

the state of a part of the premium which the land owner can get for the permission to use land, neither increases the demand for land nor decreases the supply of land, and therefore can not increase the price that the land owner can get from the user. Thus it is impossible for land owners to throw such taxation on land users by raising rents. Other things being unaltered, rents would be no higher than before, while the selling price of land, which is determined by net rent, would be much diminished. Whoever purchased land outright would have to pay less to the seller, because he would thereafter be called on to pay more to the state.

But, while the taxation of land values can not raise rents, it would, especially in a country like this, where there is so much valuable land unused, tend strongly to lower them. In all our cities and through all the country, there is much land which is not used, or put to its best use, because it is held at high prices by men who do not want to or who can not use it themselves, but who are holding it in expectation of profiting by the increased value which the growth of population will give to it in the future. Now, the effect of the taxation of land values would be to compel these men to seek tenants or purchasers. Land upon which there is no taxation even a poor man can easily hold for higher prices, for land eats nothing. But put heavy taxation upon it, and even a rich man will be driven to seek purchasers or tenants, and to get them he will have to put down the price he asks, instead of putting it up; for it is by asking less, not asking more, that those who have anything they are forced to dispose of must seek customers. Rather than continue to pay heavy taxes upon land yielding him nothing, and from the future increase in value of which he could have no expectation of profit, since increase in value would mean increased taxes, he would be glad to give it away or let it revert to the state. Thus the dogs-in-the-manger who all over the country are withholding land that they cannot use themselves from men who would be glad to use it, would be forced to let go their grasp. To tax land values up to anything like their full amount would be utterly to destroy speculative values, and to diminish all rents into which this speculative element enters. And, how groundless it is to think that landlords who have tenants could shift a tax on land values upon their tenants, can be readily seen from the effect upon landlords who have no tenants. It is when tenants seek for land, not when landlords seek for tenants, that rent goes up.

To put the matter in a form in which it can be easily understood let us take two cases. The one, a country where the available land is all in use and the competition of tenants has carried rents to a point at which the tenant pays the landlord all he can possibly earn save just enough to barely live. The other, a country where all the available land is not in use and the rent that the landlord can get from the tenant is limited by the terms on which the tenant can get access to unused land. How, in either case if a tax were imposed upon land values (or rent) could the landlord compel the tenant to pay it? —HENRY GEORGE.

Government and Taxation

(From an address by Robert E. Urell before the Pomona State Grange, reported in the *Mansfield, Pa. Advertiser*.)

GOVERNMENT—Taxation—these are synonymous terms and we will say governments are good or bad in the degree in which taxes are just or unjust. At the present time the papers and magazines, in every issue, present articles on the subject of taxation. In most cases how to improve the present system is treated either as a puzzle or an unsolvable problem. An article in a late issue of the *Saturday Evening Post* on "The Tangle of Taxation" has under the caption of "The Tariff Wall"—"Hence no program for tomorrow can be formulated without an analysis of the whole business of taxation and some presentation of remedies for the costly and aggravating situation that has developed." In all the voluminous writing there is a seeming avoidance, or lack of consideration, of the tax remedy for social ills offered by an increasing tax upon community made land values, with a corresponding decrease in taxes upon industry, improvements and goods in common use. It is like the play of "Hamlet" with Hamlet left out. The leading issue in the present session of congress as outlined by Secretary Mellon is a reduction of taxes. The proposition is to make a reduction of from 25 to 40 per cent. in income taxes—with the greater reduction on unearned incomes. There will be spirited opposition and amendments will be adopted, but it is probable the bill will pass very nearly as drawn. Anything more in the way of tax reduction, except on a few small articles, is not to be expected. The tariff question will remain dormant—tariff tax schedule unchanged and international trade barriers will be undisturbed. The Keller bill, re-introduced this session, will attract notice, but, because little understood by the voters will not come up for action before the House. The Keller bill provides for a federal tax of one per cent. on the privilege of holding lands and natural resources worth over \$10,000, after deducting the value of all buildings, personal property and improvements. This will exempt 95 per cent. of all farmers. The bill aims to relieve business, industry and agriculture by taxing monopoly holders of vacant natural resources, valuable "sites" in cities and the holding land in general out of use. The revenue program would relieve producing business of \$1,250,000,000 annually and the people from two or three times this amount in inflated living costs. This bill, and the manner of raising revenues generally, as debated in the 68th congress should and doubtlessly will, receive the most serious attention from the National, State and Subordinate Granges.

