

to say that everyone expressed himself as having had an excellent and profitable time.

On Tuesday, June 28, a special meeting of the members of the Manhattan Single Tax Club was called at 8:30 p. m., for the purpose of electing a president. The meeting was preceded by a Get-Together Dinner at the Actors' Dinner Club in New York City. During the dinner the Actors' Dinner Club provided theatrical talent to entertain, and at 8:30 the business meeting was called to order, Mr. H. J. Maguire in the chair. Some forty guests attended, and Mr. Walter Fairchild was unanimously elected president of the club. Mr. Fairchild has been actively connected with the Manhattan Single Tax Club, having served in the capacity of general secretary for many years. The club is to be congratulated upon Mr. Fairchild's willingness to serve as president of this organization.

Mr. Fairchild, in his acceptance address, outlined the origin of the Manhattan Single Tax Club and its historic place in the Single Tax movement. He pledged himself to uphold the traditions of the Manhattan Club as an educational institution, quoting Henry George:

"Social reform is not to be secured by noise and shouting, by complaints and denunciations, by the formation of parties, or the making of revolutions; but by awakening of thought and the progress of ideas. Until there be correct thought there cannot be right action; and when there is correct thought, right action will follow."

Mr. Fairchild also outlined some major activities recommended for the Manhattan Single Tax Club:

1. The Henry George professorship, which will be officially launched within a short period.
2. A Single Tax board of lectureship, arranging field lectures and meetings, very much on the plan already in operation at the club.
3. A committee on publication, sending letters to the press and taking care of the printing and circularization of literature.
4. A national association of Single Tax clubs, for the purpose of coordinating all Single Tax activities, working from a central nucleus.

Further developments will be reported from time to time, stating plans and progress made toward this objective. Anyone wishing to receive these news letters may have them by sending his name and address to the Manhattan Single Tax Club.

B. C.

True Christianity

NATIONS are isolating themselves. St. Paul said 'No man liveth unto himself,' and that applied to nations, too. International barriers must be broken down to assure permanent peace and prosperity."—General Higgins, Salvation Army, interview at Sydney, Australia. General Booth, speaking at the Melbourne Exhibition building on the unemployment question, and referring to the relation between Land and Labor, said: "Those whom God hath joined together, let no man put asunder."

WHAT happens when an unanswerable argument meets an impenetrable skull? Just present the argument to an average legislator and note the result.

—*The Standard*, Sydney, Australia.

Taxation of Land Values

BY DAVID BELLIN, SANTA MONICA JUNIOR COLLEGE,
WINNING FIRST PRIZE IN THE ANNA GEORGE DE MILLE
ESSAY CONTEST.

TODAY we are in the midst of a depression from which the entire world is suffering. Millions of men are unemployed, their families reduced to poverty, their children going without proper food and clothing. And even in times when there is no depression there are still people who barely make a living; people who spend all of their lives in toil and receive nothing but a bare subsistence for their labors. While on the other hand there are some who live in luxury who do not create that which they receive. Why is it that many who toil receive but a bare living while many who do not toil enjoy a life of luxury and ease?

If we but stop to consider the marvels of our machine age we are perplexed in finding the reason for poverty. With all our great machines and our great advance in science we still have poverty. Production has greatly increased not only in the aggregate but per capita. But has this done away with poverty? On the contrary, it has increased it. Poverty is greatest where population is thickest and methods of production greatly advanced. How is it possible that in the midst of increasing wealth we have increasing poverty? Henry George contends that the reason for our unequal distribution of wealth and income is our bad land system, and advances a very strong argument to prove his case. It will be my purpose to explain his idea of handling the land situation to correct our social evils which arise from the one-sided distribution of wealth and income.

The reason why poverty has existed is because in spite of increase in productive power wages have tended to a minimum which give but a bare living. (Henry George, "Progress and Poverty," p.17). If we go back to a newly settled community where the best land can be had for the taking, land has no value. A man will receive all he produces, or the full return of his labor. If capital is applied the full return will go to capital and labor. But as the better land is taken up and only the poor land remains, the better land yields more than the poorer land and has a price. The holders of the better land can sell their lands because of the economic rent they yield. By merely holding the better land until all the land of that grade is appropriated a man may secure a monopolistic price for his share in production. As more and more land is needed and poorer and poorer land is used the rent will rise and consequently the price. That is, the farther down the margin of production is pushed the greater the rent of the better land becomes. The rent is determined by the excess of the production of any given land over that of the poorest land in use. Wages will always be determined by what laborer would receive on no-rent land or the poorest land in use. Interest on capital will be determined by the return to

capital on the poorest land in use. Then it is quite evident that the lower the margin of production is pushed the greater will be the economic rent. And wages and interest will decrease in proportion and may or may not decrease in the aggregate. Wages and interest can never sink below the point where the laborers can hardly live or where the interest will not pay for the risk of capital.

