

This is the great secret of prosperity and of the square deal for everybody in the production and distribution of the wealth that is daily being produced; no one can imagine the far reaching prosperity that will result from the right tax system. "Great Oaks from little acorns grow" and mighty forces may be set in motion by one push of an electric button; and the whole economic system governing employment and the distribution of the wealth that is daily being produced may be revolutionized by such an apparently little insignificant thing as a change from the wrong system to the right system of taxation.

## Henry George School of Social Science

JOSEPH DANA MILLER

AT THE HENRY GEORGE CONGRESS

WHILE this Henry George Congress is meeting here in Chicago an event is taking place in New York that more than any other thing that is going on in our movement deserves our attention and that more than any other thing should receive our whole-hearted support.

At this very time that we are meeting here, classes in fundamental economics and social science—classes in the Philosophy of Henry George—are being attended by hundreds of teachers, college students and others who, before they are through with these courses will be earnest, intelligent and effective followers of Henry George. Nor will it be long before ministers of all denominations will be attending these courses. But for the sudden passing on of one important man in the theological world this too would now have been a consummation.

Never in the Henry George movement has such a thing been done. Never in the history of the movement has anything of a permanent nature been attempted that contained the promising possibilities of the Henry George School of Social Science.

To those who know the man, Oscar Geiger, and the spirit behind this school, to those who have witnessed this work and heard the testimony of his students, there are no heights that the school may not reach.

Already the cultural center of the movement, the school is destined to become the source of undreamed numbers of new converts (followers and leaders) from the highest calibre of our citizenry—the teachers and spiritual leaders of the people.

Thus, the dream of one man has become the hope of a movement!

I say the dream of one man, but it was more than a dream. Though a dream at first (and he dreamt that dream many years) it became a conviction, and a faith that had never wavered finally transformed the dream into a reality, the conviction into deeds.

In the midst of depression, of economic insecurity, of unemployment, hard times and consequent deepening poverty this man still saw the light of promise in Truth, in Justice and in the Eternal Rightness of Law and Order. To him the stars in their courses still fight against Sisera.

When he disclosed his purpose to me to start a school and to devote to it his entire time and his remaining allotment of life, I told him he was crazy; that conditions in these hard times were all against him and against the success of such a venture; that nobody had any money, and that those who had it once had now lost it.

Our words had no effect. The more we argued, the more sure he seemed to be of the rightness of his purpose and of the certainty of its success, because, he argued, this is exactly the time when the school is needed most. "Where and from whom, do you expect to get the money for such an ambitious scheme?" I asked him. "I don't know," he replied, "but I do know that there is intent and purpose in Nature, that what we mean to do is in harmony and accord with such intent and purpose, and that as long as we do our part unselfishly, intelligently and persistently, the forces behind creation will do theirs. I know that doors will open; that the way will be shown and that help will come, even if I don't know from where."

Against such faith, I felt there was no arguing and so I offered to do my part. His wife has more than nobly (almost superhumanly) done hers. For besides her housework she does all the secretarial work of the school.

I confess I did not know at the time he spoke what he meant by doors opening and the way being shown, but I confess equally that I do know now and that I have seen the doors open and the way being shown.

He paid the money needed for a meeting place, for printing and mailing notices, for advertisements in college papers and for the first general announcements, out of an all too meagre residue of a life's savings; out of which all has come his own and his wife's upkeep during these two years of work and heroic striving.

Today the Henry George School of Social Science is a state-chartered institution; has its own headquarters; its own classrooms; its own library and reading room; space for office work; large handsome signs on building and doors, and all this in one of the best and most accessible locations in the City of New York.

True this was all made possible by one man "sent from Heaven"—*one of the doors that opened*. He insists on remaining unknown (he is a new convert) but he cannot escape the ineffable happiness of knowing that he helped to show the way.

Seeing all this; indeed being a party to it from the beginning, I have become convinced there is no greater power than faith combined with knowledge of Creative Law and an indefatigable will and persistence to be in harmony with that Law and to do its bidding. This is

the faith; this is the knowledge and this the will and persistence (I once called it audacity) of Oscar Geiger, the founder and director of the Henry George School of Social Science.

It is my firm conviction that we can do no better for our cause than to get behind him in his work and in such manner, and to the utmost extent that we are able, help to lighten his task and insure the success of this greatest of undertakings.

## Science and Taxation

**T**HE method of raising public revenue vitally affects the welfare of every man, woman and child. There is probably nothing that more profoundly affects the well being of humanity since mankind began to live together in settled communities. After centuries of civilization much confusion still exists regarding the best methods of raising public funds for the support of governments.

