

English Land Co. (in Arkansas and Florida).....	100,000
T. F. French and W. C. Kelley (in Florida).....	70,000
German Syndicate.....	2,000,000
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Total.....	26,710,390

Here are 54 foreign corporations and individuals owning enough land in this country to make 166,940 farms of 160 acres each, or an amount greater by 5,385 square miles than is comprised in the State of Indiana; or 2,455 square miles more than there is in the States of New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey and Delaware, with their estimated population of 8,359,000.

It may safely be assumed that if a complete list of alien landowners could be obtained, it would largely increase the number given above, and swell the aggregate of the holdings by many millions of acres.

It should be remembered that in no case do the holdings shown above include the thousands of farms taken in by foreign loan companies on foreclosure proceedings in the United States Courts, which would probably aggregate as many acres as the above large holdings. It was stated a few years ago by a reliable newspaper in Kansas that 2,700 farms in Northern Kansas had passed into the hands of foreign loan companies during a period of 18 months, under foreclosure of mortgage.

Nor have I taken into consideration the enormous land values in mines, railroad stocks, and the stocks and bonds of a vast number of private and public service corporations in the United States, to pay dividends and interest on which requires millions upon millions of dollars every year, which are sent abroad in the products of our farms, mines and factories, to the impoverishment of our own people.

WHAT IS THE SINGLE TAX?

Told in Questions and Answers by Chas. B. Fillebrown, of Boston.

In lieu of an installment of our regular series under this caption, we present the following catechism by C. B. Fillebrown, author of the A. B. C. of Taxation, advertised in our back pages. This work has received many encomiums. *The Christian Science Monitor*, of Boston, says of it: "Expenditure on naval and military armaments has grown to a point where sane judgment ceases. The nations are drifting into a condition of irresponsible panic. Why? Because the man in the street knows nothing of the working of taxation. * * * Whatever, then, furthers this understanding furthers peace on earth, and the present volume on taxation is a worker in this, the greatest mission of our day." In a joint review of the work by Eliza Stowe Twitchell and W. G. Eggleston in the *San Francisco Star* they say:

"This book has received the endorsement of many prominent scholars and noted professors of Political Economy. It is unique in its treatment of a subject so long regarded as of little interest to the great mass of people who pay no tax bills."

The Catholic Review urges every priest to read it, that he may be better equipped for an intelligent participation in the vital issues of public life and the things that concern the economic welfare of our people."

The Dry Goods Economist urges business men to study it, and surely it should find a place in the home of every one interested in a public way, in the shaping of modern political problems, from the broadest statesman to the ward politician; from the earnest, thoughtful clergyman to the head officers of every labor union.

Perhaps the commendation that pleased Mr. Fillebrown most was one from William Lloyd Garrison in which he said: "The case is put with clearness and force, and must appeal to thoughtful readers. I find myself in accord with practically all your points." Others to comment favorably upon the work are George Fowlds, of New Zealand and Hon. Lawson Purdy. We give these comments because the accompanying catechism is a condensation of the main points contended for in detail in the A. B. C. of Taxation—Editor *Single Tax Review*.

Q. What is meant by Single Tax?

A. It is a proposition to impose all taxes, not regulative or restrictive, upon the value of land, irrespective of improvements.

Q. What is the moral basis of the Single Tax?

A. The equal right of all men to the use of land, and its corollary, the joint or common right of all men to the rent of land.

Q. What is meant by such an equal right?

A. That all men have a right to the use of land on equal terms, viz.: upon the payment of ground rent, what land is worth for use, whether much, little or nothing.

Q. What is meant by a joint or common right?

A. The right of common enjoyment, such as heirs have in law to share in income or rent of an estate.

Q. Does it mean that another man has just as good a right to my land as I have?

A. No, it means that the equal right to land would be satisfied by the joint enjoyment of rent.

Q. Then the Single Tax does not mean the nationalization of land?

A. No, it means the socialization of rent.

Q. How can this distinction be kept clear?

A. By being careful always to say, "All men have equal right to the use of land" and "All men have a joint or common right to the rent of land."

