

FHL-5

AN EXPLANATION OF THE Proposed Single Tax Amendment

Be It Enacted by the People of the State of Colorado:

That Section 3 of Article X of the Constitution of the State of Colorado be and the same hereby is amended to read as follows:

"Section 3. On and after the first day of January, 1919, there shall be no poll taxes, and all personal property shall be exempt from taxation thereafter to be levied. On and after the first day of January, 1920, all improvements on land shall be exempt from taxation thereafter to be levied, but the site-values of land and the value of franchises in public ways shall not be so exempt. All taxes shall be assessed, levied and collected each year under general laws or charter provisions, which shall secure the assessment for taxation of all lands and all franchises in public ways, apart from personal property and improvements, and at full cash value. Nothing herein shall be construed as imposing a tax on land now exempt from taxation, nor shall anything herein in anywise affect the State's police power to grant licenses or to exact payment therefor. All provisions of the Constitution of the State of Colorado in conflict herewith are hereby repealed."

TO THE COLORADO LEGISLATURE.

Gentlemen: I prepared the above Single Tax amendment to the State Constitution, and it was submitted for your consideration at the last regular session of the General Assembly. I also mailed to the committee that had charge of the measure a brief explanation of it. The Assembly ordered the bill printed, but, as far as I know, it received no further attention. Your failure to act upon the bill may have been due to the fact that my former explanation of it was neither full nor clear enough to enable you to act upon it intelligently, so, in again submitting it to you, in a slightly changed form, I have taken some pains to make this explanation of it fairly complete. If you have the patience and the time to read what I here say about it, you will see that the proposed amendment deals with a very important subject that touches the economic interests of the people at many points. I have tried to make this explanation of it as brief as the complex nature of the subject will permit, and now hoping that it will receive your favorable consideration, I remain,

Yours respectfully,
(Signed) BARNEY HAUGHEY.

WHAT THE SITE TAX MEANS.

If the proposed amendment is submitted to a vote and adopted nothing will be taxed in this State for revenue purposes but the site value of land and franchises in public roads, streets, and alleys. The site value of land will be determined as provided by Section 2 of our present revenue law, which declares that:

"All land shall be listed and valued separate and apart from personal property and improvements."

That law was passed in 1902, and while it has been ignored by the State Tax Commission in assessing property owned by public utility companies, it has been obeyed by our county assessors in assessing all other property. For the year 1916 the assessors found site values in Colorado to be as follows:

SITE ASSESSMENTS.

	Acreage value		Total value
	Acres	per acre	
Improved fruit land	28,473	\$190.69	\$ 5,429,620
Irrigated land	2,191,335	65.10	142,635,050
Natural hay land	211,447	25.88	5,472,966
Dry farming land	3,644,019	9.58	34,935,450
Grazing land	17,119,863	4.66	79,809,582
Timber land	113,546	8.48	963,742
Productive coal land	59,482	117.12	6,967,126
Non-productive coal land ..	182,607	44.57	8,139,395
Oil land	29,145	13.96	265,140
Other mineral land	33,294	15.49	515,703
Coal reserves	719,801	23.23	1,676,010
Metalliferous mines	273,336	52.57	14,372,391
(non-producing)			
One-quarter output			
Metalliferous mines			12,168,660
Equities in			
State and school lands			1,544,833
Town and city lots			181,348,736
Total site value			\$496,244,319
Total acres on tax roll	24,587,793		
Total acres in state	66,341,120		
Acres not taxed	41,753,322		

PUBLIC UTILITY ASSESSMENTS.

As before stated, the Tax Commission disregards Section 2 of our revenue law which required ALL land to be assessed apart from other property, but it observes Section 61 of the same law, which provides that:

"In arriving at the value of property owned by any corporation—The entire business plant or enterprise of such corporation shall be valued as a unit."

For the year 1916 the Tax Commission found the unit values of our public utilities to be as follows:

Railroads	\$168,911,680
Telegraph	1,607,850
Telephone	12,741,550
Other public utilities	59,190,084

Total\$242,451,164

As we have no official estimate of the value of rights of way, and franchises in public ways, we will for reasons hereinafter stated, assume that they will constitute one-half the unit values upon which public utilities are taxed, or \$121,225,582. By adding that amount to the \$496,244,319 in site values found by the county assessors, it brings all the site values in the state up to \$617,469,901. A levy of 30 mills on that valuation will yield \$18,524,097, which is the approximate amount now raised by taxation for county, city, town and school purposes, and an additional levy of 3 mills will yield \$1,852,409, which is about the amount now annually raised by the general property tax for state purposes. It thus appears that site values are nearly one-half the total values in the state, and that a levy of 33 mills on these values will yield the same amount of revenue that is now raised by the general property tax for all purposes.

