

fore very much weaker in such cases, with the result that there is a powerful tendency in the tax load to gravitate to the shoulders of the indirect tax payers.

This principle operates in other fields. Mechanics know that a drill being driven into a mental non-uniform hardness, instead of following a straight line, will tend to "drift" to one side, toward the softer portions of the mass. In the sinking of deep oil or artesian wells, it is said that the bore will usually drift far to one side of the vertical, because of a preference for softer portions of the rock through which it is being driven. The phenomenon appears in the military field, as in the case of an attack being made along a wide front. Enemy weakness in front of your right flank, for example, may cause your entire force to drift laterally, toward the right, perhaps with disastrous results, instead of advancing straight ahead. It seems to the writer that this drift tendency operates with peculiar effectiveness in the field of tax assessment, and that it accounts to an important extent for the inadequate land value figures found by your contributor.

It may be in order to remark that in the domain of taxation, as well as in that of currency systems, we have a Gresham's Law, which, it will be recalled, states that wherever two types of currency are in concurrent use, a superior and an inferior type, the latter will continue to circulate while the former will tend to disappear. "The bad coin will drive out the good," because people will try to retain the good coins; in trading they will spend only the bad ones, thus keeping them in circulation. Similarly, so long as we have both "good", or direct, and "bad," or indirect taxes, we shall have a gravitational effect always tending to make the load slide toward the latter.

It may be said in passing that this principle tends to justify the position of those Single Taxers who hold that a step-by-step programme will never get us anywhere. The principle of direct taxation cannot make much progress while the indirect tax payer is legally available and can be exploited with such ease.

It may be asked: Suppose we had Single Tax in operation; would not adequate assessments still meet with strong resistance from land owners, as they do now? No doubt they would, but it could not be effective, in the absence of alternative legal sources of revenue. This resistance might, however, have a valuable corrective effect, as tending toward precision in assessments, a tendency somewhat lacking now, because of the intricacy of present methods of taxation. In particular, it could be of great value as tending to check the destructive progress of what Albert Jay Nock calls the State, towards absorption of all social power, with concomitant degradation of the citizens into subjects; a progress which is closely allied with indirect taxation.

In regard to the figures of governmental expenditure cited by your contributor, it may be said that they have to do largely with the cost, to government, of the intense economic and social order now prevailing. This disorder is a necessary consequence of government's failure to perform its first and most vital function—that of collecting its own natural revenue, economic rent. Discontinue this functional failure of government, with the disorder which it imposes upon the economic system, and an immense reduction in governmental expenditure can be made.

As a means for meeting the present swollen costs of government, existing taxation is grossly inadequate. Government in its various forms is spending two dollars for every dollar it takes in. And we can afford to admit that Single Tax would not currently yield enough revenue to meet the current, normal expenditures of government in all its forms, plus the enormous load of relief and emergency costs. Does this admit any doubt as to the essential soundness of our Single Tax claims? No. If government would take all the income to which ethically it is entitled, and that income only, ceasing its destructive raids upon the earnings of labor and capital, the resulting good order in the economic field should enable it to reduce its expenditures greatly. Moreover, the substitution of economic good order for the disorder inseparable from present taxation methods would of itself cause an

increase of economic rent—that is, an increase in the revenue of government.

Norfolk, Conn.

JOSEPH R. CARROLL.

IS THIS PRACTICAL OR EVEN DESIRABLE?

EDITOR LAND AND FREEDOM:

It is quite interesting to note Landlord Roosevelt's efforts at decentralization. Someone should suggest to him that Henry George over fifty years ago demonstrated quite logically that the adoption of a land value tax which would take economic rent for public use would effect the decentralization of population. Not that Mr. Roosevelt or his friend Vincent Astor could ever be brought to favor the adoption of Henry George's Single Tax, but it might occur to him, or some of his "Brain Trust," that rules have the peculiar characteristic of working both ways; that decentralization of population would tend to bring land value socialization upon us; and that the favored progeny of our old Dutch Landed Aristocracy would no longer find it possible to live in idle luxury. If the suggestion would have the effect of frightening them into a discontinuance of the wasteful, foolhardy attempts at decentralization through colonization, it would be worthwhile, but it is more than likely that the President and his advisers have heard of Joseph Fels and are familiar with Fels' futile attempt to colonize London's poor in rural areas. It is interesting to note that Mr. Fels recognized its futility. Well, in that case all this talk of the Administration about the necessity of ruralization of our surplus workers is merely for political effect.

