

to which the community is consenting partner. It is a situation that may terminate at any moment, having in it at present an essential immorality that cannot endure. If ever the community's industry is required to supplement the individual's industry by an operation of credit, the operation may be carried on direct between the parties concerned, the community and the individual. In other words, community values are not the proper basis of credits between individuals. The mortgage, when so used, is an abusive appropriation of public functions, and, under the Single Tax, will disappear.

THE INTERNATIONAL ASPECT OF THE QUESTION

We have purposely deferred considering the international aspect of the mortgage as affected by the Single Tax. In the case of a foreign mortgagee of American land, whose productive activities are carried on exclusively abroad, it would seem clear that the application of the Single Tax to America would bring to him no equivalent release of taxes on his foreign improvements and productive activities. But the American community, which offers under the Single Tax favorable conditions for any industry the foreigner may wish to establish on his land here, is not and cannot be held responsible for his fiscal disabilities in his own country. America is quite justified in expecting that a foreign investor in American land shall put that land to productive use and expect no fiscal favors as distinguished from the American investor who does turn his land to use, even though it only be to pay the interest on mortgage issued on an unused portion thereof.

A particularly vicious form of mortgage investment is that of foreign financial companies operating in this country, using as pawn our community values. We prefer to think of such credit operations, if necessary, being carried out by the community itself, using its own community values as security. This rational readjustment of positions is made possible by the Single Tax.

A HINT FOR REPUTABLE FIDUCIARY INSTITUTIONS

We repeat, all reputable fiduciary companies will do well to consider carefully to what extent they are operating on the basis of community values as distinguished from individual values. The community is not having a square deal in the former case, in which values are merely absorbed, whereas, in the latter case, and under discrete management, the operation may represent productive and legitimate functions of capital. The line between the speculative land interests and legitimate combinations of capital and labor in industry is not clearly enough drawn at present. Reputable corporations should make the character of their operations unmistakable. The Single Tax, when applied, will inevitably separate the sheep from the goats, not the least of its services to society.

What Canadian Soldiers Think of Secretary Lane's Model

HOW Canadian soldiers regard schemes similar to that of our own Secretary Lane is evidenced by the following letter addressed to the Prime Minister of Canada, Sir Robert Borden, by R. M. Stewart, secretary-treasurer of the Grand War Veterans Association:

"Sir, while it has been admitted by certain members of your government that the available crown lands are both insufficient to meet and unsuitable for the estimated requirements of soldier settlement, it is a matter of common knowledge that many millions of acres of land, a large portion of which is suitable for agricultural purposes, is held idle and unproductive by the railroads, various other corporations and a multitude of private speculators.

"As the members of the Canadian Expeditionary forces have been led to believe that such of their number as desire to settle on the land would, on discharge, receive a free grant of one hundred and sixty acres, and possess the right of homestead entry on an additional one hundred and sixty acres, they now expect that the government will fulfill their promise by making idle lands in the provinces of Canada in which they are domiciled available for the purpose of soldier settlement.

"It is understood that your government has entered into negotiation with several provincial governments with a view to acquiring, by purchase, a portion of the idle and unproductive lands within their respective borders.

"The returned soldiers naturally wish to be made aware of the manner in which the government proposes to acquire these lands, and as the matter is one of vital importance to them, this association requests the favor of a definite reply to the following questions:

"(1) Will the government consider the possibility of state expropriation by fixed schedule which will eliminate all speculative values, and will not impose onerous burdens, either on the cultivator who works the land, or on the general community?

"(2) Does the government intend to buy, at the public expense, such land as private speculators are willing to disgorge, at prices out of proportion to their 'prairie value'?

"(3) Will the government, failing other measures, consider the idea of passing legislation whereby all idle agricultural lands, in Canada, if not brought under cultivation within a definite period (say ten years) will revert to the crown?

"Believing that a penalty should be imposed upon all those who hold agricultural lands in a state of unproductiveness, we suggested to the then acting minister of finance at the time of the introduction of the budget during the last session that the federal government impose a super-tax on every acre of land, fit for agricultural purposes, held idle and unproductive, such tax to increase in proportion to the acreage held."

"But, while the government has refused to tolerate idleness in the individual, punishing all who do not work; and while, for the good of the country, you have compelled the individual citizen of military age to place his person at the service of the state, we find that millions of acres of agricultural land are held by speculators in a state of unmolested idleness; although it is of vital importance to Canada that her agricultural resources be developed.

"We do not believe that the right to hold land or property is more sacred and inviolable than the right of the in-

dividual to the possession of his person, and we do not understand why, when the individual surrenders the right to possess his person, or is deprived of it for the good of the state, the right to hold land in idleness when the best interest of the country requires it to be productive, should not be made highly unprofitable.