Q. Then it does not mean the abolition of private property in land?

A. No, it simply proposes to turn a larger share than now of ground rent into the public treasury.

Q. What should be the limit of revenue under the Single Tax?

A. The cost of government, economically administered.

Q. What is meant by land value?

A. Land value, in its usual sense, means the selling or market value of land—its net value to the purchaser—the value supposed to be adopted by the assessors as the basis of taxation.

Q. Does this mean the site value or the natural fertility value of land, or both?

A. Chiefly the site value.

Q. What is site value?

A. Site value of land is the value of the legal "rights and privileges there-to pertaining," as specified in every deed of land conveyance, the value of the advantages of society and government; the value due to access to markets and communication with the world—an artificial, socially created value, due to and inseparable from the presence and activity of population.

Q. Why should buildings and all other improvements and personal property and capital be exempt from taxes?

A. Because, in taxing them, the community, instead of appropriating a fund of its own creation, already at hand and doubly sufficient for its own needs, is taking from the individual what belongs to him by the best of all titles, namely, the right of production, or creation.

Q. Why should stocks and bonds be exempt?

A. Because they are only paper certificates of property which itself has already been once taxed.

Q. What is meant by rent?

A. Rent, economic rent, and ground rent are (strictly speaking), synonymous terms. Ground rent is what land is worth annually for use—what land does or would command for use per annum if offered in open market.

Q. What is meant by privilege?

A. It is the opportunity of one man to profit at the expense of another.

Q. Why should privilege be especially taxed?

A. Because a tax upon privilege can never be a burden upon industry or commerce, nor can it ever operate to reduce the wages of labor or increase prices to the consumer.

Q. How are landlords privileged?

A. Because their land tax is an old and hence burdenless tax, and because their buildings' tax is shifted upon their tenants; most landlords who own and let both land and tenement houses and business blocks thereon avoid all share in the tax burden.

Q. How does privilege affect the distribution of wealth?

A. Wealth as produced is now distributed substantially in but two channels, privilege and wages. The abolition of privilege by taxation would leave but one proper channel, viz.: wages of capital, hand and brain.

Q. How would Single Tax increase wages?

A. By transferring to wages that portion of the current wealth that now flows to privilege.

Q. How much ultimately may wages be thus increased?

A. Fifty per cent. would be a low estimate.

Q. Why should land be singled out to bear the bulk of the burden of taxation?

A. Because in the private appropriation of ground rent, the annual value of land, is found the bulk of privilege.

Q. In what other respects is land a better subject for taxation than everything else?

A. Land has three generic peculiarities by which it differs radically from everything else.

Q. What is its first generic peculiarity?

A. It is that the value of land is a public or social value, created by the community.

Q. What is its second generic peculiarity?

A. It is that no tax, new or old, on land values can be recovered from the tenant or user, by raising his rent.

Q. What is its third generic peculiarity?

A. It is that the selling value of land, reduced as it is by the capitalized tax that is imposed upon it, is an untaxed value. Whatever lowers the income from land lowers proportionately its selling price, so that whether the established tax upon it has been light or heavy, it is no burden upon the new purchaser, who buys it at its net value and thus escapes his share of the public burden.

Q. Is not land peculiar also in that it is a gift of the Creator, and not a product of labor?

Q. Yes, that is true of land itself, but not of rent.

Q. What is meant by a capitalized tax?

A. It is a sum the interest of which would pay the tax.

Q. Why would the Single Tax be an improvement upon the present systems of taxation?

A. Because the taking for public uses of that value which justly belongs to the public would relieve all workers and capitalists of those taxes by which they are now unjustly burdened, and would make unprofitable the holding of land idle.

Q. Should not all people pay taxes for the protection of their property?

A. Yes, and that is what they are doing when they pay their ground rent. To tax them again, as is now done, is double taxation.

Q. Do all people then pay rent?

A. Yes, they pay rent, in proportion as they are users of land.

Q. Would it not be confiscation so to increase the tax on land?

A. What would be "confiscated"? No land would be taken, no right of occupancy, or improvement, or sale, or devise would be taken from the owner;

nothing except his present legal right to collect natural taxes from other people and the privilege to be himself exempt.

