

# How to De-feather a Goose

By FRED WORKMAN

UNTIL RECENTLY taxation in the United States has been low as compared with European countries. Following two world wars and the threat of a third, however, the picture has changed. Unless taxes can be more equitably distributed in the near future, our prosperity is doomed.

Sales taxes, which are as old as organized government, have been advocated as an answer to our local tax problems. They were used under the Pharaohs in Egypt and by the emperors of Rome, India and China — reaching their culmination in imperial France where peasants paid twenty-eight assorted sales taxes, while the aristocracy, who owned all the land, paid no taxes whatever on their vast land holdings.

The injustice of this situation brought on the French Revolution after which the French aristocracy was thrown out and the sales tax abolished. The Prime Minister of France had told wasteful, extravagant King Louis XIV that sales taxes were best because they took the most feathers from the geese with the least squawk.

William Pitt, Prime Minister of England at that time, also advocated sales taxes because, as he expressed it, you could take the last rag from the people's backs and the last bite from their mouths, and they would not know what had hit them but would only complain of hard times.

It seems obvious that a tax which suited these ancient tyrants so well should have no place in our free enterprise economy. There is instead a "golden rule" form of taxation proposed by the late Henry George, the great social scientist, which is a democratic form of taxation because it is really not a tax at all, but simply the collection of socially created [land] values for social needs.

Land is unique. It cannot be carried away or concealed. It is necessary for human existence and yet owes its existence to no man. Land value arises from the activity and demand of the population as a whole and should be, therefore, the natural support of government.

When land is taxed its selling price goes down. When the products of labor are taxed their prices go up. It is to everybody's advantage that prices of all products of labor be low, and to the advantage of 90 per cent that land prices be low. Only about 10 per cent (the landowners) benefit by high land prices. What happens to a democracy when 10 per cent are benefitted at the expense of 90 per cent?

When window glass was invented the French Government levied a tax on windows. As a result all but the rich had to enclose their windows and live in darkness. We do worse than that today. We tax the whole house.

Is it any wonder that houses are scarce? Whenever a man commits a "nuisance" he may be fined once and discharged. If he commits an "improvement", i.e., builds a house, he is fined every year of his life.

The Eighty-first Congress considered several new socialistic measures to stave off the threatened depression, but socialism has led to penury in every nation where it has been tried. We need leadership which will point out the road to economic freedom and continued prosperity. This road must be a common one which labor and capital can walk as partners, not foes.

Labor and capital are natural allies. Both are now impeded by the tremendous number of taxes imposed on enterprise and the exorbitant toll exacted by landowners. When labor and capital join forces to abolish these twin obstacles to production and distribution, we may look for prosperity again. . . .

Henry George traced the close relation between these factors and gave us an answer to the problem. Today we are facing the serious crisis in distribution which he foresaw. How long must we suffer before we seek a cure?

The foregoing is an excerpt from an address delivered before the Rotary Club in Pacific Grove, California, where the author has been for years an active protagonist of taxation reform.