I have been for many years a member of Subordinate Grange No. 918, of Mansfield, and Tioga County Pomona Grange. Have personally worked on land every year and have lived and dealt with farmers in this farming community from youth to the present time. After forty years of observation my confirmed opinion is that the proposed Single Tax on land values is the only just and natural system

of taxation. In operation it will be of great benefit to all who work for wages and will especially benefit and bring prosperity to those who apply their labor to the soil. The present system of taxing everything "from the cradle to the grave" is generally condemned and the farmer rightly feels that he bears an undue share of tax burdens. Through indirect taxes the amount paid is hidden in the purchase price of nearly all materials used on the farm, and there is no way of finding out the sum of tax-exaction. Indirect taxes alone are estimated at around \$400 for each family, being more or less as the children are few or many. The remedy offered is one tax instead of many, a tax on site value, on the rental value of bare land without improvements.

The principal objections made from the farmers' viewpoint are:

1. That the Single Tax would put heavier burdens on farmers than on city or town residents. This is easily disproved by the fact that land values are enormously higher in the cities and much greater in town than those of farm lands.

2. That the Single Tax would take the taxes off the rich and privileged classes and put them on the farmers. The answer to this is that much the larger proportion of the so-called wealth held in the form of bonds, stocks and other securities is in reality merely paper titles to valuable lands, railroad ways, mining lands, timber lands, coal lands, etc. The best proof that the Single Tax would not favor great fortunes is shown by the fact that the holders of such fortunes are bitterly opposed to its adoption.

3. That the Single Tax would make the farmer's tenure of his land uncertain. The reply is that, on the contrary, by greatly decreasing the amount of taxes paid by the farmers, it would render less likely the possibility of their land being sold because of inability to pay debts or taxes. And here it should be stated as emphatically as possible that the present burden of taxes that the farmers are paying is far beyond a proper payment for services received. Without discussing the increased cost of practically everything the farmer buys, caused by the protective tariff on goods, a large percentage of all taxes on railways and on industrial corporations are paid ultimately by the farmers, either in the form of higher freight rates, or higher prices for goods made by taxed corporations. The curse of indirect taxation lies in the fact that the tax payers do not know, and seemingly cannot be made to understand, the nature and extent of the oppressive taxes that they are forced to pay. Protests against government extravagance and high tax bills will have little or no effect until the whole crooked system of indirect taxes is abolished.

4. That the Single Tax would deprive the farmers of a chance to make some money when for any reason their land was demanded for some other purpose than agriculture. It is true that the Single Tax would destroy land speculation by farmers as well as by others, but this would not in any way injure the working farmers, the men who cultivate

their land for a livelihood. Agriculture is one thing; speculation in land is another. If the farmers, as a whole, wish to become prosperous they must abandon the idea that they can get rich by buying land, partially working it, and holding it for a rise. What one man makes by speculation in land, another loses. This does not, of course, apply to any increase in the value of land due to clearing, draining, fencing, fertilizing or other improvements, for which the farmer is entitled to be paid, and for which under the Single Tax he assuredly would be paid.

A number of statesmen, teachers and writers have called attention to the growing menace of land monopoly. 12,000,000 acres held by private owners in Michigan, 20,000,000 acres held idle in California, 500,000,000 acres held out of use in the United States. Nine-tenths of all coal, mineral, oil, timber and agricultural land is owned by one-tenth of the people. The ground rents paid annually to the Astor heirs is greater far than the tribute exacted by many old-time kings and emperors. The value of land alone in New York City is \$5,000,000,000, and this is more than the value of all farms, with buildings included, in six New England states. We have inherited and copied our land system and our tax systems from the old world. Lloyd George stated in 1913 that all the land of Great Britain was owned by 10,000 people, who compelled sixty millions to pay tribute to them. Because of land monopoly as well as from the results of the World War, England for the fourth year is feeding from public funds more than one million of the unemployed. Private ownership of land—tariffs and preparations for war—because of these, the economical and social conditions in the 35 independent nations of Europe are tragical—they are slipping down, with war a constant threat. It is reasonable to point out that these age-old customs have been, more even than fierce nationalism or race hatred, the potent cause of all wars.

The Review Changes Its Name

WITH this issue the SINGLE TAX REVIEW after twenty three years of existence changes its name to LAND AND FREEDOM. This change is in pursuance of the wishes of the stockholders heard from at the last annual stockholders meeting. It will, we believe, be an acceptable change to those not heard from as well as to all our readers.

There will be no change in the policy of the paper, nor in the objects set forth when the company was organized. LAND AND FREEDOM, while holding to the importance of certain methods of propaganda, will continue to chronicle all activities as well as every step in the direction of our goal, faithfully and without prejudice.

"EVERY permanent improvement of the soil, every railway and road, every betterment in the general condition of society, every facility given to production, every stimulus supplied to consumption, raises rent."

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