

per cent of its value. Houston is today the best advertised city in the United States and all on account of its wise system of taxation. It seems strange that even a small proportion of its citizens should be so blinded by greed as to strike at the cause of the city's prosperity. Houston has in Mayor Campbell, however, an efficient head who can not be bluffed, not even by an association controlled by those who have grown rich from the industry of others. He has plainly given the objectors to understand that Houston is now run by its people, not by a small crowd of tax dodgers. The city is fortunate in having its affairs in the hands of such men as Campbell and Pastoriza, who will block this unpatriotic effort to ruin it. S. D.



**Commissioner Newman's Sensible Proposal.**

Abolition of the unjust half and half plan of defraying local governmental expenses of the District of Columbia and raising of all local revenue by a tax on land values alone, are recommendations made by District Commissioner Oliver P. Newman. What makes the recommendation more important is the fact that before Mr. Newman made this announcement the proposition was presented for consideration to President Wilson. Mr. Newman clearly showed why the change should be made. The Federal Government does not own half of the property in the District and there is consequently no just reason why it should pay half of the expense. It should pay its proportion and no more. Of land and improvements together it owns \$300,000,000, as against \$517,000,000 privately owned. Of land values alone, exclusive of public streets and land used for public park purposes only, it owns \$90,000,000 as against \$255,000,000 privately owned. Mr. Newman gave no figures concerning franchise values, which may even increase the privately owned proportion. But even as given, the Federal Government's share should be only about one-fourth. Mr. Newman's proposition is not only fair to all interests but its adoption is necessary to give the District a just government and to make of Washington a model city.



In opposing the suggestion the Washington Herald declares it means "increasing the contribution of the people of Washington." Even if the statement were correct it would be no objection, since the local government of Washington is the concern of the people of Washington. But as a matter of fact, the people of the city already pay as much and more for the benefits of local government as they would pay under Mr. Newman's proposed

system. Because the Federal Government is located there and pays part of the landowners' rightful share of taxes, land values in Washington are higher than they otherwise would be. All the benefits conferred by the local government have the same effect. Consequently the inhabitants of Washington pay to the owners of the city's land in rents or in interest on inflated purchase price, all and more than it costs to support the local government. Mr. Newman suggests that instead of penalizing the men who improve their property to get local revenue, government expenses be paid out of the rent which Washington people now contribute to private parties. Instead of increasing the burdens of the people, his plan will lighten them. They will be relieved of all taxes on labor products, while the money that will go into the public treasury will be money which they must pay regardless of the half and half system. Moreover, heavier taxation of land values will force land into use now withheld on speculation, and tend to reduce rents and prices of land needed for homes. The only persons whose contributions will be increased will be holders of valuable unused land. Opposition to Commissioner Newman's plan, when not the result of misunderstanding, can only be attributed to desire for personal gain through legalized injustice. S. D.



**Reform for Others.**

The New York Times of April 3 recommends a land value tax as a means of instituting peace and good feeling—in Mexico. If that tax is a good thing for Mexico it is a good thing for New York City. Yet The Times has bitterly fought a proposition to permit New Yorkers to vote on such a proposition. That reminds one of the reformer whom some poet thus quoted:

Against all graft I do intone,  
But—dern you, leave my graft alone.

S. D.



**An Exceptional Economist.**

Members of Professor Scott Nearing's class in political economy at the University of Pennsylvania have the opportunity, denied to most university students, of hearing economic problems reasonably explained. As reported in the Philadelphia North American of April 9, Professor Nearing thus tersely and correctly explained a prominent issue: "The high cost of living was made an issue in the campaign that put the Democratic party into office. If anyone thinks their reforms are going to reduce the high cost of living he doesn't know the first thing about it. The increase in land

values is responsible, and nothing but a tax on land values will reduce it. The income tax is a failure. It defeats its object. We don't want to tax the man who earns \$3,000; we only want to tax the man who gets \$3,000 or more for doing nothing." If there were more Scott Nearings in the economic departments of universities there would be more cause to respect these institutions.

S. D.



### The Right to Work.

To the Congressional investigating committee Mr. John D. Rockefeller, Jr., said: "Free American citizens should have the right to choose the employer for whom they shall work and the conditions under which they shall work." Furthermore he declared that to defend this right he and his associates "stand ready to lose every cent we have invested." Mr. Rockefeller did not realize the full meaning of his words. He had in mind regulation by labor organizations and the demand for a closed shop. He fails to see that the open shop plan will not give American citizens "the right to choose the employer for whom they shall work and the conditions under which they shall work." Under the open shop, as under the closed shop, opportunities will be monopolized as now. American citizens will still be denied the right to work without permission of those in control of these opportunities. Labor organizations, to some extent, alleviate as far as their own members are concerned, the hard conditions imposed through monopolization of opportunity. To accomplish this they must insist on harsh and tyrannical regulations against which no objection can consistently be raised by those who object to abolishing the monopoly of opportunity. That makes labor organizations with all their rules and regulations a necessity.



If Mr. Rockefeller honestly wants American citizens to enjoy industrial freedom he will do what he can to put an end to monopoly of natural resources. That would injure him financially, it is true, but in view of his expression of willingness "to lose every cent we have invested" in defense of industrial freedom he should not be expected to hesitate for that reason. It is true that the Rockefeller interests did not show such devotion to industrial freedom in Colorado in 1902. In that year the Bucklin Australasian Tax Amendment was before the voters. Had it been adopted it would have opened the way to releasing Colorado's resources from the grasp of monopoly and would have made it possible for Colorado's labor-

ers, unorganized as well as organized, "to choose the employer for whom they would work and the conditions under which they would work." But the interests for whom Mr. Rockefeller now speaks did not favor this amendment. They bitterly opposed it. Why? They were very much afraid of financial loss. There was no thought whatever of sacrificing everything for the cause of liberty. Whatever was sacrificed was in opposition to that cause. Has Mr. Rockefeller come to see matters in a different light? His words strictly construed would indicate so, but in all probability he does not realize their true meaning, and he would probably deny having actually meant what he said.

S. D.



### Abolishing Interest.

The abiding faith of the average citizen in the omnipotence of Congress, or a State Legislature, promises a long career for the political charlatan. Whatever may be the result desired, pass a law. If the result sought does not follow, pass another law. The more laws the better—at least for the lawyers. If wages are too low, or prices too high, pass a law. If the Alabama planter persists in his desire to exchange his cotton for the Manchester weaver's cloth, pass a law compelling him to trade with the French Canadian weaver in Rhode Island. And now comes a correspondent who wishes to abolish interest by law. After citing the state laws that fix the legal rate of interest—which he speaks of as a legal privilege—he says: "By the same power we can modify or reduce the privilege downward. Why not four per cent, or two per cent—why not abolish interest (privilege) entirely?"



This conclusion comes from the old error of supposing that because two things occur in conjunction one must be the cause of the other. Legislatures make laws fixing the legal rate of interest, and in a general way the interest of those States corresponds to those laws; therefore, reasons our critic, the law must control the interest. If that were all there were to the question, it would, indeed, be a simple matter; for the same power that fixes the rate as six per cent could fix it at three, or, as our correspondent suggests, abolish it altogether. But would actual interest fall in compliance with the law of the Legislature. If that were so, how shall we account for the fact that interest is higher in the newer States than in the older communities? Surely low interest is needed in the frontier settlements, if anywhere. Yet Wyoming, Colorado, and Utah have fixed the legal