"If land for the purpose of soldier settlement is to be acquired by purchase, the government paying the present holders the prices which they are now demanding for it, it follows that soldier settlement, instead of being open to all those honorably discharged soldiers who desire to settle on the land, will be open only to a privileged few who have funds of their own to enable them to take over land so acquired.

"Such a scheme would be manifestly unfair, and, as we consider that these lands could be acquired by expropriation, without occasioning any actual financial loss to their present holders, we would respectfully request the favor of a reply."

Work of The New York Tax Reform Association

WE have received the Twenty-Eighth report of the New York Tax Reform Association which tells of what has been accomplished in 1918 in this State. All bills advocated by the New York City administration and other organizations for the more drastic taxation of personal property have been defeated, and we are given an account of some of the vicious legislation proposed.

Some of the significant paragraphs of this Report follow:

"The New York Tax Reform Association has maintained since its organization that real estate taxes should be the main source of local revenue, as the direct benefits of wise local expenditures are reflected in the value of land, and the real estate tax can be collected easily and cheaply, without evasion. Ultimately, this tax comes from those who use the land, directly or indirectly, whether as owners or tenants or customers."

Under the heading, "Simpler Tax Laws Needed" this Report says:

"The ordinary business man is utterly bewildered by the verbiage of the laws and the complex regulations and interpretations by administrative officials. Especially is this the case with the federal laws. In the endeavor to adapt tax laws to modern industrial conditions, many unnecessary and oppressive details have crept into the statutes and administration. And as the arbitrary power to decide what the laws mean is a delight to the bureaucratic mind, simplification cannot be expected without a concerted effort from those who pay the bills.

Every person liable to taxation should be able to know just what the law does, and to determine readily and in advance the probable amount of his taxes, so as to adjust his affairs accordingly. Certainty in assessment is almost as important to business as the amount of taxes paid.

A growing and serious evil is the waste of productive effort in complying with the requirements of the numerous tax reports. Not only are business men put to large expense, but their time is taken up by harassing details and their attention diverted from profitable activities. They are put under pressure to change their business methods to conform to the frequently conflicting tax requirements, when the proper course should be to adapt taxation to current business methods."

Our Washington Letter

BACK in 1915, at a country cross-roads a few miles below Washington, there was a country store, a few tumbling shanties, and some ragged looking corn-fields. Within six months time a city of forty thousand was built on this site. It carried the euphemistic designation of Hopewell. To-day rows of empty buildings adorn the once prosperous embryo metropolis. A local wit suggested this slogan for the deserted village: "Built in six months, destroyed in six hours, rebuilt in six weeks, wiped out in six minutes."

My object, however, in mentioning the departed glories of the once proud Hopewell is simply to point to the vivid lesson it furnishes of how people, anywhere, by their cooperation and labor create an enormous value and then hand it over to a few lucky forestallers who "work not, neither do they spin." Here are a few extracts from the land-records of Hopewell. In 1915 the land was worth \$15. an acre. In 1916, two corner lots in the town sold for \$500.00. Within six months these same lots brought \$24,000. A church bought a lot for \$500. and sold it within a few months for \$20,000. Hundreds of similar instances could be cited. With the ending of the war Hopewell disappeared and soon the land at the cross-roads will be again worth \$15. an acre.

Had Hopewell started with a just tax system that took these land values for the people who created them, speculation would not have taken its heavy toll from the workers and business men of the community.

KEEP YOUR EYES ON NORTH DAKOTA.

Congressman Baer, of North Dakota, recently published a cartoon showing Columbia pointing out to Uncle Sam the State of North Dakota, that is blazing like a brilliant star in the map of the United States. I asked Mr. Baer the basis for the idea. "The result of the last election," he said, "is enough to suggest it. North Dakota is now in the front ranks of democratic communities. The people of North Dakota, by means of one of the most liberal Initiative and Referendum laws in America, have made it possible for them to secure action on any measure they may desire to consider. Also, they have made it possible for the State to go into the banking business and lend money to their own people; they have appropriated money to enable the farmers to erect their own mills and elevators; they have provided for hail insurance by assessing the cost of the system against the land values, so that the holders of vacant and unused land pay for the protection furnished the owners who put their land into use, and they have removed the tax from the improvements and personal property of the farmers."

This seems to me to be splendid progress. What State can point to tax reform to equal this? I should advise all true democrats to keep their eyes on North Dakota.

WHAT A LITTLE REFLECTION TEACHES

In "The Education of Henry Adams," in speaking of his