

Taxation

GEORGE LLOYD ON THE RADIO STATION
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THE question of taxation is one of the most important questions now confronting the people of the United States.

Chief Justice Marshall of the Supreme Court of the United States is quoted as having said, 'The power to tax is the power to destroy,' and that is true.

A nation can be destroyed if the taxes are enough to drain the earnings of the people from them, leaving them less than sufficient to purchase the necessaries of life. As a matter of fact to tax is to take and that is why a tax levied on a house or other product of labor ultimately equals the value of the house or the other product of labor and often equals more than the value of the things that are taxed. Under the present unjust and unnecessary system of taxation those who have buildings erected, thereby lowering rent and providing work directly and indirectly for every worker in the United States are heavily penalized by a tax levied on the building. While those who withhold land from use, thereby causing high rent, unemployment, slums, etc., stand to make a profit when they sell the unused land, and yet it is not everyone who keeps land out of use that makes a profit, for many are ruined.

One of the strangest things is the number of people who are owners of vacant land wondering why rent is high and why unemployment persists when the cause is due to holding land out of use. Nevertheless, many people are beginning to realize that the present system of taxation is the cause of our economic troubles as it discourages those who put land to use while it encourages those who keep land out of use with the hope of profit. The greater part of taxes are now paid by tenants, as the rent consists of three major items, namely, the rent for the rooms or loft, the taxes on the building and the rent for the land.

Very few people realize that a tax levied on anything produced by labor is added to the price of the article, while abolishing all taxation and collecting the entire rent of land for public needs would greatly lower the cost of living and also make land free, because the rent of land would be returned to the people in the form of schools, fire houses, subways, bridges, etc.

At present nearly 70% of the land in Greater New York is out of use or inadequately used, thereby causing high rent, lack of business, unemployment, slums, etc. Just now many people in Staten Island are protesting the high tolls charged those who cross the new bridges. As a matter of fact there is no need to levy one penny of toll on those who cross the new bridges, because the bridges have increased the land values sufficiently to pay the cost of the bridges if the people were wise enough to collect their land

values to pay for the bridges instead of taxing the money out of their pockets as they are now doing.

How many people realize that the seven cent subway fare question is closely connected with taxation? But it is because the people are being taxed to maintain and operate the subways while the increase in the rent of land due to the subways, amounting to millions of dollars, is not collected to maintain and operate them. If the rent of land due to the subways was collected to run the subways there would be no need to charge the passengers any fare. Just think of riding in the subways every day without paying fare; would it not be wonderful?

Do you know that every public improvement such as schools, fire houses, bridges, subway tunnels, boardwalks, etc., increase the rent of land enough to pay for the improvements, without levying one penny of taxation on the people. Unfortunately the city only collects 25% of the land rent due to population while 75% of our land rent is not collected for public expenses and it amounts to some \$500,000,000 a year. \$500,000,000 is a tremendous sum of money to escape from the people of the city.

There is a growing army of people who complain that their homes are overtaxed. That is the reason the city of Pittsburgh has reduced the taxes on buildings 50% less than the taxes on land, thereby encouraging those who have buildings erected while discouraging those who withhold land from use. The people of Pittsburgh are now working to have all taxes on buildings abolished and the full rent of land collected for public use. Many a family have lost their home on account of being taxed out of house and home, as the saying goes. Today all of the necessaries of life such as foodstuffs, clothing, building and machinery, automobiles, gasoline, etc., are heavily taxed, and that is why everything we consume or use is so dear. The taxes are added to the price and that increased price comes out of the wages and salaries of the workers.

No wonder the housewife cannot maintain the home with the money she receives. If the taxes levied on the necessaries of life were indicated by a tag then we could know how many billions of dollars we were indirectly paying when buying the things we need. Some day the people of the United States will demand the abolition of all taxation and the collection of their land rent for all public needs and the people will live as they are entitled to live.

