

interest. And when the cause of industrial emancipation is complete these six names must be indissolubly connected with its legislative beginnings. And the Congressman from Albany who would otherwise have been forgotten will have secured imperishable fame though his good nature in permitting himself to be tempted by "Bluff Tom Johnson's" offer of a good cigar!

#### MR. GEORGE'S TAX BILL FOR THE DISTRICT OF COLUMBIA.

Congressman George has introduced his bill for the taxation of land values of the District of Columbia. It provides for separate assessment of land and improvements, and then (Sec. 7) stipulates that with the year 1913 land shall be assessed at eleven-fifteenths of its true value, with a progressive increase which, in 1917, will have arrived at its true value. It also provides (same section) that in the year 1913 improvements shall be assessed at nine-fifteenths of their true value and each year the assessment shall be decreased progressively until in 1917 improvements shall be exempt. It provides (Sec. 8) that the rate shall be not less than one and one half per centum each year upon the assessed valuation, but this rate is not a fixed maximum but may be increased as the Commissioners may determine necessary, depending upon the needs of revenue as set forth by the Commissions in their estimate to Congress.

These are the provisions of the bill which chiefly concern us now; the remainder deals with the administrative measures. The measure is admirable in its simplicity. The bill now rests in the hands of the committee on the District of Columbia. Single Tax readers of the REVIEW who possess any influence—and who does not?—can now be of use in calling attention through the public prints and otherwise to the provisions of this measure.

THE election of Herbert S. Bigelow as president of the Ohio constitutional convention is a great personal triumph.

#### TAXING WHAT WON'T BE THERE.

Our Socialist brethren are looking at the land question: some of them propose to take the rental value of land as a means of raising the funds to buy out "the means of production." They also want to reduce the values, not of "big business," but of special privilege by taxing it, in order to be able to buy it for the community at fair prices.

But most of them hunger for the German plan of making the Government a sharer in the profits of land speculation by levying transfer or periodic taxes on the "unearned increase" of land values.

As land speculation is the most profitable "honest graft" in the world, it is clear that as the government would share only the profits and none of the losses the revenues to be raised that way are enormous. Of course that would make speculation in land less profitable than it is now, if it made no other changes; but it would make other changes. It gives the land owner a reason for urging Government expenditures for the benefit of the land owner; because, as they urge, the Government is a partner in the speculation.

As it will be an essential source of revenue it will naturally be stopped by Chancellors of the Exchequer at the point where it will yield the largest revenue. "You must not kill," they will obviously say, "the goose that lays the golden egg." "If we tax land prices nearly out of existence by taking nearly all the unearned increment, where will the Government's share come from and the Government needs the money?"

Such taxation of the unearned increment then will have little or no effect in freeing land for use: it has had little or no effect of that kind in Germany.

The danger to land value taxation now is not that it can be opposed but that it is likely to be perverted if we do not proclaim the "right to the use of the Earth" instead of the right to the unearned increment.

Like the income tax, the transfer taxes on increased land values look so reasonable that they will be harder to do away with than our present hodge-podge "plan."

Personally I would rather see our pre-

sent ways of raising revenue by tariffs and other taxes on products than to have the new German plan: because ours is so much easier to attack. But we Single Taxers are not by any means united ourselves on the taxation of land values.

A leading Single Taxer says, "The application of a Single Tax should not be a hundred per cent. application. It should fall short just enough to leave enough value in the land untaxed to make a basis for sales. This basis for sales will become the market basis for valuation and taxation. \* \* If the value of the land should fall, then the tax would correspondingly diminish. If the value should disappear, then there would be nothing to tax, and the owner would hold his land subject to no tax whatever."

It may be that there is something in Henry George's books that may lend color to that. But it is not the idea that he had in mind; he always advocated the taxation of the rental value of land, rather than of the selling price.

The selling price is always hard to ascertain and, even under full Single Tax conditions, would be uncertain on account of the probable better or worse adaptation of the land for the improvements that would be suitable for it to-day.

There is a more serious objection, however, to the plan of taxing the selling price instead of the rental value. Selling price of land is fixed, leaving speculation out of account, by what it will rent for. If a piece of land will rent for \$50 (fifty dollars) it will be worth at the present 5% rate of interest \$1,000 (one thousand dollars) if it is not taxed at all. It would be worth \$1,000 because it would yield to its owner \$50 (fifty dollars) the present interest on \$1,000 (one thousand dollars.) Now if it is taxed 3% (three per cent.) or \$30 (thirty dollars,) as it would have to be to raise the present revenues, it will yield to its owner only \$20 (twenty dollars) net and will then be worth, at the same rates, twenty times twenty dollars that is, \$400 (four hundred dollars.)

