

Leased Lands in Texas

A dispatch from Dallas to The New York Times states that "never in the history of the oil industry in Texas has there been such a scramble by operators for leases of the oil and gas rights to State public lands as was shown in the receipt by the State Land Department * * * of approximately 600 sealed bids on 100,000 acres of submerged lands lying within the three-mile limit of the Gulf Coast."

The article goes on: "It is estimated that the Public School Fund, to which the submerged lands belong, will receive, in cash bonuses and deferred payments, from \$10,000,000 to \$15,000,000 from the sale of leases. To this will be added one-eighth of oil produced. Nearly all of the submerged tracts are adjacent to producing oil fields."

It has been complained that advocates of the Henry George theory never cited any proof that the social land value tax had worked. Now the plan adopted by Texas, whether the lawmakers who framed it know it or not, and no matter what they may

call it, is the exact social land value taxation principle. These Texas lands are not sold in perpetuity or outright, but are leased under competitive bidding. The State School Department Fund is in receipt of a continuous income from its leases as long as the oil flows. It also benefits additionally by the proceeds from the sale of one-eighth of the oil produced.

No real Georgist will quarrel with this plan, but he will insist that it would be unfair and unjust if the State were to exact one additional cent of tax on the machinery or equipment of any kind used by the oil men in extracting the oil. The Henry George theory is that anything produced by man or through the employment of capital should be exempt wholly from taxation. The only duty the State or government has the right to impose on a free-born citizen is to serve his country in time of peril and pay an annual rental return for the privilege enjoyed over all the rest of the people whose very presence in any com-

munity makes any and all land valuable.

Most States of the Union, with few exceptions, have not been as wise as Texas in this vital matter. Indeed, even Texas has been remiss in the past and once gave away 3,000,000 acres of virgin cattle land to a cattle syndicate which took the land in payment for the building of the Texas State House.

The history of the disposal of Government lands and state public holdings is a picture of fundamentally wrong legislation, leading, as it has, to land monopoly and burdensome taxation of business enterprise, depression and a long line of socialistic and unworkable legislative curatives which never go to the heart of the problem; restrictive tariffs to "protect" labor, often resulting in panics; strikes against capital, whose profits are reduced or utterly wiped out.

—Edwin James Jones.

See: "Progress and Poverty," p. 404.
"Teachers Manual (P. & P.)," L. 8,
Q. 3, 9, 11.

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