

In the evident state of confusion and lack of policy of the National Government, as revealed in the war budgets in course of preparation, we feel justified in making a definite suggestion, which has already the sanction of experience by one of the foremost federal democracies. We refer to Australia, and to the Australian Federal Land Tax; and we venture to suggest that the National Government would do credit to itself, a good service to its own finances and simple justice to the American people, by adopting and improving upon this Australian model. It is the first essential step in any rational or effective reconstruction of our fiscal and economic system.

The Single Tax Peril, A Wail From Chicago

THE Chicago Real Estate Board, like its confreres of the East, has been considering lately the question of taxation. Naturally, nothing was said of the notorious fiscal privileges enjoyed by real estate in the adjustment of the federal budget. Somehow, that is taken as removed from all discussion, a sort of fiscal divine right. But, in regard to the position in state and municipal taxation, some uneasiness is felt.

Mr. John P. Wilson, described in the *Real Estate News* as a "prominent exponent of constitutional law," warned the Chicago Real Estate men of the "Single Tax Peril," enlarging upon the subject as follows:—

"A somewhat prominent man in Chicago, in a hearing before the tax commission, or in connection with it, said that if the change was made there would be some interesting experiments here in Chicago in taxation of business property, which derived its value not from the labor, efforts or ability of its owners, but by reason of location in the centre of a great population, which value, therefore, did not belong to the owner, not having been created by the owner, but belonged to the community, the existence of which created the value.

"It was claimed, too, that a great evil existed in allowing the increment in value of vacant acres, which came from the growth of the city, to accrue to private individuals.

"To make such experiments, on top of all else that handicaps real estate in Chicago, would be a serious matter, in my judgement, not only to realty owners, but to the city itself. Taxation of Chicago real estate is a serious problem. Such experiment would prevent construction of great permanent buildings, so essential to a great city.

"What would result? The unsettling of values upon which fortunes rest, fortunes not created by the rise in value of the land, but invested after the rise had taken place, in reliance upon the permanence of laws and property rights as they existed here since the country was settled,—an unsettling which in my opinion can have no adequate compensating benefits, will result.

"The question is one of great importance, one which, it seems to me, this body is directly interested in, one which

they should study, and be prepared to be active in promoting whatever view they shall finally conclude is right."

We, too, hope that real estate men will study seriously the question of taxation and revise their position in the economy of the nation. Is not Mr. Wilson, however, taking too much for granted? Does he really expect the owner of the fine building and business occupying a city lot to protest against being placed on a par with the owner of the adjacent vacant lot, when called upon to meet the tax bill? When fairly faced with the issue, will the progressive owner acquiesce quietly in the historic pretensions of the vacant lot to fiscal advantages not shared by the productively utilized lot? We hardly think so. Will he not rather demand equal treatment? May he not even demand that his productive activities shall be recognized by more favorable fiscal treatment than that accorded to his "slacker" neighbor in whose hands equal opportunities have not been used to the economic and social advantage of the community?

The cleavage of interest between the productive and non-productive owners of landed property is an economic fact that is but poorly disguised by the collective description of both owners under the general term of Real Estate men. The fiscal interests of the user and non-user are, indeed, diametrically opposed. It is impossible to reconcile them. When examined closely, the so-called Real Estate Boards will be found to be composed substantially of speculative, non-productive, economically parasitic interests. When surveyed comprehensively, in their relations to the forces of fiscal reform and economic fair play for the nation, the apparently formidable Real Estate interests will be seen to be, numerically and politically, in a hopeless minority. They have, however, masqueraded so long under an imposing though deceptive name, that probably they have actually come to believe in their assumed identity with legitimate constructive economic forces. But the camouflage is too transparent to deceive even the casual observer. And to-day, in matters economic, the casual observers are a pretty numerous host.

The plea of immemorial custom, advanced by Mr. Wilson on behalf of the peculiar fiscal privileges of the speculative landed interest, must sound, even to its author, singularly ineffective and out-of-place, at a time when Democracy, the world over, is engaged in sweeping out the accumulated absurdities and injustices of centuries.

Fortunately, the large generous spirit of these times is infectious. The nobler minds among speculative real estate dealers have not proved inaccessible to a higher plea than that voiced by Mr. Wilson. They understand their economic anachronism; they listen, not so much to what was thought and done in the past, as to what the future demands; in increasing numbers they are sacrificing selfish interests and, like so many others, abandoning easy money and dubious activities, they are entering the ranks of real labor and real production. The sense of decorum and the spirit of patriotism will, we are sure, eventually

prevail, so that even Real Estate Boards will repudiate the special fiscal privileges which have been so long their stock in trade. The traffic in opportunities of access to American soil will then go to the discard, as have not a few other unworthy practices in the past, by grace of a roused conscience and by force of new and better laws.

