

From A Wall Street Medium

THAT some Wall Street people have an understanding of how "the old thing works" is apparent from the following breezy story, which is taken from *Lisman's* for July:

"Back in 1880 Bill Jones went West from Illinois, when land value there had risen to the dizzy heights of \$40 an acre and took up public domain, at the cost of \$1.25 an acre. On the sunny plains of the Missouri River Valley Bill tilled the soil for 30 years and raised a husky family. As the children grew up they married and went off to the city where as a rule they made good. Bill and his wife contemplated finishing their days on the old farm, which they hoped the younger son would keep after they were gone.

Then came the war, and with it \$3 wheat. Everybody was bidding \$200 to \$300 an acre for Bill's land. After much study as to the outlook, Bill sold out. The life of a gentleman of leisure in a small town however, soon palled on this son of the soil and he found it was a very easy matter to *organize a bank*—also that the only fitting occupation for a man with so much money as he had, now that he has sold all his land, was to be a banker.

So Bill and his friends organized a bank and by the time his neighbors had taken a similar course and were done organizing banks, they had about one bank for every 125 families in the territory. Having a bank with a lot of money in it, it was necessary to make the money earn dividends, so Bill began to loan the bank's funds on land at a conservative value of about \$125 an acre, which was less than half of the market value.

The war passed, and in a few years wheat went down to \$1 a bushel. The landholders found that the good roads they had voted, and the increase in the cost of government, under the auspices of their local politicians, had brought taxes up to \$2 an acre. That the land was only producing an average of 8 bushels to the acre so that that after paying taxes, he had \$6 per acre for the work of cultivating the soil. The \$6 an acre did not pay living expenses so that the land buyer on the boom quit paying interest. There were so many defaulting that Bill's bank had to quit paying depositors. The superintendent of banks who took charge found it necessary to foreclose the mortgages, and these foreclosures developed a market value of about \$40 an acre.

Bill's oldest boy came home in time to bid in the old farm at the foreclosure sale. Bill and his wife are back on the old farm again contemplating the pleasure of ending their days there.

The capital of the bank, which represented the profits of land inflation, was evaporated in the process, most of the deposits which had the same origin likewise evaporated. The bank is a memory. Everybody is back where he started and is learning to be content to work for a living."

Not Charity But Opportunity

WHAT hypocrisy to count our progress and social betterment, to boast our pure food laws and our sanitary ordinances when thousands of destitute people are to be found in all our large centers! What avail the elaborate school facilities, magnificent park systems, fine public buildings, libraries and all that helps to make the "city beautiful," if men and women and children have not enough to eat, nor enough to wear, if they must live and sleep and work with gaunt poverty and starvation as their constant companions?

We cannot escape this problem by deploring past conditions or present difficulties. It is a real, living, growing issue of daily existence that will not cure itself, nor improve at all without an insistent active and practical campaign.

What of the merchant-princes, prodigal in their private and public charities, patrons of education, of art, of science, in whose stores and factories young girls are working from morning until night for six days a week for a mere pittance? These are the children of the poor, who once past the schooling age must support themselves and assist to support the family at home.

And where lies the remedy and what the means to correct this condition? It is said that wild horses upon being attacked by the wolves form a ring around the mares and young, presenting a battery of heels to the enemy. We all know the infinite care and solicitude of the mother bird for its young and helpless fledgling. Everywhere in nature is found this same spirit of helpfulness to the weak. We willingly support the pauper at public expense; gladly we care for the sick in our hospitals, but alas, how little we are doing for the healthy, the able, the willing, who want no charity, who seek only the opportunity to gain a living in exchange for their labor.

Let us broaden this great work—let us magnify our charity—until it shall come to mean not alone the giving of money, but the giving of opportunity, the willing grant of rights to all, that men may live their lives freely and fairly even though by the sweat of their brow. Humanity is fast being written into our laws and the law of vengeance and retaliation is fast becoming obsolete. Men are coming to see that the lawbreaker is not of necessity like the savage beast which must be confined behind iron bars to protect the community.

