

out to study the matter. The word "destroy" has a definite meaning. It does not belong in the question. The Single Tax will not destroy the selling price of land capable of producing ground rent. The only lands the selling price of which will be destroyed will be the body of lands that will constitute the new margin of cultivation when land speculation is made unprofitable.

That the taxation of land values by the Single Tax method will reduce the selling value of lands is not in dispute. That the Single Tax will destroy land values except as they are fictitious, is nonsense.

Let us look at the detail of the extreme application of the Single Tax. Assuming that the current rate of interest on investments is six per cent, and taking the instance of a piece of land the ground rent of which is \$1,060. Let us assume that the tax levy requires a tax of \$1,000 to be paid.

We have

Ground Rent - - - - -	\$1,060
Tax - - - - -	\$1,000
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Net ground rent remaining - - - - -	\$ 60
Value of land paying \$60 net to its holder is	\$1,000
Tax rate, then is (1,000/1,000) - - - - -	100%

Such a lot in Chicago at the present time and under the present taxing system will pay:

Ground Rent - - - - -	\$1,060
Tax - - - - -	\$ 265
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Net ground rent remaining - - - - -	\$ 795
Value of land paying \$795 net to its holder is	\$13,250
Chicago's tax rate at present is - - - - -	2%

Now, as a practical matter, do the assessing officials dig into private affairs to discover the ground rent received by this landholder? Of course not. They make an appraisal, as best they can, of the selling value of the land, and put it on their books. That is all that will be necessary under the most extreme application of the Single Tax.

The nicety of perfection not attainable in the construction of machinery, in art and in the control of physical forces, in all of which activities we think in terms of our ability to control the details of process and structure, should not be expected to result from even the wisest adjustment of human institutions to the need of men who wish to be free.

Even under the influence of the Single Tax, small leaks of economic rent into the purses of landholders and their lessees will occur. What of it? Under a condition that prevents land speculation and monopoly, and when most folks will be landholders, and all others free to become so, small inequalities will be of such little consequence that they may best be left as matters of conscience.

Now for a few moments on the subject of interest. The controlling law here is that "men seek to satisfy

their desires with the least possible exertion." All borrowing is voluntary, as is lending.

In production, time is an element. It cannot be avoided. When present possession of products useful to production gives advantage over future possession, if that advantage is sufficiently great, a borrower enters the market. Both the borrower and the lender operate under the law of least exertion. Sometimes the borrower "rents" a building or other product, directly from its owner, sometimes indirectly through a banker.

As the result of my useful work, I have possession of a thousand dollars. This means to me, and it is a fact, that all of the varieties of products in the market, \$1,000 worth of them belongs to me. I lend my \$1,000 to a borrower. I may believe, and the borrower also, that I am lending him the \$1,000. I am not. I am permitting him to use products belonging to me that are still in the market because I have not claimed them.

When men go through the forms of borrowing to secure the use or possession of land, a different problem arises, but it has no relation to the subject of interest. And it is in this field of study where confusion on the subject of interest arises.

## The Only Permanent Cure For Unemployment

By J. C. LINCOLN

EVERY community, by its presence and activity, creates a fund which is the natural source from which its expenses should be drawn. This fund is ground rent. For instance, there is a little candy store on Euclid Avenue, in Cleveland that rents, I am told, for \$2,000 per year, per foot. It is very clear that this \$2,000 per year, per foot, is a community product which is appropriated by the owner of the fee to the property. It is further clear that this \$2,000 per year, per foot, produced by the community and appropriated by the fee owner, defrauds the community by just this amount. Our present land laws make it legal for fee owners to defraud the community by appropriating the community-created ground rent to the extent of twelve or thirteen billion dollars per year in the United States. This fund is ample to take care of reasonable governmental expense.

A little thought will make it clear that the selling value of land is the ground rent, actual or expected, capitalized and the amount of this ground rent in such a city as New York is partially appreciated when it is realized that the privilege granted to the fee owner to appropriate the community-created ground rent is, in places worth \$400,000 per foot front. It is clear that the provisions of our law which make it legal for fee owners to appropriate such enormous sums of money, which they do not earn, but which are created by the activities of the community, are unethical, unscientific and should be changed. One hundred years ago it was *legal* to hold slaves, but

most of us are convinced that it was never *right* to hold slaves. Our laws should be altered so as to make it impossible for individuals to appropriate the enormous amounts of community created ground rent, which it is now legal for them to do.

