

the faith; this is the knowledge and this the will and persistence (I once called it audacity) of Oscar Geiger, the founder and director of the Henry George School of Social Science.

It is my firm conviction that we can do no better for our cause than to get behind him in his work and in such manner, and to the utmost extent that we are able, help to lighten his task and insure the success of this greatest of undertakings.

## Science and Taxation

**T**HE method of raising public revenue vitally affects the welfare of every man, woman and child. There is probably nothing that more profoundly affects the well being of humanity since mankind began to live together in settled communities. After centuries of civilization much confusion still exists regarding the best methods of raising public funds for the support of governments.

Let us investigate whether science can aid us in finding a solution of this perplexing problem. Science may be described as the discovery of those invariable sequences, or relations we call natural laws. There is a close relation between business depressions and wrong methods of taxation. The charts or diagrams drawn by statisticians showing the recurring cycles of business depressions, may well be compared to the elaborate systems of cycles and epicycles put out by the learned to explain the phenomena of the heavens, before the acceptance of the Copernican theory, which changed the pseudo science of Astrology to the true science of Astronomy. Are there any natural laws, the discovery of which will change the pseudo science of taxation, to an exact science for raising public revenue? As men gather together in settled communities on the earth, two values appear, one attaching itself to the things men produce, the other to the land upon which they live and work. Production value is governed by the natural laws of supply and demand, which is, that as the supply of goods increases, and the relative demand decreases, prices fall; and as the supply of goods decreases and the relative demand increases prices rise. The value which attaches itself to the land is not in the control of the individual. It is a value that arises out of the fact of his mere being and producing in company with other individuals, and embodies both the expression of man's need for land, and the service that society renders to the individual. This value rises and falls only with the movement and productivity of the population. It is high in thickly settled and industrious communities and low where population is sparse and production poor. The value is governed by the law of rent. By rent, is meant what is paid for the use of land only. The sum paid for the use of a building is interest on capital. "Rent of land is determined by the excess of its produce over that which the same application (of labor) can secure from the least productive land in use." This law, of course, also applies to all natural agencies, such as mines, fisheries, etc. and to sites for stores, factories, etc. Are not these laws therefore, natural laws (the law of supply and demand, and the law of rent?) If they are not, then, there can be no natural laws. If they are natural laws they cannot be disregarded without society meeting the consequences. Business depressions and consequent unemployment, are caused by the people's failure to observe and be guided by these natural laws. The violation of natural laws in the social world, does not remain unpunished even though there may be no constables to enforce them or judges to declare them. In order to trace the relations between business depressions and wrong methods of taxation, let us consider the cause of hard times.

Some writers attribute it to overproduction, that, due to labor saving machinery, and improved methods of production, more goods are produced than formerly, and with fewer workers, and consequently there is a large surplus of labor. Other thinkers claim that over-

production is more apparent than real, and the true cause is underconsumption, and that there can be no overproduction until the wants of all the people are satisfied.

The writer agrees with the latter point of view. The problem, then, is to have the consumption of goods balance their production, or, in other words, to increase the purchasing power of the consumers of goods, which, of course, include the great mass of the people. It is not labor-saving machinery that throws men out of employment, for, except in hard times, and where land is kept out of use through speculation, those displaced by machinery could find other work to do. The tendency of machines is to increase the purchasing power of the people, by lowering the cost of production, to stimulate inventive ability, putting more and more wealth within easier reach of the masses of the people. The theory of taxation most in vogue, is that "taxes should be levied in accordance with the ability to pay." This theory is, in reality, communistic. This theory sounds plausible until it is carefully examined. Few would think of applying this method to any other kind of service. Merchants goods usually have the same price to both rich and poor. Taxes should be levied in accordance with the value of the government service rendered. What then is the measure of this service? The greatest governmental service is in the locations where the population is densest, also that is where the greatest land values are. The best methods, then, of, raising public revenue, which is also in accordance with the natural law, is to tax the rental or site value of land into the public treasury, and to exempt improvements or labor products from taxation, or, at least, the full annual rental value of the bare land should be levied on by the government before other taxes are considered. Let us consider the effect of taxes upon labor products and land separately.

Taxes upon labor products increase their prices, as such taxes can be passed on to the consumers. Taxing houses increase home rents. Taxing mortgages increases the interest the borrower has to pay, and is double taxation. The same is true in taxing bond issues. Taxing stock issues is similar to taxing the deed to a house, as stocks are evidences of the ownership of property, and if the property, is taxed in the first place, that is all the taxes it should pay. On the contrary, taxes upon the bare land value, benefit both the tenant and the landlord where the value of the building and improvements is greater than the land value. By exempting improvements the owner would pay less taxes, and this saving would be passed on to the tenants through the operation of the natural law of supply and demand. On property where the land value is greater than the combined improvements and personality value, the owner would pay more. But on the whole, from approximately sixty to seventy per cent of the owners would save money under the "Single Tax" on bare land, because their improvements are more valuable than their land.

A peculiar result of taxing ground rental value, is, that the capital value or selling price of land would be greatly reduced, thus making vacant land more available for use. It would also greatly relieve unemployment, as it would become unprofitable to hold land idle for speculation. Removing taxes from labor products would reduce their prices, and thus would increase the purchasing power of the people.

The consumption of goods would then tend to balance their production.

The answer to the taxation problem, then, is to collect the revenue provided for the government by the natural law, ground rent, and to remove the other burdensome taxes. The people are being taxed heavily by two groups. First by the land speculators through the private appropriation of most of the ground rents, which is included in the selling price of land, (which is land rent capitalized) and second by the government through taxes upon buildings, machinery and personal property.

