buy. Your share of your own earnings gets smaller and smaller as government spending increases. At the same time, there is a huge source of tremendous profits which represents income that is not earned. It seems only logical that if somebody is escaping taxation, somebody else must be paying it for him. Do you suppose you are paying taxes that should be paid by somebody else?

Unearned income represents an almost limitless fund from which to secure the taxes needed to finance government activities. This vast pool of profit grows larger and larger as population increases and creates an ever-growing demand for the space occupied by our cities. Land space is

limited. Nothing man can do, with all his tremendous powers of creative genius and organization, can increase by one square acre the land at our disposal. Since the supply is fixed and the demand is increasing, the price can only go up. Those now in possession of the land at the places where the pressure is greatest can expect fantastic profits from just holding it. And they do hold it. Speculation in land represents the huge reservoir of unearned income that is not paying taxes. Assessments lag far behind selling prices and every successive holder takes a profit. Even the income tax gives him a reduction in the tax he pays on this unearned income. Capital gains are taxed at only 50 per cent rates.

The peculiar thing about the rare privilege enjoyed by land speculators is that they pay less in taxes if they do not improve the property. The incentive is to hold onto the land for speculation. Improvements bring increased taxes. Deteriorated property may even get a reduced assessment. Thus the blight sets in in our cities and soon the government must tax everybody else to finance urban renewal, throwing low-rent tenants out, paying off the speculative land holders, and providing new and more expensive apartments to be rented at higher rates. Then the process begins all over again.

Surely an enlightened nation such as the United States can show the intelligence necessary to stop this blight. Taxing the unearned income will relieve the taxes on earnings that have been acquired through the efforts of the earners. Tax the unearned income

by **RUSSEL CONKLIN**

OCTOBER, 1961

and also relieve the penalty paid by those who improve their property. A tax on unearned income is the only just tax. Taxing unearned income takes the government's needs from those who did nothing to get the profit and who deserve to keep none of it. Let those who earn keep what they earn. Let those who get unearned income pay the costs of government.

If you don't like taxes on what you earn, you should welcome a tax on unearned income. If you are interested in how to put the tax burden on unearned income where it belongs, here is how it can be done. Assess

all land at its true rental value. All site-value or ground rent represents the premium paid for preferred location. Tax the land the full value of this rent. Take all taxes off improvements on the land. Untax all personal property. Repeal all sales taxes. Abolish the hated income tax.

When all the tax burden is borne by the unearned income in land, a just taxation system will give you the answer to all your complaints about taxes. Tax unearned income to end unjust taxes. All other taxes are penalties paid by the thrifty and the industrious. Here, then, is a tax to end taxes.



Russel Conklin, a Certified Public Accountant, announces that he has joined two of his sons in the legal profession, and his new address is 429 Ford Building, Great Falls, Montana.

But this is only part of the story. He invited the public to a showing of the film "Land and Space to Grow," on September 25th, and offered everyone a free ten-lesson course in economics, making a \$5 charge for books and supplies.

He is now definitely starting on his state-wide campaign to create interest in the single-tax idea. As former mayor of Great Falls and member of the state legislature, he has already become identified with answers to the tax dilemma, and he is in constant demand as a speaker on this subject. Jack Motley of California will join him soon to give him the benefit of his experience with incentive taxation on the West Coast.

The Great Falls Tribune of August 20th reported that Judy Gilson's Junior term paper on "Henry George and the Single Tax Idea" had influenced the co-author of a school textbook on *Our American Economy*, still in process of being written, to change sections of his work on Henry George. As stated in HGN where excerpts of her paper were quoted, her first knowledge of Henry George came from hearing Russel Conklin's address in the Montana legislature.

Educational classes in Pittsburgh are being planned for the fall by a group of business and professional men under the direction of Robert C. Bowers, an architect, and director of the Henry George extension. A recent article in the Pittsburgh Post-Gazette highlighted the "big news" of the awakened interest of conservative journalists and real estate experts who had long been known as foes of high taxes on real estate.

Older Pittsburghers sometimes think of this movement as a remnant from the past—younger ones never heard of it. But a committee from several states, noting the election of legislators advocating land-value taxation in California, Montana and Michigan, and their frustration by state constitutions, has encouraged some of its experts to make their homes in Pennsylvania as consultants in cities which can now remove part or all of the taxes on improvements.