

Ohio's Strange Obsession

ACCORDING to George B. Chandler, Secretary of the Ohio Chamber of Commerce, the state is losing annually millions of dollars of industrial wealth because of "its numerous and oppressive tax laws." In support of his contention Mr. Chandler recently made the following detailed statement:

"Most of the major industries of the state are spending millions for expansion outside of Ohio, and there has not been a single new basic industry of any size located in the state for three years.

"The International Harvester Co. recently canvassed the entire middle west for a mammoth plant, which it finally placed at Fort Wayne, Ind., a few miles from the Ohio line. The United States Steel Corporation expended in the last year \$25,000,000 in Pennsylvania and \$20,000,000 in the Illinois-Indiana district, passing Ohio over entirely. Youngstown Sheet and Tube made its expansions in the Michigan district, and American Rolling Mills Co., another Ohio corporation, built additions in Ashland, Ky.

"Ohio, father and mother of aviation, is in danger of losing this industry to Detroit. There may be pressure upon the rubber industry in Akron some day.

"Capital has seven league boots. It goes where opportunity beckons. When, as in the case of the Carnegie Steel Co., and the Youngstown Sheet and Tube Co., taxes for a year equal or exceed the amount paid in dividends, there is something wrong. The Carnegie Steel Co. alone paid 24 different kinds of taxes in this state last year."

Capital has indeed "seven league boots" to carry it where opportunity offers, and the condition that has saved Ohio in the past is the fact that opportunity offered little choice among the taxation systems of a dozen American communities. The choicest industrial location on the globe, from the viewpoint of geographical location and natural resources, is a stretch westward from the Atlantic seaboard embracing Pennsylvania, Ohio, southern Michigan and northern Indiana and Illinois. Of these, Ohio has the best of it in the respects mentioned and has prospered accordingly.

But since the close of the world war other factors have entered. Chief of these is the element of taxation. While the war was on so great was the demand for every product of factory, farm and mine and so abnormal was our prosperity that slight heed was paid to mounting tax rates. But we have largely returned to normalcy in the last eight years and the pinch of local, state and federal taxes has become the heaviest burden industry has to bear. Ohio, by reason of the most archaic system of taxation of perhaps any state in the union, certainly of any of her immediate competitors, is gradually feeling the competitive strain despite her advantages in other respects.

The figures cited by Mr. Chandler are significant. Ohio has far greater agricultural resources than either Pennsyl-

vania to the east or Michigan to the north. She has far greater mineral resources than either of her western competitors, Indiana and Illinois, while navigable waters form her entire northern and southern boundaries. Certainly a state so favored and lying in the heart of the greatest industrial region in the world and the center of the world's most populous and highly paid industrial district can blame only itself if it finds itself slipping in comparison with its neighbors.

That Mr. Chandler has put his finger on the one and only sore spot on Ohio's body politic is not doubted by competent and honest investigators within and without the state. Pennsylvania, especially, with her graded tax law is holding out a vital inducement to Ohio industries to cross the boundary. It was Webster, we believe, who said: "The power to tax is the power to destroy." It would seem that Ohio, the most favored spot in the universe today, is insanely trying to tax her golden industrial opportunity out of existence.

Coshocton (Ohio) *Tribune*.

The Land Owner's Rake off

ROYALTIES. There in one word—royalties—the landowners' "rake-off," is the underlying cause of the appalling situation that exists today in Great Britain. Why are the mine operators adamant in their stand against higher wages? Because so much of the profit of mining coal goes to the great estate owners that there is not a sufficient margin of profit in the industry. Why are miners underpaid and housed in misery? Because too great a margin of the profits of their labors have been going to persons who cared nothing about them; who took no interest whatever in the source of their income.

For centuries the men who mined the seams of coal thousands of feet underground have been enriching the owner of the peaceful meadows above them. Generation after generation of wealthy English families have lived comfortably in the belief that their income was their inherited birthright. Such a thing as questioning the ethics of levying toll upon an industry that couldn't pay a living wage to a million laborers never entered their minds.

—HALL O'FLAHERTY, London Correspondent of the Cincinnati *Times-Star*.

A FUNDAMENTAL law of economics, but which you won't find in Adam Smith or any orthodox books, is this:

That which the community creates, belongs to the community and should be enjoyed by all. That which the individual creates, without assistance or favor from the community, should belong to him and be left to his enjoyment and disposition, without interference or taxation by the community.

