

Dolly Dialogues *Up-to-Date*

The following amusing exchange of views between two employees in the Government service in Washington is contributed by MRS. GERTRUDE E. MACKENZIE, President of the Women's Single Tax Club of Washington and one of the participants. The exchange began with a verbal discussion on taxation during a lunch hour, during which Mrs. Mackenzie handed to her vis-a-vis, T. D. L.—not otherwise identified—a letter from Herbert J. Browne, entitled, "Higher Land Values Would Tend to Reduce Rents," which had been clipped from a newspaper. The rest of the discussion was carried on by means of notes dropped from time to time on each other's desks.

★ T.D.L.—The gist of this argument of Mr. Browne's is that the taxation of land lowers the value of land and reduces rents. Therefore the argument is to reduce the value of land to an extent that it is unprofitable to own it, which is absurd. It would not work a hardship in Washington, however, because land values are made by the Government instead of the actual owners, but it is entirely different in the States. Taxing land on basis of profit derived from it is in fact taxing incomes and not real estate. Taxing land simply because it is land and to make it valueless is absurd.

G.E.M.—No one wants to tax land "to an extent that it is unprofitable to own it," but simply to the point where it would be unprofitable to hold it for speculation. Your reference to the value of land being made "by the Government, not by the people" is even funnier. Could you remove all the people and leave the Government? What would it look like? It might be well to read the closing sentence of a certain Gettysburg Address by one A. Lincoln.

T.D.L.—Of course the government is the people, but the seat of government happens to be Washington, D. C., and is not the people, and the price of real estate here is substantially improved and it is not referred to in Mr. A. Lincoln's Gettysburg Address either. Neither is taxation.

G.E.M.—Of course the increase in land values in the District of Columbia is due to its being the seat of government, but that does not alter the fact that the residents cannot be removed and the government left behind. Land values are created by the presence of population, here as elsewhere. Manhattan Island was originally sold for \$24 and a string of beads.

T.D.L.—If your theory is a panacea, it is very strange

we haven't adopted it, or at least, that we do not hear it mentioned more often. The Government owns most of the land in the District of Columbia, and it is not for sale. That "land values are created by the presence of population" is only half true. They are created also by improvements, good air, topography, proximity to work, the ability of the population to buy, etc.

G.E.M.—These advantages wouldn't have much effect on the price if there were no population to use them, and the ability of people to pay wouldn't count for much if they weren't there to do the paying.

T.D.L.—About a 1000th part of 1% of the wealth of the country is accumulated by land values. Henry Ford alone could buy all the land in one State if he wanted it and it was for sale. I fail to see your distinction between making land unprofitable to hold for speculation but not unprofitable to own. It is already unprofitable to own about 99% of the land in the United States today. I own and have owned land in Virginia, Maryland, and D. C., and know it is simply a chance the speculator takes. One man holds land and loses, another makes money. There is plenty of land available today at \$1 an acre, and food is too plentiful now.*

G.E.M.—I wish you'd report these encouraging facts to the Associated Charities. I'm sure it would cheer them and encourage them in their work.

T.D.L.—But why tax land? It's absurd. If land was scarce, O.K. It may be all right in England, where land is scarce, but in the U. S. where all of the people could easily live in one State, it is ridiculous. If the tax on land was raised, you in the cities would pay for it. Farmers would be compelled to let thousands of farms go for taxes, land values would shrink, and there would be no one on farms unless he could make enough to pay high taxes, and as the farmer can't do it now, what would become of him then?

G.E.M.—I never advocated taxing land, but land values, most of which are in the big cities, for, believe it or not, city buildings are erected on land. Yes, "you in the cities pay for it" under a land value tax, and the farmer, over whose plight you are so concerned, would be correspondingly relieved.

T.D.L.—Well, I do think homesteads, whether in city or country, should be free from tax up to a certain value. What's the sense of taxing a man's house so high that he is always about to lose it, and then the Government doling out money to him to save it?

G.E.M.—Exactly! Glad you see the absurdity of our present system. Singletaxers, however, go a step farther and would exempt a man's house from taxation, not only "up to a certain value" but altogether.

T.D.L.—It sounds absurd to say we must tax lands

* This was written before we went into the war.

owned by the rich and let the lands owned by the poor be free from tax. This is Bolshevism.

G.E.M.—Land should be taxed according to its value. The only land that should be exempt from taxation is land which has no value.

T.D.L.—J. P. Morgan would like your theory, as he and millions of bankers who own no land or real property to speak of, would be free of taxes.

G.E.M.—In the first place, it isn't my theory; in the second place, it isn't a theory but a principle, which has worked whenever it has had a chance; and in the third place, neither Morgan nor any of the other millionaire bankers have shown any wild enthusiasm for it. The only millionaire Singletaxer whom I can recall just now was Joseph Fels, who declared he wanted to see that reform in operation in order that fortunes accumulated from the unearned increment in land values (as his fortune was) might be rendered impossible, and he used his money to that end.

T.D.L.—Under that system, hundreds of millions of acres would be in Government hands as in England and Russia. We are bad enough off now. Don't push us too far.

G.E.M.—These acres would be thrown open for use and the price of land and cost of living would come down, while the increased demand for labor would raise wages.

T.D.L.—Many of the States today are unable to collect the taxes from millions of acres.

G.E.M.—In addition to the 57 different varieties of other taxes—sadly true. With those other taxes abolished, it would be a different proposition.

T.D.L.—The idea of taxing land, as presented by you,

is not new. I heard it propounded thirty years ago, and I believe it was old then.

G.E.M.—It was old thirty years ago, and also long before that. First known references to it are in the Bible; later references by the Physiocrats of France, and Turgot, Louis XVI's Prime Minister, whose pleadings might have averted the French Revolution, had they been heeded. Henry George merely brought the subject into popular notice more than half a century ago by his immortal book, "Progress and Poverty," which has been translated into practically every known language, and is being used more and more in college courses on economics today.

T.D.L.—You never hear of the theory being considered seriously, as an ounce of reasoning could blow it away as a clear breeze blows away a cloud of smoke.

G.E.M.—You perhaps do not know that the advocates of this theory include—to name but a few—Professor John Dewey, Nicholas Murray Butler, Frances E. Willard, Mark Twain, Count Leo Tolstoy, William Lloyd Garrison, Pope Gregory the Great, the editors of the *Christian Science Monitor*, *Liberty Magazine* and many other publications, Theodore Roosevelt, who expressed his conviction in 1913 that "the burden of municipal taxation should be so shifted as to put the weight upon the unearned rise in the value of land itself, rather than upon the improvements," and President Franklin D. Roosevelt, who has stated, "I believe that Henry George was one of the really great thinkers produced by our country. I do not go with him all the way, but I wish that his writings were better known and more clearly understood, for certainly they contain much that would be helpful today."