Wanted—A Single Tax Budget

WE heartily commend to Single Taxers the following statement by Mr. Eugene M. Travis, New York State Comptroller:—

"The scope and method of raising revenue for the support of our State Government presents one of the greatest determining factors in the life of our people. The ignorance and willful disregard in the past of the methods of raising revenue have powerfully encouraged a widespread belief that our citizens should look to their Government for support rather than that they should support the Government. To this defective education may be attributed the common confusion between the payment of taxes and the benefits or profitable returns therefrom. We grow up from youth and find roads and bridges, schools and churches—in short, all the necessary State government provided as free as the air. We have but to live to experience their benefits. Yet the problems connected with the raising of necessary revenues are seldom discussed.

"Consequently, we enter upon our duties as citizens and exercise our franchise rights not only in ignorance of the principles or methods by which the cost of these privileges is defrayed, but also with a positive disinclination to receive instruction upon the subject. In brief, it is one of our most singular habits of mind that we continue to neglect the study of the most vital subjects that concern the welfare of the citizen. Probably not one citizen out of a hundred can be induced to think about how much State government costs annually. As long as this is the situation, it is difficult to see how our State Government can be wisely or more economically managed."

If our Single Tax movement suffers from one defect more than another, it suffers from a mental aversion to the study of the details of the present fiscal system, with municipal, state and national budgets so miscellaneously provided for. As a general rule, the task is evaded and the easier course adopted of proclaiming pure principles, economic and moral, with an occasional illustration or two.

What is as much needed as anything is an analysis of the budget of each of the states and a reconstruction of same upon the basis of a redistribution of taxes according to the nearest available estimate of land values, accompanied by comparative tables illustrating the differences in fiscal incidence. The business community would quickly appreciate the significance of such a demonstration. We suggest that in each state a duly qualified technical committee be charged with the task of preparing such a Report. It could not be done too soon, considering the increasing gravity of the problems of taxation.

The formation of a national committee for the specific purpose of preparing a similar report on the federal budget is an urgent patriotic duty.

It is time, too, that a few representative municipal budgets should be similarly treated.

Material of the kind above described is perhaps the best ammunition for campaign work. It is needed for the self-education of our movement. It is needed to give greater definiteness and clarity to our aims. It is needed to dissipate once and for all the impression of vague social revolt and yet vaguer social aspirations with which, in the popular mind, we are too often identified.

Let us have, then, as soon as possible an authoritative document illustrating the Single Tax system as applied to the budget of any one of our states with a comparative demonstration of its advantages over the system now in force.

The present chaotic, oppressive fiscal system survives simply by grace of the mental indolence of the tax payer before the drudgery of giving to the public budget the same careful examination given to his private budget. Mr. Travis deserves our thanks for his plain speaking on the subject. The forces of reaction do not need his warning. They are fully alive to their present advantage. The warning should be heeded by productive industry and trade, which, consciously or unconsciously, are the forces of progress.

Lloyd George on Trial

I SAY to labor: You shall have justice; you shall have fair treatment, a fair share of the amenities of life, and your children shall have equal opportunities with the children of the rich. To capital I say: You shall not be plundered or penalized; do your duty by those who work for you, and the future is free for all the enterprise or audacity you can give us. But there must be equal justice. Labor must have happiness in its heart. We'll put up with no sweating. Labor is to have its just reward. And when the whole world sees that wealth lies in production, that production can be enormously increased, with higher wages and shorter hours, and when the classes feel confidence in each other, and trust each other, there will be abundance to requite the toil and to gladden the hearts of all. We can change the whole face of existence."

These big words are from one of Lloyd George's recent pre-election speeches. They promise "equal justice," "equal opportunities," "just reward," "amenities," "happiness," "higher wages," "shorter hours," and "we can change the whole face of the existence." Does he mean it? Is it a mere electioneering bid? Why does he speak of labor and capital, and make no mention of the landed interests which, behind fiscal privileges, exploit them both? Do the terms of the political coalition to which Lloyd George is pledged, saddle the landed interests as firmly as ever upon the backs of labor and capital? These are dangerous times to play false with the people. Better had he spoken the brave, true, wise words of not so many years ago, when he fought to break down the fiscal bar-