

A Single Taxer's Journey to the Henry George Congress

(Continued)

LEAVING Colorado on our way to attend the Henry George Congress in San Francisco next September, we pass through the State of Wyoming. To look at the surface of this country, it is most uninviting. Yet, potentially, Wyoming is one of the wealthiest States in the Union. Some day it will surpass Pennsylvania in the production of steel. In Wyoming there are great beds of coal and iron ore and rich deposits of oil and natural gas. The greater part of the State being above 5000 feet elevation, and large areas more than 7,000 feet, the winters are very severe and long. It is here we will find exemplification of the old saying, It is an ill wind that blows nobody good. In the early days immigrant trains leaving Missouri for California, found their oxen exhausted and helpless so that many of them had to be abandoned on the plains of Wyoming, their owners expecting to see their bones bleaching on the desert the next season. But when these immigrant trains came through this country in the following spring, on their return trip, they often recognized their own brand on oxen grazing by the roadside, and recovered their stock in good condition. Wyoming has heavy snow storms in the winter, accompanied by terrific blizzards, which clear off the ground, exposing the feed for stock, and pile the snow in huge drifts, where the animals go to get their drink. For this reason Wyoming is one of the best cattle and sheep countries on the continent.

Unfortunately, the land speculators seek to sell this land to farmers, advising them that it is equal to the lands of Nebraska and Iowa. Last year an organization at Cheyenne called a meeting of prominent citizens, and urged them to invite their friends to come to Wyoming and establish farms. I was told that the Catholic Bishop of Cheyenne, when called upon, told the meeting that he would not invite any person to come there for farming, as it is not a farming country. Yet, the real estate sharks would unload this land on innocent farmers! I was told of a hail storm on the fifteenth of June, three years ago, when the hail fell as big as hens eggs, breaking the slate tiling of the Catholic Cathedral and the Presbyterian Church so that it cost \$3,500 and \$2,500 respectively to repair the roofs; also \$2,000 to fix up the high school and much more for the State Capitol. Trees were stripped of their leaves, and even the buds, so that the next year they had no leaves and died. The very best land about Cheyenne, where the joint Federal and State Agricultural Experimental Farm is located, is not worth over \$12 per acre. Yet, throughout this country, scattered over the plain, will be found unfortunate victims of land speculators, who are trying to make a living under such adverse conditions.

Wyoming has the usual exemption from taxes for land and buildings used exclusively for religious or charitable

purposes. In Cheyenne, doubtless because of this exemption, the Masonic Fraternity have constructed the finest Consistory Building in the West. There is nothing to equal it, even in California. It is a magnificent monumental structure of granite. I happened to be in Cheyenne during the Frontier Days Celebration. The restaurant and other business men have to make large contributions each year to pay the expenses of this colorful celebration, that is well worth seeing. To my surprise, however, many of these churches, teaching morals to young and setting an example to their elders, during most of the year, in this week forgot their obligations to the State. Although exempted from paying taxes on the ground that their property was used solely for religious purposes, the Presbyterian, Congregational and Methodist Churches had out large banners, and distributed circulars all over town, advertising the meals which they served for fifty cents each. And they were good meals, too, as I found. While eating at the Methodist Church, one of the ladies told me that the profit of the meals would be used to pay the taxes. The Elks Club building, also exempted as a charitable institution, was used by the ladies of the Baptist Church, probably without paying any rent. Yet, the building was thus used to make a profit. I told some of the restaurant men in the town that they should demand similar exemption from taxation, especially from the additional onerous licence taxes, as the churches were competing and taking from them the cream of their business..

During this Frontier Celebration Week, the National Newspaper Publishers Association held its annual convention in the Masonic Consistory Building. A few days later I called at the office of the Custodian, who took me about the building, showing me in the basement a cafeteria and kitchen capable of accommodating one thousand persons; on the first floor one of the finest dance halls I have ever seen, and the second floor, above the dance hall, was an elegant theatre which will seat eight hundred persons. The Custodian told me that they get about two thousand dollars a year rent from this theatre, and would get much more if the architect had located it on the ground floor. He said they also get considerable revenue from the dance hall for conventions and dances and likewise from the cafeteria. I did not say anything to this gentleman about this property being exempted from taxation as being used solely as a charitable institution!

Wyoming like other western states, when admitted as a member of the Union, was made large grants of land by Congress for common school, university and other educational and public purposes. Fortunately, Congress provided that none of this land should be sold for less than \$10 per acre. As there is little land in the State which is worth over two dollars and a half per acre for agricultural or like purposes, the State has sold less than 600,000 acres, of the more than 4,000,000 acres granted. From the balance the State received for the two years 1926-1928, \$332,920 from the rent of grazing and agricultural land; \$60,400

from oil and gas prospectors' leases; \$4,550 from other prospectors' leases; and from interest on land purchase contracts, \$234,362, a total of \$632,232, which became a part of the income funds to be used for the operation of schools and other public institutions. There are other receipts from the land which are deposited in the Permanent Fund, the interest from which only can be used by the various departments of the State entitled to it. During the same period this Permanent Fund received from timber sale contracts \$854; from coal and limestone operating leases \$13,290; purchase contracts of State lands \$483,745; and from oil and gas operating leases \$1,983,732, or a total into the Permanent Fund of \$2,481,623.