#### THE EFFECT ON UNEMPLOYMENT OF HAVING THE COMMUNITY COLLECT ITS OWN GROUND RENT

It might as well, at this point, to get clearly in mind that wealth-producing employment is simply the *application of labor to land or the products of land*. It is very clear that employment in raising wheat, or cotton, or cattle, or dairy products, is the direct application of labor to land. Employment in manufacturing of automobiles, ginning of cotton, or milling of flour consists in modifying the products of land into more useful forms. Employment on the railroads, and bus lines, express offices and post offices is increasing the value of these products of land by transporting them from one place to another.

Is it not clear that if *all land* was held out of use that all wealth producing employment would cease?

If all land was held out of use, there would be no employment in raising the food we eat, or mining the coal we burn, or in building and keeping up the roads we travel on, or in building and keeping up the houses we live in.

If all land was held out of use, life on this planet would cease.

It is clear then that if any land is held out of use, employment is to just that extent decreased. Our present land laws make it pay to buy land for speculative purposes and hold it out of use, or out of its best use, until it can be sold at a profit. The writer lives, during the summer, in Aurora, a suburb of Cleveland, and near his home are many thousands of acres which are held out of use in this way. In Arizona, where this is being written, I would say that fully half of the land within ten miles of Phoenix is held out of use until it can be sold.

Is it not clear that a large part of the load of bonds under which our municipalities are staggering, are bonds for paving, and sewers, and water lines in front of miles of vacant lots? These improvements were put in to help sell land.

If it had not been for land speculation such of these improvements as were not needed would not have been made and millions of dollars worth of bonds issued for improvements the community did not need and which may be defaulted would not be a burden on the tax payer today.

At the present time the actions of our governing authorities are based on the assumption that the use of *capital* makes employment and consequently the Reconstruction Finance Corporation is making huge loans, for the purpose of increasing employment. A moment's thought will make it apparent that *land* or its products are the only essentials to employment. The use of capital renders this employment more productive than it otherwise would be.

The pioneers who spread over our country from the Atlantic Coast to the Pacific during the century that ended about 1875 had no lack of employment, but they did almost entirely lack capital.

#### WHAT WOULD HAPPEN TO LAND VALUE IF THE COMMUNITY COLLECTED THE GROUND RENT CREATED BY ITS PRESENCE AND ACTIVITY?

Since land values are simply ground rent capitalized, it is clear that if the community collected its ground rent, the selling value of land would go practically to zero. If this occurred it would be unprofitable to hold land out of use. Consequently it would be thrown on the market and be bought at an extremely low cost. Such a change as this would entirely prevent land speculation but in no way interfere with the productive use of land. At the present time ground rent goes into the pocket of the individual. Under the proposed scheme the amount would be paid to the community in the shape of taxes. The use value of land would be the same in either case.

#### COMMUNITY HAS NO RIGHT TO TAKE INDIVIDUALLY CREATED WEALTH

If the above proposed scheme were adopted and the community took the ground rent created by its presence and activity for community expenses, it would be unnecessary to levy taxes on individually created wealth as it does at the present time. Last winter the writer lived in a house in the middle of an orange grove, in Phoenix, Arizona. You will all agree that he has no right to take the fruit from this orange grove without paying the owner for it. The community, however, takes the position that it has a right to take a considerable part of the product of this orange grove in the shape of taxes every year. If there are 50,000 people in Phoenix, and the taxes on this orange grove equal the value of 50,000 oranges, it is equivalent to saying that each individual has a right to take one orange from this grove without paying for it. Most of us are convinced that the government of Russia is doing an unjust thing in taking from the peasants of Russia such a large amount of the crops as they do. But is it not clear that our tax system does exactly the same thing, but possibly not to the same degree? To put it rather bluntly, our laws permit the fee holders to steal about twelve or thirteen billion dollars per year of ground rent created by the presence and activity of the community. Then the community steals from the individual an almost equal amount to pay the expenses of our federal, state and local governments. Is it not clear that we do not suffer from lack of land in this country to give everyone employment? What we suffer from is the fact that this unused land is held at such a high price that the ordinary person is unable to obtain any of it to use.