This is the first law of individualism, which is true democracy. Universally recognized, this law would open

the door to real, unfettered competition and the utmost of individual opportunity.

The second great law of true economics is:

Natural monopolies should be owned and operated for the equal benefit of all the people.

And the third great law is:

No special privileges should be permitted by government which enable private monopoly to exist.

Recognition of these economic laws is all that is necessary to the destruction of any and all monopolies which enable any individual or group to take unfair advantage of the people.

—HERMAN B. WALKER in *Hudson*, (N. J.) *Dispatch*.

IN our time," said Henry George, "as in times before creep on the insidious forces that, producing inequality, destroy Liberty. On the horizon the clouds begin to lower. Liberty calls to us again. We must follow her further; we must trust her fully. Either we must wholly accept her or she will not stay. It is not enough that men should vote; it is not enough that they should be theoretically equal before the law. They must have liberty to avail themselves of the opportunities and means of life; they must stand on equal terms with reference to the bounty of nature. Either this, or Liberty withdraws her light! Either this, or darkness comes on, and the very forces that progress has evolved turn to powers that work destruction. This is the universal law. This is the lesson of the centuries. Unless its foundations be laid in justice the social structure cannot stand."

THE first thing to do for good homes, as well as permanent good times, would seem to be to increase the available supply of land through increased taxes on all sites worth owning, at the same time abolishing taxes on improvements."—Professor Lewis J. Johnson.

The Work of Charles Johnson Post

THE publication by Henry Ford's *Dearborn Independent* recently of the striking article by Charles Johnson Post, entitled "A Plea for Scientific Taxation," led to the writing of a letter to Mr. Ford's editor by Charles O'Connor Hennessy, the president of The Franklin Society for Home-Building and Savings, in which, after commending Mr. Post's article, Mr. Hennessy said:

"May I say that I speak out of a long and large experience with the repressive effects of unscientific taxation upon one industry that, in its social and economic effects, may seem as important as any that can be mentioned. I refer to the business of providing dwelling houses for the people of our country. In our cities, particularly, adequate and decent housing has become a continuous problem.

There is needed no considerable acquaintance with the factors that enter into the production of dwelling houses for those families of small or moderate means who constitute the bulk of our population, to impress the fact that unscientific taxation fills a large part of the picture of the housing problem in America. One need not be a Single Taxer to see clearly that if we could cheapen the production and maintenance of independent homes, it would be easier to produce more of them. Nor should it be hard to believe that a removal of the tax burdens, direct and indirect, that oppress manufacturers engaged in the production of building material, and that penalize the thrift and industry of the homeseeker after he has erected his dwelling, are facts tending to reduce the production of houses. On the other hand it is clear that there is a tendency toward a constant increase in land prices where dwellings are most in demand. This, of course, would be checked by the gradual transference of tax burdens from the products of labor and capital to those land values which are, in a large measure, produced by community activities. Land speculators would lose by this process, but the whole community and particularly the worthy homeseeker would gain."

Mr. Hennessy's competence to speak for homeseekers may be suggested by the fact that he is President of The Franklin Society for Home-Building and Savings of New York, an institution with more than 40,000 members, which has resources of approximately twenty-two million dollars, consisting chiefly of small mortgages on dwelling houses in the Metropolitan District.

Oscar Geiger Talks in Plainfield

OSCAR GEIGER, of New York, speaking last night before a well attended meeting at All Souls' Unitarian Church on the subject of "Natural Law in Economics," referred to the life of Henry George as an illustration of the driving power which comes from an intellectual devotion to ideals. Like other great Americans, he said, Henry George was self-made and rose from poverty. He was a great economist, a master of English prose style, yet had only a common school education.

In the field of journalism, the speaker said, George distinguished himself by his fearless attacks on political corruption. In 1879 he wrote his masterpiece, "Progress and Poverty," presenting the ideas since known as Single Tax, but also discussing human life and social questions in brilliant language.

The moving force of George's life was said to be intense sympathy with human suffering. The misery of a great city would not let him rest for thinking of what caused it and how it could be cured. He concluded that it was the inability of men to obtain access to the bounties of nature that caused involuntary poverty. He formulated as his central principle that all men have equal rights to use the earth.