

ments—that may attract the attention of the tax authorities—at the same time encouraging in every way (except financially), the actual resident to establish greater and more substantial improvements. While every loyal North Dakotan (and we are all loyal), can point with pride to the marvelous strides made by our citizens along the line of permanent improvements, on farms as well as in our cities, we are equally conscious of the fact, in this particular locality, of an unequal contest from the acre property point of view, the actual resident by his efforts, applied to his land, is solely responsible for the tremendous increase in the values of all properties, especially those of the adjoining lands held for speculation purposes. The party improving his lands, nevertheless, is being penalized by his taxes in proportion to the value of the improvements.

It is most desirable that the improvements upon lands should mark a corresponding increase in land values. It would be most uncharitable to deny those enjoying this privilege, to share the burden of taxation on an equal basis of acre property, corresponding values taken into consideration.

While I am not convinced (possibly for lack of understanding), of a Single Tax applicable under present local conditions, I am positive that great progress has been made by the enactment of the "Property Classification Act," which I believe should be supplemented by exempting all farm improvements from taxation. Further supplementing the general property tax, a graduated income tax covering professions and other incomes should be established.

F. W. MEES

A National Budget System

THE American Exchange National Bank is doing excellent educational work by its recent circular upon the necessity of a National Budget System.

We recommend all of our readers to apply at once for a copy.

The disorder, extravagance and waste characteristic of our national fiscal administration is not merely a disgraceful exhibition of misgovernment; it is also, in view of the seven-fold increase anticipated in this year's expenditure, a grave national danger.

The appeal made to the people almost daily for order and economy in their intimate personal expenses comes with bad grace and small moral force from a Senate and Congress guilty annually of thoughtlessness, extravagance and waste in the direction of the nation's expenditure.

It is to be hoped that all our banking institutions will endorse this initiative of the American Exchange National Bank.

May we suggest, however, that in addition to an orderly, unified budget system, a rational, scientific fiscal administration calls urgently, if not primarily, for a clear statement of the nation's natural and social resources, as distinguished from the wealth created by the individual labor of its citizens. In other words, it is urgently necessary that we have an authoritative estimate of the nation's land values, in the widest economic sense of the term. Such a valuation should be decreed without delay, as a war measure.

Our Washington Letter

THE TRUTH ABOUT MEXICO

EVERY little while an article appears in the daily press to the effect that "Mexico is on the Verge of Famine," "Mexico is in a Precarious Condition," and so on, and so on. A well-known Single Taxer of Washington, Herbert J. Browne, has just returned from an extensive trip through Mexico. The message which he brings is a most cheering one. Mr. Browne says the outstanding fact is that the Mexican revolution was the most successful revolution ever brought about in human history. He says that except for a few, sparsely settled northern States, there is no disorder or brigandage; that the peons are taking the land and using it, and that measures are being rapidly undertaken to secure a return to the people of the towns of all the common land that was taken from them. He says further, that in Yucatan, wages of the laborers have risen from fifteen cents a day to three dollars a day. He says that the government has taken charge of the mineral lands for the use of the people, and that they are being taxed at the rate of \$30.00 a year for a 25 acre tract, to \$5520 for a tract of 1200 acres. Mr. Browne said he estimated that if the United States would adopt a similar system of taxation and apply it to coal lands alone, it would raise a yearly income of \$450,000,000. Suppose such taxation was applied to all our oil lands, copper and iron fields—it would mean billions of dollars yearly to the National Treasury. Mr. Browne told a story which explains very vividly the results of these land reforms. In the State of Sonora is a large mining corporation. The officers refused to pay the tax and shut down their plant, expecting that the miners, out of work, would raise so much trouble that the government would have to come to terms. President Carranza, and the Governor of Sonora immediately arranged to secure a small farm for each of the discharged workers. There was no disorder or bloodshed. In a short while the mine owners capitulated unconditionally, and paid the taxes, amounting to some thousands of dollars.

A report issued in October by the Bureau of Labor substantiates a large part of what Mr. Browne said. The report reads in part as follows:

"The ownership of lands and waters in Mexico is declared to be vested originally in the nation, which has the right to impose such limitations as the public interest may demand, both in the regulation of the development of natural resources, and in the division of large landed estates for the purpose of developing small holdings. Legal capacity to acquire ownership of land is possessed only by Mexicans, native or naturalized. In each State and Territory there shall be fixed a maximum area of land that any one individual or corporation may own. Excess property, if not voluntarily subdivided, may be subdivided by the local government."

The Mexican revolution has been successful solely because the leaders of it recognized the necessity of opening the land and the natural resources of the nation for the use of the people.