The worse than folly of the States and Federal Government selling, or otherwise allowing, private persons to gain title to land is shown by the working of the Wyoming State Lands. It happened that one section of 640 acres of this common school land was located in the center of the Salt Creek Oil Dome. When oil was discovered there, oil companies bid for the right to exploit this land. In the beginning the royalty paid the State consisted of ten or twelve per cent. of the oil produced. And from 1919 to 1924 this royalty amounted to $33\frac{1}{3}$ per cent. Since that time up to this date 65 per cent. of the oil produced in that field by the Midwest Oil Company, a Standard Oil concern, has been paid the State. Many other leases in the Big Muddy, Grass Creek, Rock Creek, Ferris, Osage and other fields are paying the State royalties from oil produced on State land, ranging from ten per cent. to forty per cent. During 1927 more than 21,000,000 barrels of oil were produced in Wyoming of which nearly 7 per cent. came from State royalty land. It is believed by many persons that if the Legislature provided for proper control and inspection of the wells on State lands, that the oil received by the State would be greatly increased.

Another illustration of the advantage to public interest in retaining title to the land is shown by the report of the Wyoming State Department of Education, which shows that in 1910 there was less than three hundred thousand dollars in the common school Permanent Land Fund. The royalties from oil, especially in the Salt Creek section, have increased that fund, so that on November 1, 1928, it amounted to \$16,522,316. The income from this fund only can be used, and has greatly improved and extended education to children in Wyoming. The politicians of Wyoming are becoming very jealous of the school children getting the benefit from these oil lands. I am told that the Legislature seeks to induce Congress to change the Act so that some of this money may be used for purposes other than that of educating children. It is to be hoped that every reader of LAND AND FREEDOM will write to his Congressman and urge that the children of Wyoming be not deprived of any of the income their schools are entitled to. Fortunately Katharine A. Morton, State Superintendent of Public Instruction, is also a member of the State Public Land Board and zealously watches out for the interest of

the schools. In addition to the income from State Lands, the School Department of the State also receives one-half the money derived by the United States Government from royalties of mineral land, which brings to the school children an additional \$953,452.

On our way to the Henry George Congress at San Francisco in September, it is well worth while to tarry a little longer in Cheyenne. If you like canned fruits, bring them with you, for you will surely be soaked if you attempt to buy any in Cheyenne. I found stores asking forty cents for a number $2\frac{1}{2}$ can of Del Monte peaches that were selling in San Francisco at the same time, for twenty cents or less a can, although the most expensive shipping rate is not over four cents per can.

One attractive feature of the Frontier Days' Celebration is the band of Rosebud Indians who perform at the park. During part of the day and evening, in full war regalia, feathers, paint and the like, accompanied by the Indian tom-tom beaters, they indulge in war dances about the streets of the town. These Indians, from the little babies up to the old men and women, enjoy the events and their part in them, as much as the white man. While they are really, truly Indians, and present an aspect that would fill any boy or girl, from east or west, with a terrifying delight, yet, today they are men and women of peace. The members of this tribe are all Catholics and their good, old parish priest accompanied them to Cheyenne. On Sunday, the chief led the entire tribe, young and old, men and women, to early mass at the Catholic Cathedral, where they bowed in humble adoration of the white man's God.

Be very careful in Cheyenne in butcher shops and restaurants not to order mutton chops, because an antagonism may easily develop against you. The bitterness of the wars between the sheep and cattle men has not yet passed by. The cattlemen of the early days, and even very late days, regarded the open range as their exclusive possession. Many a sheep man has disappeared, or his band of sheep been slaughtered on the plains, by so-called outlaws. Even settlers who built homes and erected fences were regarded as enemies. A wire fence was abomination. Cattle companies posted notices claiming hundreds of square miles, extending from mountain range to mountain range and river to river. Woe betide anyone who dared to intrude. Settlers on Government land were even hung to the nearest tree, when they could not be driven from the land. It is claimed today that the cattle and sheep men work in harmony. Stock men find that they get better results by improved methods of handling cattle, instead of allowing them to roam over the open range. Sheep men in Wyoming have formed numerous mutual organizations which, especially in the southwestern part of the State, have been buying very large tracts of grant land from the Union Pacific Railroad. By this means they get the free use of the even number sections, which are Government lands. The Railroad company sells them only the surface rights, retaining for itself all coal and other mineral rights.