The tendency of this policy is to cause periodic business depressions, by taxing business nearly to a standstill. Freedom, Equality and Security are man's estate in the intent and scheme of nature. Freedom of access to land will tend to bring about the reign of peace and



good will among men. Take the rent of land for community purposes, and stop the legalized robbery of the community by the land speculators.

Observe the natural law which is the same as the word of God, and let each take his place at the banquet table the Creator has provided for all.—JOHN T. GIDDINGS.

Copies of this pamphlet may be obtained from the author, John T. Giddings, 50 Cole Street, East Providence, R. I., at five cents a copy, 25 copies for one dollar, or 100 copies for \$3.

## A Fable with A Moral

THE family consisted of Father, Mother, and six boys, the oldest, 16 years, the youngest 10 years.

Parents decided to take a two-weeks vacation, therefore mother stocked the pantry with choice food that the boys favored. She was a good cook and an indulgent mother.

After the parents' departure, the two older boys took inventory of the wonderful culinary display and decided to lock the pantry and take charge of distribution. They reasoned that plain food would answer for the needs of the younger brothers, reserving the choice delicacies for themselves. They therefore apportioned sufficient to the others to avoid reprisals in the direction of a revolution, as the youngsters were strong enough to overpower the two racketeers; but they complacently submitted and the two monopolists ate so much rich food that they suffered in consequence.

Is it not true that these greedy lads emulated the reprehensible universal plan of their predecessors, who, in a big way, have robbed mother nature's pantry of the generous supply she provided for all her children, big and little?

Magnify the racket of those two hypothetical boys sufficiently and we can behold and determine the underlying cause of our present economic troubles. Greed and lack of conscience of the big boys on the one hand, and apathy and ignorance, and lack of courage on the part of the masses (the small boys). Let us cease permitting our thought to be falsely directed to excuses and palliatives and give some intelligent thinking to simple fundamentals that a child can comprehend.

Visualize Mother Nature's pantry, full to overflowing and her children lacking in food, and possibly we can determine a solution other than a resort to Soviet or Socialistic doctrines and remedies. Why not make a gesture in that direction, at least, as an intellectual pastime and prove to ourselves that we are not so dumb that we lack the knowledge as to the source of our material supply. It would be equally consistent to permit the monopoly by a few of the sunshine and fresh air as of the earth provided by the Creator, without the aid or suggestion on our part, and ostensibly for all mankind.—F. J. EDDY.

A TAX upon ground rents would not raise the rent of houses. It would fall altogether upon the owner of the ground-rent, who acts always as a monopolist and exacts the greatest rent which can be got for the use of the ground.—ADAM SMITH, "Wealth of Nations," 1776.

## Work of The Manhattan Single Tax Club

THE club activities in July and August have been volunteer speaking engagements reported, the usual volume of correspondence and mailing of literature, assistance to Mr. Stanley in his outdoor meetings and the delivery of 95 broadcasts.

The club has been favored with many visits from Single Taxers including Bolton Smith, formerly of Memphis and now of this city; Dr. J. H. Dillard of Charlottesville, and Abe Waldauer of Memphis.

The Club assisted by John Lawrence Monroe to entertain Mr. Waldauer as the guest of honor at the National Arts Club as reported elsewhere.

Mr. Ingersoll's Radio Broadcasts have been numerous and interesting. The current schedule is below, from which it will be seen that the stations continue much the same. An important addition is WMCA which is one of the largest independent stations. WOV is also a large station.

### RADIO SCHEDULE (Subject to change)

Monday. WLTH, Brooklyn, N. Y., 2:45 p. m. (1400 k.c.)  
 Tuesday. WILM, Wilmington, 2:30 p. m. WDAS, Philadelphia, 8:00 p. m., (4:00 p. m. Current Events).  
 Wednesday. WBNX, N. Y. City, 12:45 p. m., (1350 k.c.); WOV, N. Y. City, 4:15 p. m., (1130 k.c.).  
 Thursday. WLTH, Brooklyn, 9:45 a. m., (1400 k.c.); WWRL, Woodside, 10:45 p. m., (1500 k.c.).  
 Friday. WOV, N. Y. City, 11:30 a. m., (1130 k.c.); WMSG, N. Y. City, 3:15 p. m., (1350 k.c.).  
 Saturday. WHOM, N. Y. City, 11:45 a. m., (1450 k.c.), WMCA, N. Y. City, 4:00 p. m., (570 k.c.); WCDA, N. Y. City, 8:00 p. m., (1400 k.c.).

The totals for each station are as follows:

WILM, 9; WDAS, 9; WHOM, 10; WGCP, 8; WWRL, 18; WMCA, 8; WBNX, 8; WLTH, 9; WCDA, 9; WAAM, 1; WMSG, 6.

The grand total of broadcasts is 95, and the total to date this year is 293.

The new subjects are:

We Do Our Part. Can Radio Fans Understand Economics? Back to the Land. Socialization, but NOT Socialism! Can Wages Be Fixed by Law? How to Make Property Rights SACRED. The World Under New Ownership. Government Takes Over Business. If I Were Dictator. U. S. Running on Half Its Capital. Why Not TRY Democracy? Your Bad Bargain in Government.

Mr. Ingersoll is coming closer to the big current events in his talks, utilizing them to drive home the implications and philosophy of land value taxation. He is also studying closely the elements of attractiveness, entertainment and simplicity. His talk "Can Radio Fans Understand Economics?" is typical of this.

We have mimeographed now six talks and will continue to issue them every week or two. Copies or full sets are available free to club members; to others at five cents each.

We would like to arrange with some one in each city having a radio station to deliver these talks and will be glad to assist in securing the time, technique of delivery, etc.

Mr. Ingersoll is now trying out regular current events of varied subjects with several points in mind: (a) income; (b) possibly greater propaganda value; (c) acceptance by larger stations.

The following paragraphs taken from a number of his talks will give