THE PUBLIC HEALTH CONFERENCE

Within the past month a large number of important meetings and conferences were held in Washington. Probably one of the most important was the conference of physicians from all over the country to discuss questions of public hygiene. The papers read and statistics furnished disclosed the fact that a vast number of Americans are being destroyed yearly by preventable diseases. It was shown that in the large cities especially, tuberculosis was becoming a real menace, not only to the poor, but to all the people. One doctor from Chicago said that in his investigations in that city, he found in one of the most exclusive hotels eighty of the employees suffering from that dread disease. Many reasons were advanced for this condition of the public health, but it remained for General Gorgas to tell them plainly that the cause of most of these diseases, the "white plague" included, was low wages, insufficient nutrition, poverty, lack of sufficient air and sunlight. While he did not make a Single Tax talk, he hinted strongly that the only cure was to get the people out into the open, to make it possible for cities to grow naturally, to open opportunities for the workers so that they can secure sufficient nourishment for themselves and their families. Several of the speakers who followed him admitted the justice of his deductions.

A PARTING SHOT

Just before the extra session of Congress adjourned, Congressman Baer, of North Dakota, made a speech on the question of raising revenue for the war. After sketching his family history to show that ancestors of his had fought in every American war since the Revolution, he demanded, in the name of thousands of western farmers, that the policy of "Pay as you go" be adopted as much as possible. He cited, as others had, the immense war profits that were being made, and insisted that they should be taxed into the public treasury. He concluded by reading a set of resolutions that had been adopted by the "Non-partisan League," in which Congress was asked to raise as much revenue as possible from a tax assessed against the value of the vacant and unused land of the United States.

These resolutions had not been prepared by some obscure group of radicals, but by representatives of thousands of intelligent, wide-awake, industrious tillers of the soil.

Now that the farmers are in the saddle, Congress will have to consider, very shortly, a more equitable system of taxation than prevails.

THE STORY OF CAMP MEADE

By way of introduction I might say that Camp Meade is a soldier city, built recently within a few miles of Washington. But to start at the beginning.

In October, after an investigation into living conditions in Washington, extending over months, the Bureau of Labor Statistics made this report: "This little summary reveals a shocking state of economic indecency. Previous studies indicate that in a large city the barest minimum

upon which existence for a normal family can be maintained upon a level of common decency, cannot be less than \$900. To maintain a real family life upon the much eulogized 'American Standard of Living,' would certainly demand a considerably larger sum. It is startling, therefore, to learn that in the Capital of the nation, in a year of unprecedented high prices, 38 per cent. of the families investigated (2110), had yearly incomes of less than \$900, and 61 per cent. had incomes of less than \$1,200. Most of these families lived literally from hand to mouth. About the best they could hope was to come out even."

There is nothing new in this. Most of us know the conditions among the workers in the large cities. Now for the story.

Shortly after this report had been issued, the government started the building of Camp Meade. The demand for workers took up all the surplus labor in the city. The wages paid were high. Immediately wages jumped in Washington; plumbers easily got from one to two dollars a day above the Union rate; laborers got three dollars a day; the clerks, usually the last to be considered, in the offices of a large railroad company, got their first increase in years; a street railway corporation that six months ago imported strikebreakers, rather than pay a few cents increase in wages, voluntarily gave the employees two wage increases. It wasn't high prices that caused this increase, but the fact that there was an opportunity for the workman to go out and get work for the asking.

What a great thing it would have been if we could have gone to these workers, and told them that this was the way Single Tax would affect them; that it would open the earth for them around the large cities, around the small cities, everywhere, in fact, where those who wanted work could go and work for themselves. They would not all have to become farmers, but there would be the avenue of escape as in Camp Meade now, and that alone would be sufficient to secure them good treatment and a reasonable wage.

LAND FOR THE SOLDIERS

In a recent report issued by the Department of Labor, it is shown that many of the foreign nations are arranging to take care of the returning soldiers by getting them back to the land. It is the method that will have to be adopted not only to save the soldiers that return from the front but those who remain to serve their country industrially. The report reads:

"In Germany a law has been passed which enables the disabled man to capitalize a part of his pension for the purchase of small holdings."

"The Minister of Lands and Forests in Ontario announces that the Province will soon undertake to establish an agricultural colony for returned Canadian soldiers. The government clears ten acres of land and advances \$500 loan on the improvements."

"Recent reports describe the comprehensive plans of the Australian Federal and State governments for the employment and land settlement of returned soldiers and sailors."