To sum up the situation: they are not going anywhere, whether they know it or not. Every person who has learned the lesson that Henry George taught, knows that, so long as the value which is created by improvements, whether of public or private origin, may be appropriated by individuals other than those responsible for such improvements, there can be no permanent improvement in the economic welfare of the masses. Henry George told us how in a simple and efficient manner we could stop this misappropriation of wealth—the Gypsy solved the problem for himself generations ago. Perhaps it was only a partial solution. Nevertheless, did we all live as does the Gypsy, there would be scant opportunity for speculation in land values. The Gypsy's tent adds no value to the land upon which it rests or to surrounding locations, while his nomad type of domicile lends no promise of permanence of population in the neighborhood where he chooses to settle. Land speculation under such conditions would be the height of folly. Of course, modern society can never adopt the tent of the Gypsy, but it can avail itself of the paramount advantage which mobility gives to these wanderers—freedom in a large measure from the toll which the landlord collects from each of us for the privilege of living on his earth. This relief can be effected without the necessity of giving up any of the conveniences of modern life. In fact it can be done in a manner which will make it possible for the great masses of mankind to partake in the fullest of the benefits which science and the arts have given us.

To accomplish this, it is only necessary that our homes, our factories, our commercial structures, etc., be constructed in a manner which will permit of their being easily dismantled and removed to another site whenever the owner finds it expedient to do so. It is not necessary that there be a large percentage of such removals from one site to another, nor that our people become a more mobile race than they are today, in order to achieve this freedom from the extortion which the landlord imposes upon us. The mere fact that we can move; that under adverse conditions we do move; and that there exists a plethora of sites to which we may move, will suffice to curb the power of land-monopoly.

It is said, "There is more than one way to skin a cat." And the Single Taxer who can "see the cat" should know this better than those who are blind to economic phenomena. Therefore, if we cannot educate the brute to go in the direction which we wish him to go, why not coax him to follow us by the offer of immediate tangible re-

ward? Doctor Townsend had little trouble in getting twenty-five million trusting souls to fall into line with him when he offered them a life pension. Suppose we offer our homeless millions a home and sufficient land in their immediate locale to insure them the opportunity to employ their labor without let or hindrance in the production of their needs.

If there be any who hold the opinion that an offer of this character would fall on deaf ears, let him go into the industrial center and learn at first hand how considerable a number of our industrial workers are to be found expressing a sincere desire to be possessed of a few acres of land from which they may draw the major portion of their creature needs. The urbanite is beginning to note that his country cousin enjoys most of the conveniences of city life while suffering few of its inconveniences. Rapid, inexpensive transportation and communication, together with the ever-widening network of power lines, is steadily opening up a new frontier for the pioneers of today. In Greeley's day the slogan was, "Go West young man, go West;" the covered wagon served their purpose. Today it is a case of "Go out, young man, go out." Just beyond the city limits lie savannahs to be taken not from the Indian with a rifle but from the land speculator through the use of portable (demountable) structures.

If our government is sincere in its efforts to ruralize our homeless workers, it can at slight cost assist these unfortunates to the ownership of this weapon against exploitation. Apparently, however, the Administration is unwilling to entertain any proposals of this nature. Mr. Roosevelt and the heads of several branches of the Housing Division have been acquainted with the possibilities of this plan, but on one pretext or another they refuse to investigate its merits.

Is it possible that these men whom we Single Taxers are prone to look upon as economic morons, actually have sufficient insight to enable them to envisage the teeth in the proposal that men employ structures which are detachable from the site? Have they noted that, whereas the rentals which owners receive for the use of land are a trickling little spring, the water of which must be constantly used or lost forever, the sale price of land is the reservoir which catches and holds intact for the land speculator the accumulating unearned increment which flows alike from both used and unused land? Perhaps they are not so dull as we believe them to be. This landlord government of ours with its statisticians and "politician economists" has ample reason to know that in this great land we have sufficient sites, both urban and rural, to satisfy the needs of several times the present population; that were all sites used under a rental tenure, more than half would perforce remain unused; that any tendency toward a system of land tenure upon a rental basis must in the interest of the land owner be discouraged; and that, consequently, the adoption of the use of structures that would obviate the purchase of the site must be condemned, since the growth of construction of this type would open an ever-widening breach in the reservoir which feeds land monopoly.