The number of jobs which would be created if twenty-five per cent of the unused land in the United States were put into use would largely relieve our present unemployment situation. If all of it was put to use there would be



more jobs than there are people to fill them and unemployment would be a thing of the past. Under a system in which there were more jobs than there were workers, wages would rise to a point where they practically equalled the value of the product, thereby obtaining a just distribution of wealth which must be obtained if our civilization is to last. The foolishness of our taxation laws is apparent when we realize that a man who builds a building, thereby furnishing employment for hundreds of people in its construction and for many people in its operation, is fined by the community in the shape of increased taxes. At the present time this tax item is great enough to very considerably decrease the number of buildings which would otherwise be erected. At the same time we allow a person to hold title to coal lands, for instance, for thirty or forty years until the owner can find somebody who will pay him his price for it, rather than levying taxes against this land so that it will have to be worked or sold to somebody who will work it. It is land that is being worked that makes employment, not the land which is being held unworked until the owner can get the price which suits him.

At present if a man starts a factory and gives employment to hundreds of people, he is fined in the shape of taxes on his *building*, taxes on his *machinery*, taxes on his *inventory*, and in those states that have sales taxes, in taxes on his *sales*.

Our tax laws would make one think that it was a crime to add to wealth of the community or to increase employment and that it was a *praiseworthy* thing to *decrease* employment by holding land out of use for speculative purposes.

We must realize that *land is provided* by the Creator and that all His children have an *equal right* to a *life use* of an *equal share*. We must realize that *wealth* is the product of an *individual* or of *groups* of *individuals* and that while the community does have the *power* to appropriate part of this wealth it has no *right* to do so.

We must realize that society can be healthy only if it *obeys* the moral law, "Thou Shalt Not Steal"—and that getting something for nothing is the *essence of stealing*. If society permits *land values* to *arise* by allowing fee owners to appropriate community-created ground rent, it must pay the penalty in *unemployment* and *low wages*, *caused* by holding *vast* areas of land out of use or out of its best use. If society discourages thrift and *individual initiative* and business activity by appropriating part of the value created by the individual in the shape of taxes on wealth, it must pay the penalty in the decreased employment and consequent lower wages resulting from lessened business activity. Until we act on the very obvious truth that what the community produces should be collected by and for the community and not by and for fee owners, and also recognize that what the individual produces is his and the community has no right to it, we shall be plagued with *unemployment* and *Communism*.

Very little change in our laws would be required to ob-

tain the results desired. We are already taking part of the community-created ground rent in the shape of taxes on land value; all that would be necessary would be to take the rest of the ground rent and abolish all taxation on wealth.

## Ways and Means

ADDRESS OF ANNA GEORGE DE MILLE AT  
HENRY GEORGE CONGRESS

**M**OST of our conferences during the past few years have been talk-fests, that undoubtedly warmed and inspired all of us who attended them, but did not send us forth with a definite concerted plan for work.

I hope certainly that this Congress is going to be a love feast, but I hope also that it is going to result in the most focussed effort that was ever achieved by a gathering of Single Taxers.

We must not go away from here regretful that we had wasted money that might better have been used on real propaganda.

The dollars we are spending in getting together at this place and time are hard earned and must be *well spent!*

For my own part I feel breathless with responsibility and the consciousness that tempus is fugiting. Unless we move quickly and really accomplish something that will count in world affairs, we will be too late; our opportunity will have been missed and our cause (snowed under stupid palliatives), will slip back into the limbo of lost causes, for sad, long years.

Times are desperate and it is vital that we, who have the key to the situation, pool our ideas; that we find, as I implored last year, the "greatest common demonination"—one central plan on which we can all agree—on which we can focus our endeavors.

This does not imply that we must not, in our several ways, work also to meet our special or local needs; it merely means that united we must stand.

We must organize.

Single Taxers must become known to Single Taxers—all over the map. Single Taxers en masse, must make themselves known as Single Taxers to the world at large.

It should of necessity be an organization that has one common purpose—one purpose for which we can all work.

Education is our greatest ally. We need more people who understand our philosophy.

Ignorance is our enemy. It has long been our boast that (unless he be a gainer through the special privilege that is the order of this present system) no one can be against us if he really understands our doctrine.

Therefore, our paramount effort should be directed toward widespread education in our philosophy.

We can certainly all stand together on that platform; no matter how we may disagree as to political interpre-