

Chicago to Entertain Eighth Annual Henry George Congress

THE executive committee of the Henry George Foundation has unanimously agreed that Chicago is the logical meeting place for the Eighth Annual Henry George Congress and the preliminary arrangements are now being made in the confidence that the central location of Chicago, combined with the attractions of the World's Fair of 1933 and the splendid local cooperation that may be anticipated, will give virtual assurance in advance of producing the biggest Single Tax convention yet held in the United States, despite any handicaps incident to the long continued depression, and especially in view of the rapidly growing interest in fundamental economic problems.

This will be the first return engagement for an annual convention since the inception of the Henry George Foundation in 1926. While Toronto, St. Louis and other American cities sought the privilege of entertaining the Single Taxers this year, the popularity of Chicago as a convention city, particularly during the celebration of its "Century of Progress," was such as to outweigh for the present at least, the desire to inspire renewed interest in new territory, especially as all the principal sections of the country have been covered to a degree by the national conventions previously in the North, East, South and West.

President George E. Evans has appointed Clayton J. Ewing of Chicago, now first Vice-President of the Foundation, as well as President of the Single Tax League of Illinois, as Chairman of the Convention Committee. It will be remembered that Mr. Ewing was the able chairman of the committee which had charge of the very successful convention held in Chicago in 1928. He is already planning the appointment of the various sub-committees and will have the hearty cooperation of the rank and file of the Chicago Single Tax Club, including a very active group of young people.

The dates fixed for the Henry George Congress are September 18, 19 and 20, and Chairman Ewing desires to have wide publicity given both the time and place of meeting so that visitors not only from all parts of the United States, but from abroad may plan their contemplated trip to the World's Fair or make summer vacation arrangements so as to insure their presence in Chicago at the time when their friends and associates in the Single Tax movement will be holding their annual rally. A special effort will be made to give this year's convention an international aspect and the programme committee is inviting several prominent Georgists from other countries. Weather conditions in Chicago should be delightful for visitors during mid-September and an attendance of 500 has been set as the goal, which the officers of the Foundation believe will prove quite possible of attainment.

Tax Consciousness

IT is doubtful if any man knows, even approximately, what he pays in taxes for the support of government. It is true he has tax receipts to show moneys paid over to properly authorized government officials, but these moneys in large measure represent what has been collected from consumers.

The consumer has paid the tax, and most so-called taxpayers are in the fast-analysis tax collectors, acting as intermediaries between the consumer and the government. To illustrate, an automobile owner pays a tax when he buys gasoline, not directly to the government, but to the seller of the gasoline who collects it from the automobile owner. The seller of the gasoline pays the government official the taxes collected and although he may be called a tax payer, he is in reality a tax collector rather than a tax payer.

If the automobile owner is driving a pleasure car, then he is the real tax payer and the tax must come from his earnings, but if the car is being used for business purposes the owner is also a tax collector for he charges its cost as one of the expenses of doing business, like rent, insurance, etc., it is added to the cost of goods or service he is another intermediary like the gasoline seller between the government and the consumer, for ultimately the consumers of those goods or recipients of that service must pay the tax.

The larger part of the taxes paid for the support of government are collected in this indirect way. It is true of the tariff tax; in many instances, the tariff on imported goods is more than the original cost of the goods. It is true of the income tax, the taxes on business, corporations, and public utilities. The consumer pays the tax.

In an excellent article which is published as an advertisement in the August 6 issue of the "*Literary Digest*" Benjamin Rush, President of Insurance Company of America, says of "The average person"—"If he lives in a house, wears clothes, eats food, travels from one place to another, buys a newspaper, goes to the movies, in fact, spends money in any way he cannot help paying his share of the taxes which Government lays on property and industry (and by Government I mean all Government—National, State and Local)." I would recommend to all the reading of President Rush's article in full and where he attributes "Hard Times" to "Excessive Taxation." I am inclined to believe that they are caused by unequal taxation. The burden falling more and more upon those least able to carry it, that is the large body of average consumers, who through increasing taxes and high prices are forced to cut down consumption.

It is a very encouraging sign of the times when so many agencies are striving to arouse the average man to a sense of tax consciousness.

Many of the public utilities are sending to their customers with their bills, valuable statistical and other information concerning taxes. It may seem strange that public utilities which are tax collectors and not strictly speaking tax payers, should so interest themselves, but they suffer loss of profit in their business because taxes added to the cost of their service make high prices which reduce the volume of their business as they do of any other industry or service.

The enormous increase in the cost of government, which is given as \$30.24 per capita in 1913 and \$110.00 per capita in 1931 is due more to an extension of government service than to the cost of war. The larger part of it is for State and Local Governments. For Federal 31.50 per cent, State 14.50 per cent and Local 54 per cent.

We have not only demanded of our Federal, State, and Local Governments large increase in the service rendered, but interested groups, many of them well-intentioned and representing worthy causes, have induced our legislators through powerful and influential political pressure, to undertake services that are not properly functions of government and should be performed by private organizations.

We have forced business into Government that has greatly reduced in efficiency and value the business of government.

Government should not undertake to give any service that can be

given by private individuals or organizations, unless it is necessary to establish some new department or extend the service of those already established there would not be the large increase in paternal government that we have had, nor any such expanded expenditure as during the past fifteen or twenty years.