If the tax be raised next year to 4% (four per cent.), using the then selling price, for the basis of assessment, it will yield to its owner \$34 (thirty-four dollars) net; which will

make its selling value \$680 (six hundred and eighty dollars).

Raising the rate of taxation, point by point, progressively, to 7% (seven per cent.) will reduce the selling price to \$137 (one hundred and thirty-seven dollars), and raising it again to 8% (eight per cent.) will bring the value up again to \$781 (seven hundred and eighty-one dollars).

Why should we first calculate the capitalization of the rental value at the current rate of interest and then tax that? Why not tax the rental value at once?

The following table shows the vagaries of value under uniformly progressive rates of taxation.

Rental value.	Per cent of tax on capitalized selling price.	Amount of tax.	Net return to owner.	Capitalized value.
1st year \$50.	none	none	\$50.	\$1,000.
2nd year 50.	3%	\$30.	20.	400.
3rd year 50.	4%	16.	34.	680.
4th year 50.	5%	34.	16.	320.
5th year 50.	6%	19.20	30.80	616.
6th year 50.	7%	43.12	6.88	137.
7th year 50.	8%	10.96	39.04	780.

9% (nine per cent.) tax on that value would be \$71, involving the owner in a loss of \$21, and to reduce the tax to 7% (seven per cent.) on that value would involve a loss of four dollars and sixty cents.

Surely we are not committed to such a wierd "system" of taxation as that?

"Equity, therefore, does not permit property in land."  
—Herbert Spencer.

"Thy Land which Thou hast given to Thy people for an inheritance."—1. Kings viii-36  
"And ye shall inherit it, one as well as another."—Ezek. x-vii-14

**WHEREAS**, the private ownership of land rests upon no natural right and is a social injustice; as it gives land holders the privilege of collecting from others values produced by the community and not produced by the holders; therefore, be it

**RESOLVED**, that the use-value of the land be taken annually and expended for the necessary expenses of government and the common welfare.

Affirmative ☐

**VOTE**

Negative ☐

Name .....

Address .....

N. B.—This vote is solicited impartially among Democrats, Republicans, Socialists and Independents, and is asked simply as an expression of opinion on a Principle, and entirely apart from its political enforcement, the method for attaining which the voter reserves his or her right to choose. The returns of the vote will be given monthly, and will be closed.....

**The Land Value Tax Party.**

43 East 22nd St., New York City

"It is not necessary to confiscate land: it is only necessary to confiscate rent."—What I, therefore, propose is--to appropriate rent by taxation."—Henry George.

Here is a plan for a "referendum" on the Single Tax originating with the Land Value Tax Party. It is worthy of imitation by other organizations.

But that is not all. If after say the third year the current rate of interest rises, as Mr. George believed it would, or, if it falls, as I venture to think it would; or if the rate is not uniformly progressive from year to year, no man could tell what the proper capitalized value of his land would be. It would be pure speculation—under the Single Tax!

Nor will it simplify matters to start in at  $4\frac{1}{2}\%$  (four and a half per cent.) tax rate so as to leave the owner \$500 or ten per cent. of the rental value. That would make land at present worth say \$600 (six hundred dollars) worth only \$100 (one hundred dollars) the \$500 remaining rental capitalized. And the same  $4\frac{1}{2}\%$  tax rate would leave him next year \$45.50. To get the same money, the community would have to raise the tax rate from  $4\frac{1}{2}\%$  to 45% of the selling value; then, if the rate of interest shifted, as it always does, its fall would leave him a large proportion of the rental values, and its rise of even one per cent. would bankrupt him, since it would mean a loss of eight dollars on each hundred dollars of rental that he owned. Similar objections apply to all taxation of increased and transfer taxes.

Buying land under that kind of curious tax would be more exciting than fair.

The Single Tax, according to all Single Tax platforms is to take the rental value of land, not a tax on the shifting and evanescent "market basis" of sales.—  
BOLTON HALL.

W. E. MACKLIN, who has translated Progress and Poverty into Chinese, has also done the same service for Patrick Edward Dove, Spencer's Social Statics, Motley's Rise of the Dutch Republic, Green's History of the English People.

MR. HYLAND RAYMOND who died recently in Racine, Wisc., at the age of 72, was an ardent Single Taxer and able to proclaim his opinions convincingly and aggressively. His influence was felt in the community in which he lived, and the cause in that city loses an advocate whose work for the cause of economic righteousness will be long remembered.

THE Single Tax is not a system of taxation. It is a law of social being.