There is considerable talk about the wonderful prosperity of the people. It is true that some are very prosperous but the great majority of the people are not prosperous. For instance, take our farmers and miners and the millions of workers in the towns and cities who are out of work. Today an advertisement brings 50 applicants and sometimes a hundred seeking employment. How can the people be truly prosperous under a tax system that discourages those who provide jobs by putting land to use by levying a tax on improvements, while encouraging those who keep land idle with hope of profit? Idle land means

idle men, high rent, slums, crime, etc. Taxes are increasing by leaps and bounds; if you do not think so ask those who are paying taxes. The taxes now paid by the people are out of all proportion to the benefits received. How many people ever stop to think of the taxes raised in each borough and how much of the taxes are spent in the borough from which they are collected. In other words, should the revenue raised in a borough be spent in said borough? If ever the people awaken and abolish all taxation and collect their land rent for their public needs there will be a new world and the people of our country will be truly prosperous, not in spots or from time to time, but all the time.

To bring about that condition we will have to give the question of taxation much more time and thought than we have ever before given to the subject.

Those who desire to understand the question of taxation in all its bearings should read "Progress and Poverty," by Henry George, wherein he outlines the cause of Poverty, War, Unemployment, High Rent, Slums, Crime, etc., and also tells us the remedy. He says there can be no cure for the evils that beset humanity until the cause of the evils is abolished. Henry George further says that the earth is the gift of God for the equal use of all the people, and therefore the rent of land produced by population should be collected for all public expenses instead of taxing the product of labor for government needs.

Our troubles are not political, they are economic. The overtaxed people should demand the abolition of taxation direct and indirect and the collection of the full rent of land for all public needs. Then the United States would be a tax-free nation and economic freedom come to all.

Destroying Speculative Rent

FURTHERMORE, taxes on land values not only do not check production as do most other taxes, but they tend to increase production by destroying speculative rent. Because we allow the rise of land values to go to the owners of land who, as owners of land, do nothing to cause that rise of value we foster a holding up of land with the result that the rent of any land to-day exceeds its economic rent by a sum known as speculative rent. Economic rent plus speculative rent equals a rack rent, i. e., one which leaves to industry just enough to keep it going and to laborers just enough to keep them alive. In fact its tendency is to go further than this, crushing industry to death and forcing laborers out of existence—which tendency is resisted by industry or by workers, and we have the spectacle of a lock-out, a strike, or an industrial depression. These spasms of industrial depression are but the expression of the rise of rent above the limits of economic rent or natural rent to a point near the limits upon which laborers will consent to live—the habitual standard of living of the masses.

—H. G. PEARCE in Sydney, Aus., Address by wireless.

Address of George E. Evans, Pittsburgh, President Henry George Foundation of America

HENRY GEORGE CONGRESS, MONDAY, SEPT. 10

I DESIRE on behalf of the Henry George Foundation and of the delegates who have assembled here from various parts of the United States to attend this Congress to thank Councilman Mills for the cordial welcome which he has extended to us and to express our appreciation of the splendid hospitality that has been shown us. It is gratifying, I may also say, to observe that the people of Chicago have chosen a man of the high type of Mr. Mills to represent them in the city's legislative body. We need more men of his ability and vision in public office.

It is also most fitting that I should take advantage of this opportunity to express our deep appreciation of the splendid cooperation that has been given in the arrangements for this gathering by Chairman Ewing and the members of the Chicago Convention Committee in particular and by the Single Taxers of Chicago in general.

In response to your most cordial invitation, we are assembled here today for the third annual Henry George Congress. It is a splendid programme that has been prepared and I am sure that we shall derive a great deal of instruction and inspiration from this gathering. This is not merely a convention of the Henry George Foundation, though it is held under its auspices; it is a national conference intended for all disciples of Henry George, regardless of whether they are members of the Foundation or of any other Single Tax organization. It has been our aim to have all elements and shades of opinion represented and this variety of ideas should make our conference very stimulating and profitable. We aim to make the annual Congress a clearing house for the presentation of helpful ideas and reports of activities in all lines of endeavor.

Just two years ago the Henry George Foundation of America was established as a permanent national institution in memory of the great philosopher, economist and exponent of freedom, whom we delight to honor, and for the purpose of popularizing his great idea which has come to be known as "The Single Tax." The Foundation was incorporated under the laws of Pennsylvania, with a responsible board of twenty-one trustees embracing in its number some of our leading Single Taxers. Associated with them is a National Advisory Commission which includes many prominent figures in the movement and is representative of all sections of the country.

Single Taxers have been prone to neglect organization and such organizations as have been attempted heretofore have generally proven to be short-lived, resulting in the loss of much valuable time and effort and tending to discourage many loyal supporters. Since the war days