

the objections which have ever been made against his system in a stronger form than they have ever been stated by his opponents; and answered them beforehand. And he proposed a remedy for the social disease of increasing poverty with the development of a civilization which was simple and just.

"He showed that rent arises in the nature of things. No one is to blame for it. As land in a new society is occupied the superior land must bear rent. But rent comes, not from labor of the owner, so far as the mere land is concerned; but from the progress of society. Hence, morally, it belongs to society. Therefore this "unearned increment" of land values, in city and country, should be collected yearly by the government as belonging to the whole people. All public expenditures should be paid for with it. No one under such circumstances would hold land for any purpose except use, and he would pay only what the use was worth. All wealth produced by human activities would be untaxed. Nothing would be taxed save that which was created by the taxing power. Really the single tax would not be a tax at all, in the ordinary sense, since it would be merely a payment to the whole people for a benefit enjoyed. All titles would remain as now. There would be no disturbance of any occupation. Things would gradually readjust themselves. Wages and interest would rise to their proper level. The problem of poverty and want would be cured, and that without revolution. People freed from the trammels of a rigid land system could readjust themselves to any system of public order they might choose. Even the benefits claimed by socialism could be realized in so far as they might be realizable through voluntary cooperation, without the tyranny of state socialism. This is in a very sketchy form the vision which dawned on me as I read 'Progress and Poverty.'"

"A perfectible society, and the obvious means of perfecting it. The ancient riddle of ruin solved at last. The abolition of involuntary poverty in view. Eternal racial life attainable for us of the end of the century, under terms of freedom, and with no need for revolution. I moved for days in a plane of exaltation such as I have never experienced before or since. I was uplifted to the skies. Again I suffered. It was the breaking up of the fountains of the great deep, and the opening of the windows of my spiritual heaven. I can not wish any young reader a better thing than some such experience. I have never for a moment lost that something like a transformation which came to me then.

"Said Reverdy Miller, when I went back to him with the book and with a new light in my face: 'Nobody can refute it. It's the real stuff.'"

IRVING FISHER says that 80 per cent. of our people barely earn a living. The truth is that they earn an excellent living, but it is the twenty per cent. who get it.

—*The New Yorker.*

Wrong Notions About Taxation

OPPONENTS of the idea that all taxes should be raised by the appropriation of the "unearned increment," or the taxation of the value of land, are generally guilty in their argument of a strange mixture of admitted fact and faulty reasoning. We base this statement on an article published in a recent issue of a farm paper in which the writer, presumably a farmer, contends that there is just as much "unearned increment" in a store, a farm paper or other publication, or a factory, as there is in his land. To quote a paragraph from the article:

What would The Iowa Farmer or Bishop's store be worth if they were located in a howling wilderness which extended hundreds of miles beyond the printing plant or the store? If it is the presence of population that gives value to my land, what is it that gives value to The Farmer or to the store? Yes, it is the people who have put the value into my farm, but it is just as certainly the people who create the value of stores and factories and all kinds of publications.

As a statement of fact as to the source of all values the above is undoubtedly true. As a process of reasoning advanced to show that books and magazines and papers, stocks of goods and factory equipment should be taxed the same as the "unearned increment" of the political economists, it is all "wet" and a fair sample of the lack of logic upon which is based the current defense of the general property tax, not only in Iowa, but in Ohio and every other state that stifles an enormous amount of potential prosperity by unscientific and unjust tax laws.

And the above, instead of being what its author meant it to be, an unanswerable defense of the general property tax, affords the best proof imaginable that our present method of taxation is as wrong in theory as it is unfair in practice. There are still men living in Iowa who, as young men and pioneers, purchased land at government prices. Let us assume that the writer of the above is one of these. He paid \$1.25 an acre for, let us say, a quarter section. His 160 acres with good buildings is doubtless worth today 200 times that much, or \$250 an acre. Had he in his youth merely proved his claim, then abandoned it and let it lie fallow until the time of writing the above letter it would still be worth perhaps 100 times as much as he paid for it, altho never reduced to cultivation.

Would time do as much for the owner of a store, a factory, a printing plant? Could an Iowa manufacturer erect and equip his plant, lock the door, move out of town and expect Father Time to enhance the value of the plant, regardless of how many people moved into the town or the state, as the quarter section of land increased in value? Could a merchant open and stock a store or a publisher start a paper, then abandon it and hope to come back at

some future time and find the store or printing plant enhanced in value many times over? In truth, would all these absentee owners not find that there was no value left, save only in the ground upon which their various plants were built?

