

the Henry George Foundation, Berger Building, Pittsburgh, Pa.

Both Secretary Williams and William N. McNair, of Pittsburgh, expect to make a number of speeches to audiences enroute and will be open for a limited schedule of engagements in California and other western states where their services may be desired.

Effects of Different Taxes

THE trouble with most of us, including the men we choose to make our laws, is that we fail to study the profound difference it makes in our material fortunes as to which form of property we levy taxes on. As John Z. White once said in addressing one of our local service clubs: "We make a fatal error in our economic life by taxing the wrong kind of property. We tax industrial property and law made property indiscriminately when, as a matter of sober truth the first should be untaxed and the second should bear all our taxes for the simple reason that all the benefits of taxation are reflected in the publicly created value of land. In practice we tax a man if he paints the town red; also we tax him if he stays at home and paints his house white, and we tax him every year until the paint peels off. We tax him if he builds a chicken house; also if he robs one. We tax him if he gets a dog or if he gets a wife."

While Mr. White's statement is made humorously, it conveys a profound and sober truth. He says further and in the same vein: "In making a federal tax return a man requires a lawyer, frequently two—and an expert accountant, and is likely to be found out even then. We teach a boy to tell the truth and reward him in various ways, and when he grows up to manhood give him a tax schedule to fill out, advising him now that the more nearly he tells the truth the more money he will lose. This system, long pursued, will corrupt the morals of any community on earth."

In that brief statement is both the moral and economic justification for saying that all taxes should be levied solely upon the value of that legal institution known as property in land. Consider the difference in effect of levying taxes upon this publicly created value, the value of land, and upon private property created by industry. A tax upon the value of land cannot be shifted. It is the only known tax which stays put. This is perhaps the one fundamental fact in political economy upon which every school of thot is agreed—a tax on land values is the only known tax that cannot be shifted. Neither does such a tax increase the value of land.

But a tax on the other form of property, private property created by industry, does increase price. If we tax cattle the price of beef and milk and hides go up. We can even tax these things out of existence. This principle in practice is well known for if a community in the old days considered dogs and saloons nuisances they

lessened the number of both by boosting taxes on them and, the same principle, if carried far enough will tax anything, whether a nuisance or a necessity, out of existence.

So the question naturally arises, why tax anything which is useful and belongs to the individual? We are only fooling ourselves by so doing. The tax on goods, unlike the tax on the value of land, is always passed on to the consumer. To tax useful man-made commodities only increases the price and makes them harder to obtain. It is only by industry that prosperity is possible, so why pass tax laws that lessen industry, decrease wealth and handicap our welfare and happiness? An earned income should never be taxed, for the wealth that a man creates by his own hand or brain is his as against all the world.

On the other hand the state is legally and morally justified in making a man pay for the service it renders him, but never for the service he renders to himself. Police protection, schools, public libraries, paved streets, sewers and all other public services are made necessary solely by the presence of population and the presence of population alone makes land valuable and, consequently adds to its value. All these services which goverment renders, let it be said again, are reflected solely and nowhere else but in land values.

Here, then, is a great natural reservoir of wealth, publicly created, from which government should draw in payment for services it renders the individual. By so doing the natural order will be maintained and there are no limits to the prosperity and material welfare which would ensue if we were only wise enough to let private industrial property go tax-free while collecting all public revenues from the publicly created value of land. If this were done we would have for the first time honest taxation and honest tax returns, plus an era of general prosperity the like of which the world has never seen.

Editorial, Coshocton, Ohio *Tribune*.

An Interesting Meeting on Unemployment

AN Unemployment meeting was held at the new American Women's Association Club, 353 West 57th Street, New York, on the evening of June 16th, 1930. Hearing that Professor Paul Douglas of Chicago University, Acting Director of the Swarthmore Study of Unemployment, etc., etc., was to speak, I stepped into the large auditorium, and seated myself near the door. Mr. Robert W. Bruere, immediately in back of me, listened with deep attention to the speakers of the evening.

A touching account of the havoc played by unemployment, was given by Miss Helen Hall, Chairman of the Committee on Unemployment of the National Federation of Settlements. In her work as director on University Settlement House, Philadelphia, Miss Hall daily sees homes destroyed, health of children undermined, the morale of