Q. But would it not be an injustice to the land owner?

A. If it be an injustice to tax hard-earned incomes (wages) to maintain an unearned income (rent) that bears no tax burden, how can it be an injustice to stop doing so?

Q. But would it not be a hardship to the land owner?

A. No, because the question is not one of an increased tax burden, but of a readjustment of the present burden. In the aggregate the increase upon the land will be compensated for by the decrease on other property.

The value of land is the product of the labor (outlay) of society, which is thus as much entitled to the income as is the individual entitled to the product of his individual labor. This right may readily be asserted even without the semblance of violence to vested rights by making the transfer gradual, covering a long period of years, thirty or more if need be, to eliminate any semblance of injustice, or to reduce it to a minimum, even in exceptional cases.

Q. Should an increase in the value of land be allowed as a compensating offset to an increase in the land tax?

A. The owners of the 91 Boston estates bordered by Tremont street, Cornhill, Exchange, Congress, Water and School streets, have received an increase of twenty-three million over their value of four million forty-seven years ago. This public gratuity of a seven-fold increase in their holdings is a form and degree of compensation which finds no parallel in case of the owners of any other kind of property.

Q. How could the land owner escape the alleged burden of an increase in his land tax?

A. Simply by putting his land to suitable use, which is the only thing land is made for.

Q. Does not a land tax increase the price of goods or house rent?

A. No, ground rent is, as a rule, all that the landlord can extort. To take half or all of ground rent in taxation could not make the land worth any more for use.

Q. In old cities is not nearly all the land in use?

A. About one-half the land of New York and Chicago is classed by the assessors as vacant. In Boston the proportion is: occupied, 42 per cent; vacant, 46 per cent; marsh, 12 per cent.

Q. How would the Single Tax affect the farmer?

A. It would greatly reduce his taxes. His buildings, stock and crops would be exempt. His land is at present assessed at nearly twice its proper unimproved value, while town and city land is often valued at less than one-half its actual value, thus subjecting him to a more than four-fold disadvantage.

Q. What relief could it bring to strictly agricultural towns, where the unimproved land values are very small?

A. However poor the town or heavy the taxes it would at least tend to

equalize their present tax burden. The assessed valuation of land in the three smallest towns of Massachusetts, which has increased 24 per cent in 22 years, is \$355,345, or three and a half times that of the buildings. An apportionment according to land values increasing ever so slowly would be fairer than one according to improvements, which require constant renewal.

Q. How would the Single Tax affect the tenant?

A. It would not increase or decrease his "land" rent. It would reduce his "house" rent by the amount of the "house" tax.

Q. How would it affect the modest householder, i. e., the man who owns the house he lives in?

A. In nearly every case it would reduce his taxes. Roughly speaking, his taxes will be less or greater in proportion as his house is worth more or less than his land. He has usually not less than \$2,000 worth of house on \$1,000 of land, while the average downtown landlord has no more than \$200 worth of store on \$1,000 worth of land, so that the two are now taxed in the proportion of \$3,000 to \$1,200. Under the Single Tax they would, on each \$1,000 worth of land, be taxed equally.

Q. Would the Single Tax yield sufficient revenue for all government, local, state and national?

A. Careful estimates indicate that all present taxes amount to not much more than one-half the gross ground rent of land.

Q. How could the Single Tax be put into operation?

A. By transferring to land, at once or gradually, all taxes not already on it.

Q. How might such a plan be worked out?

A. If fifty cents per thousand should be deducted yearly for thirty years from the rate on buildings and other property, the reduction would finally amount to \$15 per thousand, and they would then be practically exempt from all taxation.

Q. But how could it be worked out in case of the land?

A. To be exact:—An average of about twenty per cent of the gross ground rent is now taken in taxation, as for instance in Boston. If an additional one per cent. should be taken each year for thirty years, it would amount at the end of that period to thirty per cent. which, added to twenty per cent., would make fifty per cent. or one-half, which is about the average proportion that present taxes bear to ground rent. Meantime few land owners would suspect the change; much less be prejudiced by it.

"Fundamental Taxation Principles by a Man Who Knows Them," is the title of a recent editorial in the *New York Press*. The man referred to is Lawson Purdy, president of the New York City Board of Taxes and Assessment.