

Economic Wealth and Private Income

I WANT to express appreciation of your recent editorial relative to a valuation made by the Department of Taxes and Assessments of the City of New York, in which you point out the common error in newspaper comment and otherwise of confusing real or economic wealth with private income.

This estimate, which claims for the city a valuation of \$1,000,000,000 over the assessed value of the preceding year, one-half of which is credited to an increase in land values, simply shows that productive industry, i. e., all manual or intellectual labor (money, of course, being only a medium of exchange), has added \$500,000,000 to the wealth of the community in spite of the handicap of \$500,000,000 of increase in the cost of living and doing business, the increase in land values being due to the greater demand for home and business sites, growing out of the necessities of an increasing population.

The practice of gradually taking up community produced values by the local governments in taxes and of reducing to that extent the taking of products and processes of industry, is now coming to be recognized by legislators as basically right and is already in greater operation than is generally known. The city of Pittsburgh, for instance, has already instituted a partial exemption of buildings and full exemption of machinery and stocks in trade. In Minnesota they have what is known as the ore tax, i. e., a tax on undeveloped ore mines, and in many communities the practice of assessing abutting property for the cost of public improvements is in vogue.

Many do not know that the new capital city of Australia, the city of Canberra, is founded on the idea of no private ownership of land, the rent of land being taken by the community in lieu of all taxes. Many other examples could be cited showing the progress already made in carrying out this theory in legislation.

—O. E. TOEFFERT in *Christian Science Monitor*.

Homespun Genius of Henry George

IN the article entitled "Pittsburgh Has a Plan," we learn that certain economic theories of Henry George which 40 years ago were the subject of public applause or anathema, are today being tried out with apparent success in Pittsburgh in a new system of graded taxation. Pittsburgh has followed Henry George in reducing the tax burden on improved property until the tax rate on buildings is but one-half the rate on land. Canada has gone much further. In Manitoba farms are assessed on the value of the land only.

If Henry George had been merely a theoretical economist his reputation would have suffered no eclipse. He

was entitled to his conviction that the age-long disparity between rich and poor, between good times and hard times, is due to the speculative holding of land. His crime was to propose an easy, practical remedy, a tax on land to the exclusion of other taxes. When the full meaning of his program became clear, that it threatened the protective tariff and a score of other economic traditions, approbation gave way to alarm. Yet, in contrast to European Socialism, George's startling principles were home-spun American. For in proposing to exempt from taxation all the products of man's toil, whether furniture or dwellings, crops or factories or railroads, he became the absolute exponent of the American doctrine of the right of private property.—HENRY GODDARD LEACH, editor of the *Forum* magazine.

A Virile Movement

AND who shall arise now and say there is no power in a cause that within less than fifty years has done so much toward turning the world's thought and the tendency of its legislation, its social and even religious trends away from erroneous reforms, as has the philosophy of Henry George? Less than fifty years ago in a speech delivered in San Francisco Mr. George said the truth he proposed was then a "plant so weak and small that only the eye of faith could see it." Today the cause of Henry George is a virile movement the world round. It boldly lays the ax at the root of all international troubles by demanding as a true basis for world peace and a greater and more equitably distributed prosperity, the abolition of all tariffs on commerce, and the destruction of the false base of national welfare by wiping out private monopoly of natural resources. With no huge slush funds filched from wealth producers through the power of monopoly, to own or subsidize great newspapers; with no endowed college and university professors to teach its plain, homely truth; with no legislators or lobbies to enact any of its tenets into law; with practically the weight of the entire human world in the scales against it, still the Single Tax goes forward until today it is shaping legislation in one half the states and the entire civilized world in spite of themselves. Its champions are holding national Congresses and International Conferences and their pronouncements command attention. No power in such a phenomenal movement? Well rather! Mr. Wilson spoke a cold fact with no flattery when he let loose that reference to "the power of the Henry George Men."

—*Fairhope Courier*.

A Billion Dollar Loot

THOSE who bought land in and near Cleveland have made a billion dollars since Cleveland was founded.

—*Cleveland Plain Dealer*.