

over gambling in land to conceal its hideous appearance. Land-value to him is not value for use but for robbery; but he tries to deceive people by a flood of words and by the assumption of scientific investigation.

## The Taxation Problem and its Solution

THE tax question is hourly becoming more pressing, the burden heavier daily, the interference with trade and commerce more plainly to be seen, and to many men the question is coming up with great force and persistence, what is taxation anyhow? Is it a raid upon wealth, are producers to be looked upon as wicked people, or people guilty of a misdemeanor that they are to be heavily fined, and that fine always in proportion to their industry, to their usefulness to the community? Is our tax system fundamentally a system of pillage and brigandage that we take from people merely because they have, as the pirates do, or should our tax system have a basis in justice and in equity; should there be a real valid excuse for sending a man a tax bill outside of the fact that he has something which he himself produced that may or may not, in most cases has not, any relationship whatever to privileges or services received from government.

Our tax problem will never be cleared up until we clearly understand that taxation is not a collection, based on possession, but a payment based on services rendered and privileges enjoyed. In other words, to put it in simple form, taxation is payment by a citizen to the city, to the state, or to the federal government for services or advantages rendered to him by the city, the state, or the federal government. It is a payment, and as all honest payments are handled, it should be based upon the value of goods received or services rendered.

But we have never known until of late how to make out a tax bill. We never knew that there was something that truly measured the value of what society does for its citizens, and measures it accurately and immediately. Not knowing this, we jumped at the foolish conclusion that "ability to pay" was the correct theory of taxation and that men ought to pay according to what they have instead of according to what they get.

This has led us into methods of taxation that are gross violations of business principles, because a man is called upon to pay for what he gets measured by the value of something he does not get from society. It is a gross violation of ethics, for our present method of raising public revenue is the grandest violator of the rights of private property that ever stalked the earth, it is utterly unrelated to science, as science shows to us very clearly that nature not only provides for the life of the individual through the creative instinct, but provides for the life of the social organism through economic rent.

Now, this is an orderly universe, there is an answer to

every question, there is a solution to every problem, there is a right way, and the right way is always an easy way, to do any necessary thing, and public revenue can be raised without violating the rights of private property, without strangling trade and commerce, without adding to the cost of living, without imposing unjust and heavy burdens upon production, or, on the other hand, offering rewards to idleness. With the coming of society appears a value which we call land value, because we did not know what it was. While it is true it attaches to land, yet it is not the value of land at all, but the value of government. There is no production cost in land. The lack of an understanding of the difference between the value that attaches to things that men make and the value that attaches to land, has led to all of our confusion and errors in taxing methods.

The value that attaches to things that men make has a different genesis from the value that attaches to land. For instance here is a desk; the value of that desk is the value of something produced by labor and capital out of natural material and the selling price of it is determined by the cost of production plus any taxes that we may foolishly levy upon it.

Now, the value of land does not arise from the cost of production, plus taxes. The reverse of this is true, there is no production cost in land and the selling price of land is that part of the annual value or economic rent that we fail to collect by taxation, capitalized into selling price. That is why the less you tax economic rent, the higher the selling price of land; the more you tax or take of economic rent for social uses, the lower the selling price of land. For, after all, what we call land value is not the value of land at all, but the value of social presence and activities. Every dollar expended by society in social service is reflected in an increased amount of economic rent, or in other words, the annual value of the land so served will immediately increase.

Take the street in front of your place, pave it perfectly, make it as smooth as a baby's cheek and as enduring as the hills, in the hot weather sprinkle it with water, sweep it every day, at even-tide sprinkle it with rose-water, if you will, and make it a perfectly delightful street to live on, where will that improvement in the art of government be reflected? Would the value of the buildings or of the personal property on that street increase? Not at all. Nothing made by man increases in value through the expenditure of public monies. The land on that street, and the land only, will increase in value.

What could be more reasonable, what could be more just, than to collect that value to pay the cost of such improvement.

JAMES R. BROWN in *McKeesport, Pa. News*.

MR. SNOWDEN will have the support of all intelligent men and women in the country if he begins to lay the great gains of our ground landlords under contribution to the State.—*London Pictorial*.