NOT FULL VALUE ASSESSMENTS.

In this connection it should be noticed that while the law requires all property to be assessed at "full cash value" every one knows that this law is not observed. That it is not observed is proved by the wide difference between the following estimate of values in Colorado made by the U. S. Census Bureau and the one made by our tax officials.

U. S. CENSUS REPORT ON VALUES IN COLORADO FOR 1912:

Real property and improvements	\$1,223,511,598
Live stock	88,059,546
Farm implements and machinery	14,400,570
Manufacturing machinery, tools, etc.	91,355,941
Gold and silver bullion	23,696,056
Railroads and their equipment	369,238,739
Street railroads, water works, etc.	187,238,739
All other property	379,021,541

Total\$2,386,923,583

We have seen that for the year 1916 the Tax Commission found the total value of all the public utilities in the State to be only \$242,451,164, and \$1,209,561,143 the total value of all taxable property.

One conclusion to be drawn from a comparison of these estimates is that the franchise values of public utilities are either not taxed at all or they are assessed at much less than their real value.

What the real values of franchises are, at present, is a matter of conjecture, but we will here give a few reasons upon

which to base our estimate that they are one-half the present "unit" values upon which the corporations pay taxes. Those reasons are: First, according to claims made by railroad owners it costs about \$50,000 a mile to build and equip a Colorado railroad, and this is supposed not to include the value of their franchises. Second, we know that all land rises in value as population increases and society progresses, and that land and rights of way in land held by corporations are no exception to the rule, the only difference being that when private land rises in value its owners receive more rent for it, while a rise in the value of rights of way enables franchise holders to either pay themselves larger dividends or water their stock. Third, we know that when a railroad company is granted the legal right to buy or condemn a continuous strip of land between two or more good terminal points, that it can often borrow money enough on the franchise to build the road. Fourth, we know as a matter of fact that most railroads are now capitalized and pay dividends on more than twice their assessed value. Fifth, in regard to the value of local utilities, we know that, like the railroads, they are capitalized at sums much higher than the value of their tangible property. Take, for instance, the Denver Gas & Electric Co. Sixth, we know that every time they win a franchise fight they increase their capitalization. Seventh, if franchises in public places, which are nothing but rights in land, are assessed apart from other property, as the present law and this bill provides, the cities of Colorado that have home rule in taxation could and probably would adopt the Single Tax, as that is a system of taxation to which the big corporations are bitterly opposed, it in all probability was through their influence and the fact that Denver assessments were let alone, that Mayor Speer and the big papers withdrew from the fight to recall the Tax Commission at the last election, and thereby saved them by 3,650 votes. Therefore, as this measure provides that all franchises in public ways shall be assessed apart from other property, the same as all other rights in land are now assessed, it is likely that this provision of the bill will make it popular with a large class of voters.

SITE VALUES VS. LABOR VALUES.

The next thing to be considered is the difference between the site values we propose to tax and the labor values we propose to exempt. One pays rent and the other pays interest, so they will here be treated separately. In considering this point it should be easy to see that labor values are produced by labor and that site values arise from the people's needs. Labor products are brought into existence in response to a demand for them and the supply can be increased indefinitely, but the supply of land cannot be increased so the value of any particular site is determined, not by the law of supply and demand, but by demand alone. This is proved by the fact that in Colorado there are 41,753,322 acres of land for which there is no demand, and therefore as it has no value it is not taxed. Further proof is found in the wide difference between the assessed values of sites that are taxed. For instance, our grazing land

has an average value of only \$4.66 an acre, while business sites in the heart of Denver are selling at three million dollars an acre. In this connection it should be noticed, that in the hope of getting this unearned increment, much of our land is held by speculators.

And, now, speaking of land held for speculation we should consider what a title to land really means. In considering this point we must not forget that in order to remain sovereign, the State always retains three rights in land, namely, the right of eminent domain, the right to exercise police power over it, and the right to tax it. Subject to these three rights reserved by the State, the owner of land has possession, the right to possession, and the right of alienation. In other words, the owner can hold possession, or he can lease the land, or he can deed or will it away. These three rights of the owner are generally summarized in the saying that the owner of land simply has a right to exclude others from it. Therefore, it is nothing but the right to exclude that is really rented or sold, so let us glance at the law of rent to see the difference between the rental and the selling value of land.

THE LAW OF RENT.

The law of rent was discovered by David Ricardo about one hundred years ago and since that time it has been clearly expounded by Henry George and other eminent economists. Henry George states it this way:

"The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use."