When it is proposed to issue bonds for some new public improvement or extension of public service, the "average citizen" does not consider that it has much to do with his welfare, but it has a widespread influence on his Nation, State or Community aside from any small sum it takes from his earnings. Our relations are so interwoven in these days of advance civilization that the prosperity of others materially influences the welfare of each and every one of us. This is being forcibly impressed upon our minds in these days of depression and it is hoped it will find lodgment there: that we may recognize our responsibility and duty to carefully scrutinize any proposal that will increase cost of government. This is particularly true of State and Municipal expenditures. When protesting against high taxation most persons refer to the National Government, but the percentage of National expenditure is less than one-third of the total, more than two-thirds are State and Local. The old adage "Economy begins at home" is true of taxation.

When we consider per capita tax, we are likely to be misled and think the majority of our citizens pay something approximating that amount, say \$110.00 per annum as given for 1931, or for \$440.00 per annum for a family of four, but, as most all our taxes are ultimately paid by the consumer, it is manifest that the large majority of our citizens pay very much more than this average, while those of great wealth pay very much less in proportion to their ability to pay, but ability to pay is not a fair method of taxation. "Soak the rich" is a demand that is very difficult to satisfy. Under the ability to pay theory of taxation every sort of method from torture to persuasion has been tried during the past two thousand years and without success. Neither should it be done, for that which a man honestly earned whether he be rich or poor should not be taken by government so long as there exists a fund which rightfully belongs to the public and should be used for governmental purposes.

The fund referred to is the land value of the United States. It was not created by any individual: it belongs to the people and it is the first duty of government to collect it. There would be little need for any other form of taxation as the annual ground rent amounts to thirteen and a half billion dollars, considerably more than the cost of National, State and Local Government in anything approaching normal conditions.

It would take nothing from those who produce goods or furnish service to their fellowmen. It would be taken only from those who now give us the privilege of staying on God's earth and using its resources to satisfy our human desires. Furthermore, it would open up for use a vast amount of land now held by speculators awaiting the increase in value that comes as a result of the industry and growth of the population, thus solving the unemployment problem. Fifty per cent of the land within our cities is either unused or unimproved. A tax that would make it unprofitable to hold for speculative purposes would bring it into use.

It would so simplify taxation that every man could know who and what was paying the cost of government, something impossible to determine under the heterogeneous variations of the present tax system.

—FRANK H. HOWE in *Bulletin* of the Ornamental Iron, Bronze, and Wire Manufacturers for November.

WE think of modern industry in terms of huge manufacturing plants, but the average factory in the United States employs only 42 persons. The U. S. Chamber of Commerce tells us that this is only seven more than the average of twenty-five years ago. The small factory may be passing, but it is taking its time about it.—NEWS NOTE.

Successors to Malthus

ONLY about a century and a third has passed since Malthus, the English economist, wrote his "Essay on the Principles of Population." That essay was destined for a hundred years to bedevil and mislead economists and statesmen and serve as a cloak for evil thinking and wicked practices. The author's thesis was that while population tends to increase at a geometrical ratio, the production of food can increase at only an arithmetical ratio. Therefore, because of the growth of population beyond its power to feed itself, hunger and poverty were the inescapable lot of multitudes of humanity. And the salvation of the race from ultimate extinction lay in the very evils, such as war and pestilence, which most oppressed it. Only by such means could the pressure of population on subsistence be held within bounds.

A hundred years later Henry George wrote "Progress and Poverty," which was to become equally famous with the Malthusian essay. In it, with sound and brilliant reasoning, abundantly fortified, he effectively knocked the skids from under the pernicious theory of the British economist. Since then the progress of events has conclusively sustained George, and proved the Malthusian doctrine to be but one of the numerous and costly errors of which great thinkers are capable.

Now other great or near-great thinkers—the technocrats—are assailing us with their gospel of gloom. It isn't a new gospel. Indeed it is centuries old. The machine is putting man out of business. It means immense production with no mass-earning power to consume and enjoy the product. For how can the man made jobless by the machine buy? Ultimate starvation is the destined common lot, therefore, in the midst of a fantastic over-plenty. Unless, that is, we demolish the present system and substitute for it—the technocrats know not what.

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The trouble with the theory was the trouble with Malthus' theory. It does not mesh with the facts. As Prof. James E. Thomas writes, in *Nation's Business*: "That the machine 'throws men out of work' is one of those 'perfectly self-evident propositions' which does not happen to be true."

Prof. Thomas turns to England, "where the figures have been carefully recorded for more than a hundred years." Arkwright invented the first spinning machine in 1769. By 1855 that machine was doing the work of 700 men, "throwing 699 out of work." But in 1856, 379,000 men were employed in the British textile industry, as compared with only 218,000 in 1835. By 1914 the number had grown to 689,000. While population was doubling the number of workers in this machine industry was trebling. In the engineering trades the number of workers increased 250 per cent in 40 years. In the printing trades, in 40 years, the number of employed increased from 80,000 to 224,000. In all industry in England, between 1881 and 1911, employment increased 48 per cent while population increased but 38 per cent. And Prof. Thomas comments:

"Of course the fact is that but for the machine, England's population could not have increased at that rate. The country could not possibly have supported them. Starvation, or peasant standards of living for all, is the alternative of the machine."

In the United States it is the same story. Between 1920 and 1928 machines displaced the labor of 1,957,000 employes, including 800,000 agricultural workers. But in the same period, in new trades and professions, it provided work for 2,527,000 persons directly, and for something like 2,000,000 more indirectly.

Our census figures show that in 1914, out of each 1,000 of our population, 80.4 workers were employed in manufacturing industries. In 1929 the figure was 83.9. In manufacturing, mining and mechanical employment the percentage was 15.6 in 1880; 29.1 in 1900; 30.9 in 1930.

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In general, until the dislocation growing out of the war and its