In the years to come laws framed in the spirit of righteousness, and respect for those laws, will still keep this Republic in the vanguard of the army of civilization and human progress. In the perpetual expression of the divine models thundered from Sinai and in the enactment and observance of beneficent laws inspired in the justice and kindness of the greatest Reformer in the history of the world lies the true destiny of America. Under laws granting no privilege to the few and withholding no protection from

the many I see the triumphant march of the nation. In that future the oppressed seek not in vain for relief, the weak are not the victims of the strong, the rich and the powerful crush not the poor and lowly, the shackles of industrial slavery no longer chain the laborer to unrequited toil. By the benign alchemy of gradual social reform, the aristocracy of wealth, of education, of power, and the despotism of necessity and ignorance shall become transmuted into the enlightened Republic of men guided and safeguarded by law, and everlastingly secure in their liberties because of law!

CONDE B. PALLEN, in *Columbia*, organ of the Knights of Columbus.

One Hundred Different Taxes in Ohio

A CORRESPONDENT makes a sensible protest against the multiplication of subjects for taxation. We suspect that he is himself a believer in the single tax on land values but, whatever one may think of that theory, there must be general agreement among intelligent persons that the main point he makes in his letter, against the increasingly large number of different taxes, is perfectly sound.

There are now levied in Ohio, it is said, approximately 100 different kinds of taxes. Several new taxes, including a state income tax, a mineral production tax, a mortgage recording tax and a gasoline tax, are proposed and powerfully advocated. Every one of them would complicate the tax system still further and increase the number of public officeholders, whom the people have to pay. There is never any movement to substitute a new tax for an old one; it is always to add a new tax to the list of those already existing.

And every new tax costs the people something more. The oil companies, for instance, would not pay the proposed gasoline tax. Nor would the gasoline consumers alone pay it. It would be felt directly or indirectly by everybody in a tendency toward increased costs all along the line. This is the curse of special taxes—they are an imposition upon the people in general, who are made to think that they cost no one anything save those who pay them directly. If the taxing system were simplified to a point where all taxes were levied upon a single subject, as incomes, land values or sales of merchandise, the people's tax bill would be vastly reduced, but the officeholding class would not like it. Many of them would lose their jobs and the others would be held to a stricter accounting because their constituents would realize better what the public service was costing them.

Ohio State Journal.

ALL public improvements increase the value of land, and land only. Then why should not public improvements be paid for by taxes on the value of land?

Public Improvements and Increased Values.

WHEN nearly forty years ago Henry George, a San Francisco printer, who had written a book dealing with the persistence of poverty despite the wonderful progress made by inventive genius in increasing the production of wealth, became candidate for Mayor of New York City, his proposal that all increases in land values due to the growth of population of public improvements should be taken by taxation for city revenue was regarded as rank Socialism and an attack on property rights. So dangerous was his candidacy regarded that many prominent Republicans supported the Democratic candidate for Mayor through fear that their own candidate, Theodore Roosevelt, could not possibly be elected. The suggestion that the progressive increase in land values should be taken for the benefit of the community, to whose growth and activities such increase was due, was denounced by some of the clergy and condemned by all the great business interests.

It will no doubt surprise many of those who then opposed the taxing of land values to find that the City of New York is now contemplating the construction of a subway under Sixth Avenue, the cost of which is to be provided by taxes on abutting property that will be benefited by the new transportation line. They will be further surprised to learn that, instead of regarding this innovation as confiscatory, the property owners along the proposed route are willing that they shall be taxed in proportion to the increased value of their land that is expected to accrue. Further than this, the corporation counsel of New York has rendered an opinion that the statute providing for assessing the cost of subways on the property benefited is entirely constitutional.

The difficulties in securing the enormous amounts of capital for the construction of new transportation systems, experienced by many great cities, will practically disappear if the system proposed in New York shall be generally adopted. On its face it would seem to be a perfectly fair proposition that a public improvement which will greatly increase the value of abutting property should be paid for by assessments on the increased values. The owners of the abutting land certainly cannot complain if they are called upon to pay part of their increased revenues for the construction of improvements which will directly benefit them. That land values which have been created by other activities of the community should be taken in taxation for public purposes may not yet seem so obvious, but the changed attitude of property owners in New York is at least significant as showing that the basic idea involved is finding general acceptance.

Christian Science Monitor.

Get your friends to subscribe for LAND AND FREEDOM.