In explanation of this law he says:

"Its mere statement has all the force of a self-evident proposition, for it is clear that competition enables the owner of productive land to appropriate in rent all the return above that required to recompense labor and capital at the ordinary rate. That is to say, what they can obtain upon the least productive land in use, where, of course, no rent is paid."

As this important law is exemplified by so many facts that are open to all, we will say no more about it here but go on with our inquiry into the nature of selling value, which is the thing we should try to tax, as near as may be, out of existence.

It is often said that the selling value of land is nothing but its rental value capitalized. It is said, for instance, that if the annual rent of a piece of land is one hundred dollars and the current rate of interest is five per cent, that the selling value of the land will be twenty times the rent, or two thousand dollars. ~~fact that it leaves out of account the taxes charged against the land, for while a tax does not affect the rental value of land it has a very decisive effect upon its selling value.~~ Thus, if a piece of land that rents for one hundred dollars a year is subjected to an annual tax of fifty dollars, its net rent would be fifty dollars, which, capitalized at five per cent, would

make its selling value only one thousand dollars; and if the tax was raised to one hundred dollars a year, its selling value would disappear entirely, leaving its rental value unimpaired by the tax. When this difference between rental and selling value is seen it makes many things clear about which, at the present time, there is much confusion of thought. Let us examine a few confused thoughts now current on the land question.

MISTAKEN IDEAS.

Some people think that if we increase the taxes on land the owners will increase the rent, or if they happen to be using the land themselves they will charge more for what they produce on it; in other words, that they will shift the tax. The people who hold this view confuse the land owners desire with his power. They know that a tax on labor products is shifted to the consumer, but they do not realize that this is done because the tax is a part of the cost of production, and they do not stop to reflect that it costs nothing to produce land.

Some people also think that even if the land is vacant, a tax will, in some mysterious way, enable the owner to charge more for its use. This silly thought is entertained by many people because they do not fully realize that the value of land is due to the demand for it and not to the wishes of its owner. If it were really true that the value of land could be determined by its owners' desires there is no telling how high it would mount.

But, even when the absurdity in this thought is pointed out to the people who hold it, they often contend that, as the owner of a piece of land probably paid a high price for it, an increase in his taxes would justify him in charging more for its use or its produce; and if he lacks the power to charge more, it would be doing him a great injustice to increase his taxes. In principle, this is the same claim that was made by slave-owners.

Those who make this claim have never looked into the real nature of the thing the owner buys. We have seen that the owner does not really buy land, in the same sense that he buys food to appease his hunger. What he buys is not the land, but the legal right to exclude others from it, which others, perhaps, were eager to use the land to raise food to appease their own hunger but had no money to pay for exclusive rights. Besides, when the owner bought the right to exclude others he had due notice of all the chances he was taking. If he did not wish to buy the right to exclude others from land, he could have bought hay or he could have bought bricks, and in either case his fire risk would be determined by the nature of his investment. So, likewise, when he bought the legal right to exclude others from a piece of land he knew that the value of the right depended upon his ability to call in the armed force of the State if it ever became necessary to secure him, his lessees, or assigns, in undisturbed possession. He also knew that the tax conditions upon which the State would respond to the call is a matter that depends en-

tirely upon public opinion, and that public opinion in such matters is a thing that is constantly changing. He knew, in short, that the State responds to public opinion—which is no longer the opinion of landlords—and consequently that progressive States are every year charging more and more for exclusive rights in land.

It is true, that in some countries it takes opinion a long time to change and the State still longer to respond to the change. In England, for instance, the landlords are paying taxes on a valuation that was made three hundred years ago, but in 1910 public opinion compelled the government to order a new valuation and now it will not be long before the taxes on exclusive rights to land in England will be high enough to make it accessible to all on equal terms.

In New Zealand, western Canada, and a few other progressive countries, opinion has compelled a more rapid change in tax law, and now in a few places nearly the whole rental value of land is taken in taxation, and consequently the land in such places has little or no selling value and everyone can make a contract for his labor on fair terms.

HOW THE VOTE FOR SINGLE TAX REDUCES THE SELLING PRICE OF LAND.

But we need not go abroad to find proof of the fact that the value of titles to land rests on opinion. We can find proof of it nearer home. For instance, two years ago the people in Denver voted on an amendment to the city charter which, if adopted, would have shifted all city taxes from industry on to land values. The proposed amendment received but twenty-three per cent of the vote, but that was enough to make the land speculators begin to unload. When they saw that so many people were getting their eyes open to the real nature of land values, they knew that it was only a question of time when the Single Tax would get thirty, forty, and eventually fifty-one per cent of the vote, when, of course, the selling value of land would be entirely wiped out; so, panic-stricken, they began to offer their land at reduced prices. Of course, it is hard to say exactly how much that vote reduced the selling price of land in Denver, but a conservative estimate is three per cent, or six million dollars. One quarter acre on the corner of Sixteenth and Curtis streets was assessed at \$575,000 before election, and shortly after the election it sold for \$500,000.

