

consumption on those who are employed and who alone must pay such taxes;

b. That the taxes already levied, and those which it is proposed to levy or continue over a long period, have shown by experience to operate in a manner opposite to the results hoped for;

Wherefore, The Missouri Single Tax League offers as a substitute method of raising the needed revenue, the following:

The records of the Tax Department of the City Government show the assessed valuation of the real estate to be approximately \$1,400,000,000. This, of course, includes both buildings and land. Assuming the land, much of which is unused, as only one-half the total real estate value, gives a land value of \$700,000,000.

This, at the rate of \$2.74 per hundred, amounts to \$19,180,000 per year. Now to raise money to pay the above stated obligations, why not make the tax on land value only, exclusively of all improvements and all other taxable property, \$3 per hundred of assessed valuation. This would raise an amount of \$21,000,000. Deduct the present amount of receipts from the amount received through tax and you have \$1,820,000 each year, which, in five years or five annual payments, will more than meet the required sum.

In view of the fact that land monopoly is the fundamental cause of depression and poverty-stricken conditions, it is only just, as well as expedient, that such monopolists pay the damage they cause; yet this slight increase in the tax rate (and for only five years) will be almost negligible in amount to such land owners.

(Note:—A 25 foot lot at \$40 a foot today, which at the \$2.74 rate pays \$27.40, would, at the proposed three per cent rate, pay \$30; a difference of only \$2.60. This, in five years amounts to only \$13, while one person, living in St. Louis and employed in East St. Louis, crosses the "Free" Bridge a round trip approximately 300 days a year, pays \$60, which in five years amounts to \$300. Justice and expediency both demand the adoption of this proposed substitute.)

As taxpayers and patriotic citizens we ask that this proposition be placed before the Board of Aldermen and that favorable action be taken thereon. We further ask that our representatives be given the privilege of addressing your honorable body in this connection.

On superficial examination, it may appear that there are legal or constitutional impediments in the way of this proposal, but they are more apparent than real, as we will be glad to show." By WILLIS MALONE AND G. J. KNAPP,

Committee.

IT is as though an immense wedge were being forced, not underneath society, but through society. Those who are above the point of separation are elevated, but those who are below are crushed down.

—PROGRESS AND POVERTY.

A Friendly Editorial

NEXT to the restoration of normal conditions of prosperity to agriculture, industry and business, the gravest issue before the American people right now is the readjustment of the tax systems in nation and States. As a matter of fact taxes that are too burdensome and are not equitably distributed constitute a major factor in the distress that still afflicts the farmers, the industrialists, the business men and others. The formulation of a system of taxation as well as a method of administration that will not hinder or embarrass business is one of the first and most important duties that confront the nation.

Tax reform, of course, goes to the very bottom of governmental functioning. It demands a drastic reduction in the costs of national, State and municipal governments. In the States and municipalities the burden of government has been borne by real estate. Taxes on both rural and city property have reached the point where they can not be borne. In some places buildings are being torn down because the owners can not pay the tax levies out of the revenue received.

This fact will furnish a strong argument for the tax experts who are gathered in Memphis for a three-days' discussion of tax problems. In the background of this gathering is the theory of Henry George expounded so ably, if not so successfully so far as adoption is concerned, in his "Progress and Poverty" and other works. The basis of the Single Tax theory is equal rights to natural resources. It does not discard private ownership, but it holds this ownership to be more of a trusteeship for the general welfare.

The fact that taxation under the Henry George idea would be assessed upon land values rather than upon the value of the improvements thereon can be brought forward now in connection with the revolt against the onerous real estate taxes. Were it not for the fact that a new scheme of taxation, the sales tax, has come forward within recent days it is not improbable that the Single Tax idea might gain a lot of support under the present emergency. But governmental administrators are turning to the almost imperceptible levies made upon purchases of various sorts as being the least injurious and most effective method of raising revenue.

However, those residents of Memphis and surrounding territory who are interested in tax problems will gain a lot of valuable information and instruction by attending the present tax conference and listening to the addresses of those who have expert knowledge on the subject. The old system of making real estate bear almost the whole burden of government is proving to be a failure under the stress of dislocated industry and business.

The situation must be met and it will be well if the citizen study the problem in its complete aspect so that they may direct their representatives in Congress and in the State Legislatures to a wise and effective solution.—Memphis *Commercial Appeal*.

Remove All Taxes from Capital and Labor

Editorial in *Liberty*, Oct. 29, 1932

TO free capital and labor from taxes—is it a wild Utopian dream? Believers in the Single Tax maintain that it can be done.

It is throttling taxes that makes recovery from the depression most difficult. Every effort to promote business has to face taxes unparalleled in nature.

Just imagine the results of the announcement that business would no longer be taxed; that the huge financial load that business is now shouldering would be entirely removed.

The depression would be over in a month.

Every business man would breathe a great sigh of relief. He would increase his investments, his promotion activities, and would add to his force of employees and greatly augment his business.

And if labor also were freed from this incubus—yes, the average

workingman will say that he is now free from taxes, but he is laboring under a delusion. Every pair of shoes he buys, every article of clothing, groceries, merchandise of practically every nature, is increased in price because of the tax that all businesses are now paying.

Indirect taxation is one of the greatest evils. It is hidden away so thoroughly that the ordinary citizen is unaware of its existence. But he pays taxes on everything he buys.

But if capital and labor are to be relieved of all taxation, from what source will the government secure its financial needs?

From land values, the Single Taxers tell us.

But why rob the landowners? the average citizen may ask. And in order to answer clearly that question you will have to go back to our accepted principal of landownership.