The development of cattle and sheep raising, not only in Wyoming, but throughout the West, well illustrates Henry George's refutation of the Malthusian Doctrine. Wholesale buyers of cattle and sheep, told me that thirty years ago a lamb $4\frac{1}{2}$ to 5 months old would be called heavy if it weighed sixty-five pounds. Today at the same age, a lamb will weigh from eighty-five to ninety pounds. In addition, there is a saving of ewes, twenty-five to forty per cent. greater than forty years ago, and farmers buying old sheep will get one or two more years of breeding off them. This is accomplished through better care, better feed and improved breeding. Likewise, cattle four months old today weigh the same as at eight months, thirty years ago. Also, hogs, where formerly they could save but fifty to sixty per cent. of a litter, now they save ninety-five per cent.

More than thirty years ago the Legislature of Wyoming, in order to encourage the production of beet sugar, exempted from taxation all property employed in the production of beets and manufacture of beet sugar in that State for ten year periods. In addition, there is a section in the Constitution of the State, which provides that manufactured goods, while in the possession of the manufacturer, shall be assessed at the value of the raw material used in the manufacturing process. This applies to all manufacturers, and generally results in an assessment equal to about ten per cent. of the market value of the goods.

While Wyoming possesses few mines of precious metals, it is wonderfully rich in basic metals and coal and oil. Fortunately, the 1920 Federal Coal and Oil Land Leasing Bill withdrew from entry all the then remaining coal and oil land. Elsewhere I have told of the State School Department receiving from the Federal Government nearly one million dollars annually, as its share of the Government royalty under these federal leases. However, the iron ore and other base as well as precious metals, are still subject to the filing of mining claims and patenting. Practically all the known areas containing these ores, throughout the State, now have some speculative hog sitting upon them, and demanding from \$500 to \$500,000 for each claim of twenty-one acres or less.

The Colorado Fuel and Iron Works gets all its iron ore from Wyoming, at the Sunrise Mine, situated in Platte County, about a hundred miles north of Cheyenne. At this place that Company owns an entire mountain of almost pure hematite ore. It is said that with some five hundred miners and laborers, working in three eight hour shifts each day, from ten claims it produces, with steam shovels, some six hundred thousand tons of ore annually, which is hauled by railroad nearly four hundred miles to Pueblo, Colorado, where it is used in producing steel. This Sunrise Mine is among the twenty largest iron mines in America. Its ore is said to be valued at \$2.50 per ton. I wrote the Assessor seeking to find out the assessed value of this property, and other information, but got no reply. The records of the land office show that Charles A. Gurnsey filed on

most of this land, and had it patented, later selling it to the Colorado Fuel and Iron Works.

This is the only big iron mine in Wyoming, and in fact, west of the Missouri River. Yet, the iron ore resources of Wyoming are almost limitless. If it were not for the United States Mining Claims and Patenting Laws, permitting speculators to grab them, these resources would all be open to development.

Fortunately for Wyoming, fully 6 per cent. of the area of the State was embraced within the sections of land granted to the common schools. I have already referred to the famous school section in the center of the Salt Creek Oil Dome. The oil content of that section is appraised at not less than \$100,000,000, so that the 65 per cent. royalty oil will ultimately bring to the Permanent School Fund \$65,000,000, the income of which will be used for the education of the school children. Approximately 70 per cent. of the area of the State is either Federal Public Land, or else land transferred to homesteaders and other claimants, in which the Government has reserved all mineral rights.

Under the Federal Act of 1920, mineral leases are awarded by the Government to the highest bidders. Since the passage of this Act the Federal Government has received from mineral lessees, in Wyoming, up to November 1, 1928, a total of \$48,748,811. From all remaining States of the Union, the total receipts of the Government from similar sources, for the same period, amounted to but \$20,000,000. The Federal Law provides that $37\frac{1}{2}$ per cent. of the receipts from these mineral leases be returned directly to the State from which they originated, and that all but 10 per cent. of the remainder be expended on the construction of new irrigation projects in the western arid states. These figures will give the reader a slight idea of the wonderful mineral wealth of Wyoming, which is hard to vision, as there is comparatively little development.

Wyoming is a State that deserves the careful attention of Single Taxers, as we may soon see developed, within this area, State and Local Governments which receive their entire revenue from the rental value of the natural resources of the country. Thus it will be possible to exempt industry from taxation. The constitution and laws of Wyoming, now provide for the exemption from taxation, not only all public property, but household effects for each family to the value of \$100; property of all honorably discharged veterans of the Civil War to an assessed amount of \$2,000; "Lands with buildings thereon used for schools, orphan asylums, hospitals and lodge rooms of secret, benevolent and charitable societies, so long as they are not used for private profit;" and all mortgages. So, there is a little sanity in Wyoming, even if they make the mistake of exempting lands as well as improvements. Merchants are assessed at the average value of the property which they possess during the year. Manufacturers are assessed at a similar average value, except that the value "shall be estimated upon the material only entering into the combination for manufacturing." Another wise provision in

the Tax Laws of Wyoming is that every other private interest in land, whether State or Government land, a homestead or mining claim, must be assessed at its actual value. Otherwise, the Tax Laws are as foolish, in attempting to tax industry and enterprise, as the laws of any State.

