

## Not a Ghost Town—Yet

*This study of the causes behind certain social phenomena now manifesting themselves in the New York metropolitan area is by FRANCES I. BUCKLEY, young English teacher in the Dickinson High School, Jersey City. Miss Buckley's minor in college was Social Studies and there was a time, she says, when she knew too much about economics even to consider Henry George. A post graduate course at Montclair State College started her furiously to think on the land question. A course in Progress and Poverty in Jersey City did the rest, and advanced study in the Henry George School in New York is at present applying the polishing off process.*

★ "TAXATION which lessens the reward of the producer necessarily lessens the incentive to production; taxation which is conditioned upon the act of production, or the use of any of the three factors of production (land, labor and capital) necessarily discourages production. Thus taxation which diminishes the earnings of laborer or the returns of the capitalist tends to render the one less industrious and intelligent and the other less disposed to save and invest."

These words of Henry George, significant in 1879, are a hundredfold more so today as two recent developments well illustrated. First: beneath the din of oratory and drum-beating of the Second War Loan Drive can be heard a still, small voice and this voice resembles that of the child in Andersen's fairy tale who said of the emperor's imaginary new clothes, "But he hasn't got any clothes on at all." The voice belongs to the millions of people who are saying, "But I haven't got any money to buy war bonds with, because I have spent it all in taxation."

The second development is the report of the committee appointed by Governor Dewey to ascertain why industrial plants and other business enterprises have been moving away from New York City in recent years. The reason, according to the committee, is clear: high taxes, high labor costs and lack of industrial space at reasonable rentals. Thus we have the astonishing spectacle of the greatest city in the land being confronted with an unemployment problem and forced to economize in these fat years of war.

For the first of these problems, no solution has been offered except the proposal for more taxes, but for the second a number of panaceas have been advanced. The "New York Post" lays the plot to impoverish Our Nell (New York City) to the nefarious up-state Republican

legislature which has seized the revenues of the city and used them to build up a \$69,000,000 surplus in the state treasury. It cites especially the stock-transfer tax which has driven much of the brokerage trade to Montreal and other cities. This particular tax produces \$7,000,000 a year for the state while the city, which has sustained the injury, must resort to higher taxes and perhaps an increased subway fare.

Taxes, of course, can be as harmful in the mode as in the amount. They should be levied not upon production but upon monopolies, the profits of which are in themselves a tax upon production. The value of land, representing as it does a monopoly of the purest and simplest kind, is the only logical basis for taxation. That value has been created by the community and not by the individual who holds title; the community, therefore, can levy a tax and collect it in the form of economic rent without any such untoward results as are apparent in New York City. Land monopoly in New York was the cause of the city's financial troubles long before the state legislature ever thought of the stock-transfer tax. Industrial development in the city is retarded because of land held out of use or used as slum sites until it can be sold at a speculative profit. Some of the most valuable land within the city is to be found in Harlem and other slum areas. Crime and disease are the only return to the community for the use of this land under the present system of taxation.

Obviously the prevailing system of land monopoly greatly retards the city's educational and cultural development. School and library facilities have been shabbily curtailed in these last few years because of declining revenues. The rental of theatres in the Broadway area is so high that many worth-while dramatic projects have been stifled. A play must be a "hit" capable of playing to capacity every night in order to meet expenses. When the Provincetown Players tried to reach a larger audience uptown they were unable to do so because of high theatre rentals. The type of drama which might attract a steady audience from the modest income class, is therefore completely ruled out. Playwrights are thus not encouraged to write, nor producers to produce. In the world of music, the high rental of concert halls discourages low-priced concerts and deprives music-lovers of their enjoyment, leaving most musical events to the tender mercies of privileged classes.

And so, the circle continues until the city becomes, if not the ghost-town which some of the gloomier critics have prophesied, a faded, shabby place losing its population steadily while dreaming nostalgically of the good old days. Let us hope that this circle will never be completed and that the gloomy picture painted by the Governor's Committee may lead to public demand for a new deal in taxation.