

lands; in the Philippines, Representative Virate has introduced a bill to secure more revenue and force the cultivation of idle lands; in Brazil the municipality of Garibaldi has appealed to the government for power to levy a tax of five per cent. on the capital value of land; Hon. P. J. O'Regan is preparing data with a view to having a poll taken for land value rating in the City of Auckland; recently the rate-payers of Taranaki, New Zealand, a farming county, cast an overwhelming vote for rating on unimproved values.

The Initiative in Danger.

BOTH in California and Oregon the powers of privilege will undertake to restrict the operations of the Initiative. In California they openly boast that they will make it impossible to introduce the Single Tax amendment again. It is true all that they propose is an increase in the number of signers to initiative petitions to 25 per cent. Amendment Number 4 restricting the operations of the Initiative is defeated in California, but the enemies of democracy will not stop there.

The *Los Angeles Times* in a display "ad" just previous to election called for an affirmative vote on Amendment Number 4 for the purpose of "Putting Down this Activity." It calls upon its readers to "Kill it for all Time," meaning the Single Tax. It said that the Single Tax if carried would "lower wages, depress business, increase taxes, ruin land values, foreclose mortgages and bring financial panics." It said this because it does not care what it says.

That the reactionary forces will succeed in accomplishing their purpose is not without the range of possibility. The determination of the parties of privilege to retain power will not be easily overcome. Nor is this movement confined to California and Oregon. The extraordinary vote that was obtained in Ohio by Single Tax candidates for the judiciary, Cook in Cayuga County, and Gottlieb in Mahoning County, against whom an active fight was waged on the ground that they were members of the Single Tax Party, though running on the Non-Partisan ticket, has resulted in a demand for the return to the partisan ticket for the judiciary. This is said to be favored by both parties, very naturally, and has a good chance of passing at the next election.

All this is instructive for our friends who would rely chiefly upon the Initiative to carry our measure. The only way an initiative measure of radical nature can succeed is by succeeding overwhelmingly. If it succeeds only by small majorities it is likely to be evaded by a hostile administration.

Government consists of three branches, legislative, administrative and judicial. It is difficult to see why the Single Tax movement should resign the last two named branches of government to a possibly hostile element of the people who might control the administrative and judicial functions of the government.

The only way that the administrative forces of govern-

ment can be influenced is by pressure. Initiative measures of a radical nature involving questions in which privilege is vitally interested, unless the vote is overwhelming, exercise no such pressure as is exerted by a party vote. Even if direct control of all the forces of government by a Single Tax Party is not to be looked for, it is only by party votes that that kind of pressure can be exerted that will force the administrative powers of government to live up to the wishes of the majority voting on Initiative measures of far-reaching consequences. Otherwise they are likely to be evaded, ignored or emasculated. This is why it remains true that radical initiative measures can succeed only when they succeed overwhelmingly.

Getting Rid of Business

PRESENT TAXATION SYSTEM PENALIZES BUSINESS PROGRESS

I BELIEVE it is through financial changes that any real improvement in the situation is to come. There is no question about the advisability of exempting from taxation such improvements as are urgently needed. Personally, I believe that this exemption should be permanent and should be progressive until it took in all improvements of whatever nature and that the income tax should likewise be reduced until it disappeared, and that in order to prevent a progressive increase in the price of sites, the taxes dispensed with by exempting improvements should be provided by increasing gradually over a period of years the taxes upon land values, with the ultimate intention of taking about 90% of them for public purposes. This will tend to make it pay better to build than it does to wait for a rise in price, and will have a direct tendency to overcome shortage in construction which is at the bottom of the present trouble.

So far as the writer can see the only way out is to relieve industry from some of its present burdens and the only way to do that without imposing other burdens equally damaging, is gradually to secure more and more revenue from the one thing the taxation of which does not make for scarcity, namely, site values. When dogs get too numerous, we tax them. When we wanted to get rid of oleomargarine, we taxed it. When "shin plasters" were a nuisance we taxed them out of existence. But why should we tax buildings and factories and machinery when there is a scarcity, and not an excess of them; and why should we make it pay better to prevent business than it does to do business, when there is not more business than we desire? The present methods of taxation do that very thing. The best way to escape the income tax is to invest in unimproved sites and wait for a rise in value and a reduced tax rate. Such investments do the contracting business no good and are not socially defensible.—E. M. SCOFIELD in the *Bulletin* of the Associated General Contractors, for September, 1920.