But whether or no, this type of structure is coming, though its advent will be fought with every weapon of restriction that the powers can devise. Its development, however, cannot be forestalled by the conspiracy of silence which has been used against the proposal of Henry George, for it offers immediate tangible reward for millions of our people who in their own interest will draw up on the line of battle. It would seem that we Single Taxers should be found in the van of this movement, for it offers us a wedge whereby we may split asunder the forces that today are united against us—the great monopolists and their trusting henchmen, the small home and farm owner
Erie, Mich.

ROBERT L. McCAIG.

SEEKING A BASIS FOR THE SINGLE TAX

EDITOR LAND AND FREEDOM:

I have long had in mind that the correct formula for the gradual imposition of the Single Tax has never been worked out, but I have

believed, as expressed by you, that when education has sufficiently advanced to demand it, a practical solution will be developed. But now that Mr. Hall has so plainly indicated the difficulty, and you have asked for suggestions, I feel constrained to offer mine for what they are worth.

The advantage of a gradual adoption of the Single Tax philosophy is, I think, obvious. The change is fundamental and a sudden change of the basis of taxation would cause such a shifting of values as to shake our vast credit structure to its foundations. It must therefore be done gradually, but the question is, how?

The usual suggestion is that, first, land and improvements be assessed separately, as is done now in Massachusetts and some other States; then, to exempt from taxation a certain percentage of the, assessed value of all improvements, say ten per cent the first year, twenty per cent the second year, and so on until the improvements are all exempted. Then the tax rate would be raised each year in a sufficient amount to produce the needed revenue. Then our multitude of other miscellaneous taxes would likewise gradually be removed and the resulting deficiency would be made up by piling an additional tax rate on the poor land values. Then we would have in force that long looked for Utopia, our entire governmental costs supported by a Single Tax on land values.

But hold! Is it as simple as this? By that time would there be any land values to tax? And if so, what would be the tax rate? We have been taught by our great teacher that increasing the tax on land values reduces said land values proportionately. This needs no demonstrating. Pittsburgh has reduced the assessment on improvements by fifty per cent without greatly increasing the tax rate. Perhaps other conditions have entered into that, I do not know. But when it comes to wiping out the other fifty per cent we would run up against an entirely different proposition. As we neared the goal and it began to be that nearly all of the rental values were being taken, the land values would be dropping so fast and the tax rate would be going up by such leaps and bounds, that we would all be dizzy. No, this cannot be the solution. We must try again.

The trouble is that we have been basing our plans on a tax on land values, while all the time we believe that land values are an evil thing that must be eradicated before our social system reaches the perfection for which we are striving. To produce our governmental revenues from a tax on land values is just as wrong as to produce it from a tax on gambling or murder, or any thing else we consider as evil.

But there is something that we know is sound, that we know is stable, that already in equity belongs to the community and that taxing even up to one hundred per cent will not destroy. That something is *ground rent*, and it is to ground rent that we must turn for our source of revenue. We must treat it as an entirely new tax, a new source of revenue. We must add to our assessment lists an entirely new item, ground rent. We must then start with a new tax of a percentage of this annual ground rent, to be gradually increased each year until it all be absorbed. As this tax revenue increased all other taxes would be reduced, all taxes on real estate first, and then all other taxes, and then truly we would have a Single Tax.

Chicopee Falls, Mass.

JOHN B. KNIGHT.

FROM A WORKER IN THE PRACTICAL FIELD.

EDITOR LAND AND FREEDOM:

I have read with considerable interest Mr. Jorgenson's open letter addressed to Mr. Otto Cullman. From this letter it would appear that he—Jorgenson—is dropping the work of the Single Tax.

I note that he blames Henry George for the slow progress of the movement, and, in his book "Did Henry George Confuse the Single Tax?" that he calls attention to errors in George's "Progress and Poverty." I have not seen this book by Jorgenson—but I have his "The Stagnation of Industry." To my mind it is Jorgenson's own errors which confuse the Single Tax.