EDWARD P. E. TROY.

Another View of the Snowden Budget

WE were taught in the Army that a report by an officer should begin with his conclusion! In case it is not self proving his arguments and evidence are to be then stated for the consideration of his superior should time allow. This seems to apply to our Georgist endless war on the Economic front; and here we are! The Henry George folk have got nothing in the first British all-Labor Budget, and for one this writer has never been better contented with nothing. That is my conclusion. Now for the facts. The Edinburgh Henry George International Conference of 1929 had just over two hundred more or less intelligent and cordial messages from Members of Parliament and about 15 from members of the Government. This is a fine result, but it must be borne in mind that for each in each category there were two so hostile that even formal sympathy without obligation would not be shown. That is the bouquet which we present to the Chancellor, *prima facie*; he is not the master of Parliament, but its agent, and has (with the Cabinet) to preserve its confidence to live. His policy then must be such as to attract at least one and if possible two of the four hundred we are not able to influence, and even to use them to break the House of Lords, the "realtors," and the social code of the land.

What then were his alternatives? For the Georgist is not the only pebble on the beach! We may dismiss the dreamers of the "Land Nationalization School" (though the Cabinet and the Liberal Shadow Cabinet swarm with them) when the Russian Government can make the State farms pay their way, and when the British Wholesale Co-operative Societies can make their farms pay their way, even within the closed market of their organization in which no bad debt is conceivable, it will be practical politics to discuss State purchase of farm lands and minerals, with all the improvements connected therewith, for agriculture and mining directed by Civil Service clerks in offices or talented local people with a distaste for soiled hands. There are three "plumb crazy" proposals which Snowden could have incorporated in his Budget with the certainty of cordial acceptance by a large majority of the Commons and only a decent show of resistance by the Lords. They are: (1) a more or less complete confiscation of all future increases in land value, leaving all values in present hand up to the date when the Valuation should be completed. The Lloyd George Valuation of 1909—10, which

was so orientated has never been completed yet, and having been shot through with judicial decisions (of grass being or not being site value) it can never be finished.

The German Weimar Constitution of 1919 was said to have provided for such a betterment tax which also has never been introduced even when the currency inflation produced an identical site value inflation which would have protected all holders of mark notes had the practical German mind been able to apply its own Statute. Only a sound Georgist valuation in ANHALT has been repealed to make way for such a Reich Bill.

Snowden could have proposed this and did not. Or (2) he could have been assured of carrying a proposal to charge local betterment on frontagers, especially for motor roads paid for by taxes on transport (on cost of living for all). This of course would ignore the benefit accruing at terminal points, and in many cases imposes a levy at an arbitrary rate on frontagers for giving a saleable value to property they do not wish to sell. A fair thing as a national tax, but not as personal. Just as the Supreme Court of Buenos Aires rejected such a law for the CARRETERA to La PLATA on the ground of vagueness in definition of the area of benefit, it is certain that British Courts would have disallowed this plausible proposal, which would have been sure of enactment. But it is not in the Budget. Nor is (3) in any way indicated, though it is the most popular dead end side track for the Georgist movement. A national land value tax exempting all land used for agriculture, or alternatively to fall on "building site" values agreeably to the Churchill-Chamberlain law which remits all local taxes on land classified as agricultural. The uniting thought in these three laws is to tax land more or less according to the use made of it; which in the hands of lawyers has made the wholesome *rebus sic stantibus* maxim into an engine of unparalleled oppression of those who use land in any way, for the relief of speculators and devastators. But Snowden has not only withstood these partisans (who form a reckless majority) but has harnessed them to the car of the Single Tax, taking the first and essential step.

A valuation bill is proposed, in the most general terms. It will include all the land of the country, and be of such a nature that the hopelessly impractical Lloyd George valuation cannot be incorporated or adopted in it. (By impractical I mean that the 1910 Valuation is not capable of being shown in figures or colors on a public site value map as in Denmark; for like adjacent properties they have different site values according to the charges and conditions of tenure; and are official secrets). If the Bill is opposed, or mutilated or rejected by the Lords, it will be incorporated in the 1931 Budget and forced through even at the sacrifice of all other plans. It does not contain any provision for any raising of money; following strictly the precedent of the first Danish trial Valuation, still the best as the first in Europe. If it did, a majority of the Commons today would almost certainly provide for the exemption