

given under the land value system if it had been in operation in your county; multiply the assessed value of your land by the increased rate. The result will be almost exactly the tax you would have paid on the same property under the land value system if it had been in force in your county in 1909.

Evidently the object of our correspondent in asking for the figures as to Clackamas County, like our reason for publishing them, has to do with the fact that it is in Clackamas County that Initiative proceedings have begun, under the local option amendment adopted last fall, for establishing local land value taxation.*

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The Blight of Landlordism.

To all who think of great capitalists as mere capitalists, and not as landlords—whether those thinkers be business men, farmers or workingmen, and whether they get the notion from their own superficial observations, or from Socialist speakers and writers, or from University professors,—we commend the following official report on the Steel trust. The report is by Herbert Knox Smith, United States Commissioner of Corporations, and it is true. After stating the facts in detail Commissioner Smith says: "Thus the industry itself rests physically on the ore; the corporation based one-half its capitalization on the ore; its profits on ore, as will later be shown are large, and in the ore is its highest degree of concentration and control. The ore therefore is of primary significance in the corporation's dominance, and in that resource chiefly are involved the industry's problems of ultimate public interest." And there are others! Think it over. That is to say, *think it over*.

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TWO FISCAL FALLACIES.

It is no gracious job to criticise so genuinely progressive a newspaper as the Rocky Mountain News of Denver, of which ex-Senator Patterson is the owner and editor. But the daily editorial grind of a heated term sometimes turns out inferior products from unexpected quarters.

As a rule the editorials of the News, be they right or wrong from other points of view, give evidence not only of sincerity, but also of thought with knowledge. This rule has been broken in part. The News editorial to which we here call attention, while it is evidently sincere, is as evidently without knowledge or careful thought.

The editor was moved to criticise the Singletax,

*See Public of August 11, page 824.

and kindly; but he did not weigh his reasons. The result is an unfounded admonition to Singletaxers that their cause would progress faster if it were not frequently tied to two unnecessary fallacies.

The first of these supposed fallacies is the notion that the Singletax would exempt industry and thrift from taxation; the second is an assumption that all men have co-operated in substantially equal measure to produce land values. Let us consider them.

I.

First, then, the "fallacy" that the Singletax (which would derive public revenue exclusively from land values) "exempts industry, thrift, and capital from taxation."

Henry George knew much about the Singletax, and he was at great pains to prove that it would do precisely what the News editorial is at no great pains to prove that it would not do. On this point, John Stuart Mill stood like adamant behind Henry George. And while some political economists try to draw fine distinctions, none have ever seriously disputed, but many have deliberately confirmed, this doctrine of Mill's which George carefully considered and adopted and which the News lightly and inconsiderately repudiates. It is the well-recognized doctrine that the burden of taxes on economic rent (land values) is not borne by industry or thrift, nor by capital in the economic sense of that term.

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The News tries to prove its case against Mill, George and the other economists—without referring to them, however,—by an inference from its statement that "taxes are and always must be paid in values." As "idleness produces no values, waste accumulates none" and poverty "has none," it infers that "taxes must finally come from those who produce, save, and have." That is as perfect a statement of fact and as logical an inference as could be desired. But what has the source from which taxes finally come, to do with the question of how they are borne? It is the *burden*, not the *source*, of public revenues that determines the bearing of exemptions.

While the News is correct in the facts it states, and sound in the conclusion it expresses, it is far afield in the conclusion it implies.

For it implies that inasmuch as "taxes must finally come from those who produce, save, and have," therefore taxes must finally lower the incomes of those who produce. Without this conclusion, the News editorial has no point. But its mere statement exposes its fallacy.