It is encouraging to find, that even in the midst of these terrible days, the forward looking men of all the nations are beginning to recognize the necessity of opening up the land for the use God intended.

A VISITOR FROM NEW YORK

A short while ago, James F. Morton, Jr., of New York, paid a visit to Washington. We had been in the habit of telling ourselves that when it came to inventing unique methods for securing public attention we had every other organization backed off the map. We know better now. Mr. Morton followed a plan here that only a man of wide intellectual interests could have undertaken. He delivered many addresses in the few days he was here; one to the Bahaists, one to the Esperanto Society, then spoke at a High School, and closed with a talk on Single Tax. Most of those Single Taxers who come to Washington to lecture, have to content themselves with talking to the "dyed-in-the-wool" Single Taxers, but when Mr. Morton spoke, the room was packed with strangers, those who had heard him on other subjects, and who were so well pleased with his talks, that they came to hear him again when he spoke on the "real question." As a publicity "stunt" it was one of the most effective pulled off here in a long time.

B. F. LINDAS

Progress in Michigan

THE Michigan Site Value Tax League is now vigorously pushing its campaign for a constitutional amendment that will allow of taking off half or all of all taxes on improvements and personal property and increasing taxes on site values sufficiently to meet all the expenses of State, county and municipality.

There are something over 2,000 voting precincts in Michigan. A search is being made for one or more voters in each one of these who will agree to circulate petitions for the contemplated change in the tax system of the State. One of the methods which has met with considerable success is to circularize postmasters, asking them for the names of those in their vicinity who are "thoughtfully interested in tax reform." Hundreds of names have been sent in from localities where the discussion of site value taxation is a new subject. The result is that requests are pouring in for further information, and the secretary is kept busy sending out literature and writing personal letters.

One of the most effective pieces of literature handled and being sent to Boards of Commerce members and the manufacturing and mercantile classes is a leaflet prepared by the Manufacturers and Merchants Taxation League of Newark, N. J., on "Proof" that "Site Value Taxation has advanced Beyond the Experimental Stage," and has been a great economic success.

Another leaflet, prepared by the secretary, deals with "Site Value Taxation: What It Is and What It Will Accomplish in Michigan." This shows the intimate relation between the Single Tax, Land Value Taxation and Site Value Taxation—terms for practically the same thing when land value and site value taxation is carried to its ultimate.

The League is compelled to obtain the signatures of 65,000 legal voters by the first of next July, in order to have the proposed constitutional amendment placed on the official ballot at the next general election in November, 1918. This number is 10 per cent. of the voters who exercised their right to vote at the last general election.

The volunteer solicitors uniformly report that there is no difficulty in inducing electors to sign; the difficulty with the League is in finding enough volunteer workers to collect at least 300 signatures a day—and all have to be sworn to—the average number required in order to obtain the needed 65,000 four months before election day.

Taxation Reform in the State of Minas Geraes (Brazil)

(GOVERNMENT COMMISSION RECOMMENDS THE SINGLE TAX ON LAND VALUES)

THE important State of Minas Geraes, with a population of 5,000,000 inhabitants, is proposing to reform its tax system. With the object of studying the most modern and most suitable method, Congress nominated a mixed Commission from amongst its members.

In the interval since the last period of sessions, this Commission made a general study of the economic situation of the State and issued the report, which we reproduce below, and in which is outlined a very clear conception of the principles to which fiscal action should be confined.

REPORT

TO THE HONORABLE MEMBERS OF CONGRESS

The Mixed Commission nominated last year by Congress to examine the tax legislation of Minas Geraes and to suggest to the Legislature the reforms and measures which it believes desirable for the economic and financial interests of the State, distributed in the following manner the subjects submitted for its study, after its first meeting:

Property Transfer, Virgilio de Mello Franco; Exports and Consumption, Enrique Diniz; Stamp Tax, Baeta Neves; Industries and Professions, Nelson de Senna; Land Tax, Alberto Alvarez.

In the interval between the last session and the present, the Commission set itself to study all the principal points of the important subject submitted for its examination, with the object of fulfilling the mandate with which it was invested by Congress, and endeavoring, as far as possible, to collaborate in the speedy and effective solution of the tax problem, which preoccupies, with such reason, the public authorities of the State of Minas Geraes.

Unfortunately, this solution cannot yet be indicated by this Commission, for the following reasons, which it herewith wishes to detail:

Every alteration of our defective tax regime must undoubtedly have as its principal object, on the one hand, to alleviate production and export from the heavy taxes they now bear, to the prejudice of the very economy of the State; and, on the other hand, to give greater stability to