

subsidy must come out of taxes, which are passed on to those who at that particular time can be forced to pay the increased taxes. Increased taxes on those whose earnings are higher will eventually reduce their purchasing power, for taxes take part of their earnings. This will bring us into the vicious circle of reducing purchasing power all around. A lack of customers is what causes business depressions. Customers only buy in accordance with the amount they have to spend. If it is taken from them in taxes, they must take it out of shelter, food and clothing.

Some day, somehow, labor may realize who is doing the pinching. They can no longer blame it on capital. Factories are closed down, mills and mines are being abandoned and the banks are loaded down with money which they are unable to lend. The fear of investing has reached a point where business men will not take a chance, since all they produce is taken from them in taxes. Clean up the tax situation, take the burden off industry and labor and the machine will begin to work.

Pro Bono Publico.

Single Tax Bill Passes the New Jersey Assembly

THE Sanford Bill 160 has been passed by the New Jersey State Assembly, after several years' effort by the Progressive League, and is now before the Senate, which will shortly adjourn.

This bill would permit any municipality to gradually, over a period of five years, reduce, and finally repeal at the end of the fifth year, taxes on machinery, merchandise, inventory and improvements, by collecting more of the public revenue from *all* land value now taxable.

The vote in the Assembly was 31 to 23 with a good prospect of its being approved by the Senate and signed by the Governor. In next issue we will give a review of the long campaign and the results.

LAND and FREEDOM, in reprinting the following editorial, takes this occasion to thank the *Newark Evening News* for its fair treatment of the subject, and especially for its kindness in publishing the many letters it receives from the advocates of land value taxation.

Newark Evening News, Newark, N. J. Saturday, May 14, 1938

APPROACH TO SINGLE TAX

There could be no better time than the present for serious and comprehensive study in New Jersey of methods of taxation. That is because governmental costs have mounted so rapidly that the tax burden has become almost unbearable in many municipalities. There has long been a considerable body of opinion, though it is not generally held, that taxing improvements as heavily as the land upon which they stand checks the stimulus to building on unimproved land or to demolishing outworn structures and replacing them with new.

This idea of making the land pay a greater part ranges among its advocates all the way from the Pittsburgh plan, under which land is

assessed at twice the rate levied upon improvements, to the Single Tax theory of Henry George, by which the land would bear all the burden. The New Jersey Assembly has just passed the bill of Mrs. Sanford, by which, in municipalities that adopted the plan after a referendum, taxes on buildings would be stepped down 20 per cent a year for five years. At the end, those communities would be taxing land alone. This is a graduated approach to an out and out Single Tax on realty.

The Senate may not pass the bill this year, but the mere fact that it has been passed by the Assembly cannot fail to direct public attention to the advisability, or no, on the part of individual municipalities of reconstructing the basis for tax levies. Particularly might this be the case with communities where land, assessed at a low rate because unimproved, is being held off the market for a future high price, whereas there is need for building either for business or residential purposes. Obviously, the same sort of reasoning would not apply to an overbuilt community where houses, factories, lofts and stores go begging for occupants.

The present basis of real estate taxation, however, does penalize the individual who makes investments to keep his property up to a point where it is really contributing to the well being of the community. On the other hand it lets off easily the individual who does not improve his property or lets the structures on it deteriorate.

In any general modification of the basis for levies, of course, one town's meat could be another town's poison. But when the application is made only to communities that vote for it, that objection is met. Whether there are New Jersey municipalities that would look with favor on taxing unimproved land as highly as that upon which revenue-producing structures stand is another question.

The California Campaign

SINCE last writing you, the campaign in California has been crowded with events, some apparently minor in nature, but possessing elements of great importance. Let me begin with one of the most striking.

By one of the flukes which so frequently happen, there fell into our possession three significant letters, which I can only briefly outline. The first was from the secretary of the San Francisco Real Estate Board, and which evidently went to all the real estate boards of the State. After pointing out that "the advocates of the Single Tax" were circulating an initiative petition to repeal the sales tax and substitute the "Single Tax" in its place, and would seek to obtain names in cities other than San Francisco and Los Angeles where their time had expired, the secretary says that, "This Board, together with certain other organizations, is making a strenuous fight to prevent the Single Taxers from qualifying. If we can prevent their securing the necessary number of names it will save a long and expensive campaign prior to the November election."

The next letter in date was from Robinson & Co., advertising agents of San Francisco. This refers to the letter just described, and gives in detail the process to be pursued to keep us from the ballot. After discussing methods of watching and influencing the movements of our agents, the letter continues: "We would also thank you to check with the various newspapers and ascertain if an ad. is placed for petition circulators. If so, please