Our great cities were formerly farms; cornfields were turned into city blocks. The value of this land was increased in some cases ten-thousandfold.

Who created these increased values? Certainly not the landowner. The citizens who built up the community created these values.

We believe thoroughly in the principle that when anyone creates value of any nature it is his personal property. If John Jones, Jim Smith, and a number of other people combine and create values, these values should belong to them. Therefore, if we adhere to this absolutely just principle, the land values created by any community or city should belong to the citizens who created them.

That is the firm foundation upon which Henry George built his theory of Single Tax: that the values created by a community should belong to the community, and that ground rent, instead of being paid to landowners, should be paid in place of taxes to the government.

When Henry George presented this doctrine we were so prosperous as a nation that revolutionary theories, regardless of their nature, attracted little attention. But now we are in the midst of serious problems. Many of our great leaders fear a possible revolution.

It is said that more than 50 per cent of the wealth of this country is owned by 1 per cent of the population. No one would advocate a redistribution of wealth, and doubtless we are hardly ready to rob the landowners of their ground rent. But we have to recognize the injustice of the principle that gives to a landowner the increased value of land that is created entirely by the community in which his land is located.

Now you can call that principle Single Tax or give it any name you choose, but it is the simple form of justice. What you create should belong to you; what the community creates should belong to it.

Some of our old-time politicians may choke with indignation at such a revolutionary suggestion, but there are times when a patient's illness is so severe that an operation is required, and the problems we are now facing demand drastic measures.

The Single Tax principle would be bitter medicine for those who have been enjoying the unearned fruits of increased land values, but it would certainly be preferable to the mighty upheaval that often comes with revolutionary governmental changes.

BERNARR MACFADDEN.

Can Single Tax Solve Today's Problems?

GILBERT SELDES, COLUMNIST IN *New York Evening Journal*, SEPT. 23

"AS to Mr. Ford," writes Mrs. B. W. Burger, "he has a great many admirable viewpoints, and he, like many others, is advocating 'back to the land' movement as a panacea in our present depressing times. I am wondering if this is an answer to the problem, 'In times of stress, why not in times of prosperity?' Is it not an accepted fact that the savage, who had access to the land, was able to feed, clothe and house himself? Civilized man, in a world of plenty, suffers want." If you are familiar with economic argument you will recognize the key word in Mrs. Burger's remarks; it is "land." Mrs. Burger is inviting me to think about the Single Tax, that phenomenon in the economic

world, a theory totally radical, and approved by conservatives; one which has never been tried on a grand scale, but which evokes the enthusiasm of practical men as often as that of fanatics. In admiration of Henry George you find Nicholas Murray Butler and Bernard Shaw and Leo Tolstoi and Mayor Gaynor and Justice Brandeis and Poultney Bigelow, all joined. And the first Single Taxer I ever knew was also the first great manufacturer I ever knew.

TOO RIGHT TO BE TRIED

I have no text-book or authority on the Single Tax at the moment, but I know what has stood in its way: it is too simple, too logical, and even too just. The taxes people clamor for are complicated and vicious. Witness our adherence to the customs duties, which cause infinite difficulties in collection, are iniquitous to some and far too favorable to others, and are so complex that few of us take the faintest trouble to understand them. Or our inheritance and income taxes. They brought into being a whole new classification of lawyers and thousands of ways of escape. These are the taxes we ask for and get, with the help of Congresses we painfully elect for that very purpose. What is more, these taxes are uncertain; they are always failing to bring in the required or expected revenue; and while a new tariff is being discussed business folds up in despair, not knowing what the verdict of the jury will be. We have seen our Congress discussing a tax bill for nearly a year—and that year happened to be one in which our industrial and commercial activities had all gone to pot—as the result of another tax bill, among other things.

WE WANT MORE

So it is no wonder we reject the Single Tax. The very idea that one tax will be enough to keep the government running offends our taste, which has grown used to multiplication of everything. Furthermore, the Single Tax is levied, roughly, on land, and we no longer think of ourselves as a country primarily agricultural. Mrs. Burger quotes: "Rent of land belongs to the people, and it is the first duty of government to collect it," which I take to be a fundamental tenet of Single Taxation and which suggests that the Single Taxers do not propose to run our government on the proceeds of a tax on abandoned farms in Vermont.

The basic idea, as it has been explained to me, is that when the State of New York built, at public expense, a highway through the Bronx or Hutchinson River valley the enormous increase in the value of all the land nearby was not due to anything the owners of the land had done. It was due to something you and I had done, acting through the State. Therefore you and I—as the State—were entitled to the profit, or a good share of it. And, on the other side, if I proposed to keep as a private garden four square blocks along the Lake front in Chicago I ought to be made to pay as much rent as the owners of hotels in the same district. In effect, none of us would own land individually, all of us would own all the land and take the profits of land in rent; but we would own the improvements made on land, and there would be no amusement tax and no income tax and no bad Ides of March and no lobbies in Congress.

THE MORALS OF TAXES

One trouble with the Single Tax is that it has a sound moral basis which no one is quite willing to admit. In the Wendel estate were slatternly tenements and even lumber yards left in the midst of great business houses and skyscrapers. In good times the value of the lots on which the tenements and yards stood would be a thousand times the price paid by the original Wendel owner; and no Wendel and no Wendel heir had ever contributed anything to make those lots more valuable. The growth of the city had done that. Yet the Wendel heirs could take the profit. The moral argument is that this isn't right.

LISTEN FOR TROUBLE

We all think so until we possess just that kind of parcel of land. Then we talk of our own sagacity in holding on or the sacred rights of property—or anything to change the subject. For we know we aren't