The farmer who wrote the above letter instead of making a case against deriving all public revenue from the value of land has unwittingly proved for the Single Tax idea all that its advocates claim for it. He, as an absentee land owner, would find that as population increased the value of his land had increased with unvarying mathematical precision. Without effect on his part the influx of population would have done for the value of land what it will not do for any commodity made by the hand of man. And that is the sole contention of Single Taxers.

Stocks of goods, in stores, factory equipment and all other products of human labor deteriorate rapidly and time, instead of making them more valuable, soon reduces them to valueless junk for which there is no market at all. The presence of people does make a market for printed matter, for clothing and all manufactured articles, but these articles must sell on their merits. These merits are not a natural resource, as is land, but are due to hard work, intelligent management and lots of both. More than that, the merchant, the manufacturer, the publisher must always be alert for competition is not only keen, but springing up all the time, while the land owner is secure, for there is nothing he or anyone else can do by which the amount of available land can be increased an iota.

Had the farmer who wrote the above only stopped to think his own experience would have told him that if we tax any commodity produced by human labor, a hat, a self binder, a bale of fence wire, the price of that article is increased at least by the amount of the tax and, therefore, made that much harder to procure. If the tax be high enough it makes the given article not only dearer, but scarcer. We tax nuisances out of existence. Does it never occur to us that so to tax the things we want, either heavily or lightly, is both wrong in principle and in practice?

That is the whole fiscal argument of the Single Taxer? Why tax at all the things we want to make living more comfortable and life happier when there is at hand an inexhaustible fund upon which we may justly draw for every public expenditure? Why tax any product of the human brain or hand?

And this is not only a sound fiscal argument, but it is a sound moral argument. For sound economics must ever coincide with sound morals and conform to the natural law, else the argument falls to the ground. We send men to jail for evading our evil tax laws and denounce them as bad citizens, but it would be more creditable to our intelligence if we were to examine the law and see it is the evil instead of the men who violate it.

By the same token we imprison smugglers, never stopping to think that they would not be smugglers were it not for iniquitous tariff impositions and that all the crime the smuggler commits is exercising his natural instinct to engage in trade unhampered by foolish, man-made restrictions.

Did we but know it practically every "sin" we punish is a product of law. Witness the amazing franchises we have granted, the wicked land laws which are the bottom of every internal and international revolution the last two centuries, the private monopoly of nature's gifts to ALL the children of men. Nature toils a billion years to make a coal mine—for the use of the people of the earth? No, for the convenience of those who grab nature's bounty under iniquitous legal forms and devote it to individual gain instead of the people's use.

The most potent instrument for good or ill possessed by any civilization is the power to levy taxes. Properly applied it will perpetuate our rugged American individualism. Wrongly applied and our civilization must inevitably sink into the nerveless and flabby state socialism that has destroyed every civilization in the past.

—Coshocton, (Ohio) *Times*, Editorial

Canberra

CANBERRA is sometimes spoken of as a "Single Tax City." This is wrong in fact, and a mistake also in tactics when George men so speak of it. Canberra people pay rent for the land they occupy to the Federal Government through the medium of the Federal Capital Commission, instead of to private land owners. But they do not escape taxes, rates, and Customs duties, and while living they will be afflicted with the multifarious stamp taxes which ingenious Treasurers know how to impose, and at death their property will be liable to probate duties. The Henry George plan, generally known as the "Single Tax," is to collect the rent of land in lieu of taxation. If, later, Canberra has economic troubles similar to those of other cities, critics will say the "Single Tax" has failed. Let us acknowledge that Canberra starts better than other cities, but insist that it falls a long way short of the Georgian ideal. It is not even a democratically governed territory, for the people have no representation in Parliament or in local government. A local rate of threepence in the £ of site-value is imposed for municipal purposes, but they have no control over the expenditure. Some day the people of Canberra will realize that they possess no franchise, either Federal, State or Municipal; then there will be a row.

—*Progress*, Melbourne, Aus.

THE burden of municipal taxation should be so shifted as to put the weight of taxation upon the unearned rise in the value of land itself, rather than upon the improvements.—THEODORE ROOSEVELT.