It is obvious that as population increases the greater will be the difference between the production on the better land and the poorest land in use. Then the rent, which is this difference, will increase in greater proportion than do wages. Instead of wages and interest getting its increased production, it must watch rent walk off with the greater share of it. Wages are higher in a new land where production and population are not so great because of the absence of rent. That is, the worker may take up land for himself and secure the full benefit of his labors. In order to obtain his labor the employer will have to offer him as much in wages. What is true of wages is true of capital. Where wages are high interest rates are high; where wages are low interest rates are low. Wages and interest fall and rise together.

Because population increases, poorer lands are resorted to, making the rent still greater and encouraging speculation. People buy land because as population is ever increasing rent is also increasing. Great amounts of land are bought for speculative purposes only, no form of production being effected upon it. This forces labor to work on poorer land and receive poorer wages. This also decreases productive power, thus resulting in a loss to society. Such speculation often spreads a city out more than necessary, which necessitates greater costs of transportation.

Because laborers do not share in increased production they can never better their destitute condition under present circumstances. Thus we have Henry George's explanation of why we have poverty in the midst of plenty—why poverty persists in a densely populated country with a highly developed industrial system, and why it does not in relatively new lands with sparsely populated areas and where free land may still be had. To this he also traces our business depressions. And thus also our unequal distribution of wealth and income are accounted for.

Since land is responsible for all of these ills, there is only one way out of the difficulty, and that is to confiscate or tax away the economic rent. This is called the Single Tax, since all other taxes would be discontinued. Henry George contended throughout his lifetime that the economic rent of the country would bear all the burdens of government.

Let us look into the justice of such a proposition. To whom does the rent and land really belong? Just let us answer the question as to the just title of ownership. Nature gives to him who labors. Labor of brain and hands is the only just claim to ownership. Then everyone is entitled to the product of his labor. Now, since no one made the land, no one is entitled to it; it is the property of all who are born or live on it. No one can lay any more claim to land than

anyone else. If some one owns land he can secure a price from the laborer for his privilege to produce on it. Private ownership as at present allows land holders a share in the labor of others.

Today the owner of the land has a right to it merely because of priority of possession. It is Henry George's plan to let him keep his land and take away his rent taxes. But has the community a right to do this? Economic rent is the result of population. When settlers establish a community about a spot the most valuable land somewhere in the center of population. It is here where people pass that businesses can have large turnovers and make profits. It is the location of the land in regard to the population that creates the rent. Where people concentrate there will be rent. It is also the increase in population that forces poorer and poorer land to be used, which increases the rent of the better lands. Since it is the community in every case that creates the rent, it is certainly entitled to it.

Let us now test the Single Tax by the canons of taxation of Adam Smith. His canons of taxation are equality, justice, certainty, convenience and economy. By equality we mean that the taxes are so distributed that everyone pays his fair share. By certainty we mean that the time and place of payment shall be made clear to the taxpayer. By convenience we mean that the place and method of the payment shall be made convenient to the contributor. By economy we mean that as much as possible of the amount paid out by the people who pay the tax shall go into the public treasury.

The certainty and convenience of the tax depend largely upon the government, so we need not be concerned with either of these. It is just because it taxes those who have received a peculiar benefit from society for which they have done nothing. It passes the test of economy, as a land tax does not add to price but falls upon the individual taxpayer. Taxes on industry are passed on to the consumer, as a manufacturer must cover his costs or go out of business. Taxes on building are finally paid by the rents, as the builder must cover his costs of building or he will not build. Import taxes are not only paid by the consumer but increase as they go along. The consumer pays much more than the tax paid by the importer.

Let us see how this proposition will affect the present land owner. The homestead owner will still have the same use of his land. Though it would have decreased in selling value it would still serve the same purpose. He would receive but little if he should sell it, but any other land he would buy would be just as cheap. He would only should he sell his land and not buy other land. But even then he would benefit in the end because of increased wages for his work and interest on his capital. The farmer would reap great benefits from such a plan. The taxation of land would fall heavily upon the cities and lightly on the farms. In a sparsely settled community the farmer would have little to pay, because unimproved land would be taxed