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The argument that, as men acting in good faith have invested money in land, the State has no moral right to impose taxes which, as they absorb Rent, reduce to practically nothing the capital value of such holdings, is of little or no worth. A title to land is as good, and only as good, as that of the original conveyer. An original title which is not based on force or fraud, or both, probably cannot be found. Therefore, from a moral standpoint, no land title is good. But our laws have encouraged traffic in land—have in fact compelled its purchase and sale. Because of this fact many even ardent advocates of Rent taxation deem it best that the change be gradually made.

The local government which levies upon a building a two and five-tenths per cent tax—and this is common—confiscates its entire value in forty years. When the carrying charges and necessary expenditures for the upkeep of a building come to equal the original cost of construction the initial investment in the property may be said to have disappeared. This being true we may assume that the life of the average investment in real estate improvements is not above twenty years. If owners of land, in the same number of years, see their capital investments in it disappear they can have no reasonable grounds for complaint; they will have been accorded exactly the treatment which investors in real estate improvements have usually received.

As a matter of fact the owner of adequately improved land, if he owns also the improvements, will lose nothing: As his equity in land grows less as the tax on Rent increases, his equity in the improvements will increase as taxes on these improvements are reduced.

Taxes on wealth and capital and incomes, and stocks and bonds and inheritances, and imports, may be gradually reduced, and at the same time taxes on Rent may be increased until finally no taxes whatever are imposed upon private property, and socially-created wealth only is taken for governmental use. When this point has been reached such wealth as is produced will be divided between those who work, those who create and therefore

have rightful title to Rent, and those who own capital. Then will *Products* equal *Wages* plus *Rent-taxes* plus *Interest*. Then will *Wages* equal *Products* minus *Rent-taxes* minus *Interest*. Then will economic justice have been achieved.

In making the first levies under the Rent taxation system taxes may be apportioned on the basis of capital values of land. From these we may determine the relative value of one parcel of land to others, and thus secure a series of fractions indicating the fractional part of the budget which each owner of land should pay. For example, if the land in the city is valued at \$200,000,000; if the city's annual expenditures are \$10,000,000; and if a centrally-located lot is valued at \$25,000, the tax on it will be $\frac{25,000}{200,000,000}$ of \$10,000,000—then \$1,250. Another lot, valued at \$500, will be taxed $\frac{500}{200,000,000}$ of \$10,000,000—then \$25. Once the system is established capital values, as a basis for assessments, may cease to be important.

That society which sanctions the private ownership of tools and machinery—instruments of production—is capitalistic. In the present stage of human development an orderly capitalistic system makes possible a greater measure of individual prosperity and happiness than does any other of which we have knowledge. In it no caste barriers exist. Any worker may become an owner of capital and an employer of Labor, if he so desires. Whether he will do business as an individual, or as a member of a cooperating group, is optional with him. Property rights are vital. That which the individual owns he may use, sell, give away, or bequeath. To the degree that his right to do any of these things is abridged, his property rights are encroached upon. It follows that the right to own capital is not limited to those who use it. A title to any property is valid if traceable to the producer.

Just how, or into what, a free capitalistic system may ultimately develop, no one can foretell. Orderly development we need not fear. But we must regard with apprehension any proposal which involves the substi-