

William Jay Gaynor  
Letter to T. Gardner Ellsworth, Esq., Secretary of the Farmers' and Taxpayers'  
Association / 26 January, 1912

Dear Mr. Ellsworth: The bill which you call the Sullivan-Short bill has not been submitted to me. The purpose of it is to throw all real estate taxes on the bare ground, and exempt the buildings. This means the carrying out of the theory of the late Henry George, i. e., to have a single tax, i. e., only one tax, i. e., on the bare land only, all buildings and improvements to go free of taxes. If you will get Mr. George's book, "Progress and Poverty," you will find the whole theory stated. The result of such a law would be to practically confiscate the values of all land in cities. The effect would be to absorb into the public treasury by means of taxes the entire ground rent, which may be fairly stated at somewhere from four to five percent of the value of the bare land. Of course if all ground rents should be absorbed into the public treasury, there would be no sale value of land left. To speak plainly, this would destroy or confiscate all such land values. You have to decide whether this would be just. Such a system of taxation may be the best. But as society has been constituted from the beginning under a different one, and people have invested their money in land values under that system, would it accord with justice for society to destroy their investments by a new system without compensating them for their loss? The subject is a big one, politically and morally. But read "Progress and Poverty," and see what you think about it.