Let us investigate whether science can aid us in finding a solution of this perplexing problem. Science may be described as the discovery of those invariable sequences, or relations we call natural laws. There is a close relation between business depressions and wrong methods of taxation. The charts or diagrams drawn by statisticians showing the recurring cycles of business depressions, may well be compared to the elaborate systems of cycles and epicycles put out by the learned to explain the phenomena of the heavens, before the acceptance of the Copernican theory, which changed the pseudo science of Astrology to the true science of Astronomy. Are there any natural laws, the discovery of which will change the pseudo science of taxation, to an exact science for raising public revenue? As men gather together in settled communities on the earth, two values appear, one attaching itself to the things men produce, the other to the land upon which they live and work. Production value is governed by the natural laws of supply and demand, which is, that as the supply of goods increases, and the relative demand decreases, prices fall; and as the supply of goods decreases and the relative demand increases prices rise. The value which attaches itself to the land is not in the control of the individual. It is a value that arises out of the fact of his mere being and producing in company with other individuals, and embodies both the expression of man's need for land, and the service that society renders to the individual. This value rises and falls only with the movement and productivity of the population. It is high in thickly settled and industrious communities and low where population is sparse and production poor. The value is governed by the law of rent. By rent, is meant what is paid for the use of land only. The sum paid for the use of a building is interest on capital. "Rent of land is determined by the excess of its produce over that which the same application (of labor) can secure from the least productive land in use." This law, of course, also applies to all natural agencies, such as mines, fisheries, etc. and to sites for stores, factories, etc. Are not these laws therefore, natural laws (the law of supply and demand, and the law of rent?) If they are not, then, there can be no natural laws. If they are natural laws they cannot be disregarded without society meeting the consequences. Business depressions and consequent unemployment, are caused by the people's failure to observe and be guided by these natural laws. The violation of natural laws in the social world, does not remain unpunished even though there may be no constables to enforce them or judges to declare them. In order to trace the relations between business depressions and wrong methods of taxation, let us consider the cause of hard times.

Some writers attribute it to overproduction, that, due to labor saving machinery, and improved methods of production, more goods are produced than formerly, and with fewer workers, and consequently there is a large surplus of labor. Other thinkers claim that over-

production is more apparent than real, and the true cause is underconsumption, and that there can be no overproduction until the wants of all the people are satisfied.

The writer agrees with the latter point of view. The problem, then, is to have the consumption of goods balance their production, or, in other words, to increase the purchasing power of the consumers of goods, which, of course, include the great mass of the people. It is not labor-saving machinery that throws men out of employment, for, except in hard times, and where land is kept out of use through speculation, those displaced by machinery could find other work to do. The tendency of machines is to increase the purchasing power of the people, by lowering the cost of production, to stimulate inventive ability, putting more and more wealth within easier reach of the masses of the people. The theory of taxation most in vogue, is that "taxes should be levied in accordance with the ability to pay." This theory is, in reality, communistic. This theory sounds plausible until it is carefully examined. Few would think of applying this method to any other kind of service. Merchants goods usually have the same price to both rich and poor. Taxes should be levied in accordance with the value of the government service rendered. What then is the measure of this service? The greatest governmental service is in the locations where the population is densest, also that is where the greatest land values are. The best methods, then, of, raising public revenue, which is also in accordance with the natural law, is to tax the rental or site value of land into the public treasury, and to exempt improvements or labor products from taxation, or, at least, the full annual rental value of the bare land should be levied on by the government before other taxes are considered. Let us consider the effect of taxes upon labor products and land separately.

Taxes upon labor products increase their prices, as such taxes can be passed on to the consumers. Taxing houses increase home rents. Taxing mortgages increases the interest the borrower has to pay, and is double taxation. The same is true in taxing bond issues. Taxing stock issues is similar to taxing the deed to a house, as stocks are evidences of the ownership of property, and if the property, is taxed in the first place, that is all the taxes it should pay. On the contrary, taxes upon the bare land value, benefit both the tenant and the landlord where the value of the building and improvements is greater than the land value. By exempting improvements the owner would pay less taxes, and this saving would be passed on to the tenants through the operation of the natural law of supply and demand. On property where the land value is greater than the combined improvements and personality value, the owner would pay more. But on the whole, from approximately sixty to seventy per cent of the owners would save money under the "Single Tax" on bare land, because their improvements are more valuable than their land.

A peculiar result of taxing ground rental value, is, that the capital value or selling price of land would be greatly reduced, thus making vacant land more available for use. It would also greatly relieve unemployment, as it would become unprofitable to hold land idle for speculation. Removing taxes from labor products would reduce their prices, and thus would increase the purchasing power of the people.

The consumption of goods would then tend to balance their production.

The answer to the taxation problem, then, is to collect the revenue provided for the government by the natural law, ground rent, and to remove the other burdensome taxes. The people are being taxed heavily by two groups. First by the land speculators through the private appropriation of most of the ground rents, which is included in the selling price of land, (which is land rent capitalized) and second by the government through taxes upon buildings, machinery and personal property.

The tendency of this policy is to cause periodic business depressions, by taxing business nearly to a standstill. Freedom, Equality and Security are man's estate in the intent and scheme of nature. Freedom of access to land will tend to bring about the reign of peace and