At the city election held last May the same amendment was again submitted to a vote, but as only one-third of the voters went to the polls, the vote for and against Single Tax was materially reduced and time enough has not yet elapsed to know exactly how that vote will affect the selling price of Denver land.

During both Denver campaigns a great deal was said about the imperfect Single Tax amendment that was adopted and afterwards repealed in Pueblo. The opponents of Single Tax claimed that the repeal of that amendment proved Single Tax to be a failure, but genuine Single Taxers knew all the time

that such a bungled-up amendment could never be given legal effect. Whoever drew it made no provision for an assessment upon which a city tax levy on site and franchise values alone could be legally made, so it was doomed from the start. At the election to be held in Pueblo next November a properly drawn amendment will be submitted to a vote and whether it is adopted or not, it is safe to say that it will receive votes enough to materially reduce the selling price of Pueblo land and thereby make thousands of working people in Pueblo feel that they are no longer trespassers in the city which their labor is doing so much to build up and beautify.

HOW A TAX ON RENT RAISES WAGES AND LOWERS PRICES.

And now, perhaps, enough has been said to make it clear that the selling value of land is nothing but its untaxed value, for we have seen that if any particular site is taxed up to its full rental value that it will have no selling value at all. So, now, let us see what effect, if any, a tax will have on rental value. That is, will a tax on land weaken or strengthen the demand for it? As this is an important point, let us give it careful consideration.

It needs no argument to prove that as long as there are people in the State, land will be in demand for residential or productive uses, and experience everywhere proves that the demand for some sites will be much stronger than it is for others. In fact, experience proves that when there is no demand for a site—that is, when it is not wanted by at least two people—that it will yield no rent—meaning by rent, of course, the amount of money or goods that the owner of land receives for its use, irrespective of improvements, or, in case he is using the land himself, the amount he could receive if he cared to relinquish its use to some one else. So it is clear that no site can be taxed unless there is a demand for it and it is also clear that as the rental value of land is fixed by competition, a tax upon any particular site cannot be more than it will rent for. Now let us see what would be the result if all land were taxed up to its full rental value.

It needs no argument to prove that if the tax were that high no one would care to own land unless he wanted to use it, and therefore that such a tax would destroy all speculation in land, and the vast areas, both in city and country, now held by speculators, would be thrown open on fair terms to productive use. In other words, the selling value of land would disappear entirely, while other things being equal, its rental value would not be affected by the tax. A high tax on site values, therefore, would make land accessible to all men on equal terms, but before we can see how that would affect the general demand for land, we must notice how such a tax would affect prices and wages. Fortunately as to these, all economists are agreed.

THE LAW OF PRICE.

All economists agree that prices are controlled by natural law and Prof. Francis A. Walker puts the law of price in this form:

"The price of commodities is determined by the cost of production of that last considerable portion of the necessary supply that is produced at the greatest disadvantage."

Now let us see what that means.

First of all it means that as a rule there cannot be two prices in the same market for the same thing. Thus, according to the law, we are considering all wheat of the same grade will sell in the same market at the same price, even though different portions of the supply was produced at widely varying costs. For instance, if it cost one dollar a bushel to produce a considerable portion of the necessary supply of wheat and the rest of the supply was produced at a cost of fifty or seventy-five cents a bushel, nevertheless all the wheat of that grade would sell at one dollar a bushel, in the same market, and this for the very good reason that no one can long afford to produce at a loss, and because, as a rule, everyone is willing to charge all he can get.

Now it should be easy to see that under the conditions here pointed out—which are not uncommon—land upon which wheat can be produced at a high profit will command a high rent, and if it is lightly taxed it will also have a high selling value, while land upon which wheat, or anything else, must be produced at a little or no profit, will have a low rental and, therefore, little or no selling value; all of which brings into view an important point that is generally overlooked, namely, that the rent of land does not enter into the selling price of commodities at all, therefore, that a tax on rent cannot be shifted to consumers. To make this point as clear as possible, let us take a few examples. As one example, let us take the price of coal. In Denver coal sells for about four dollars a ton. The miners get about 65 cents a ton for digging it, and as a considerable portion of the supply is hauled only twenty miles on a down-hill pull, that looks like a pretty high price. Now by examining our official records we will find the real reason for the high price of coal—and for other high prices—in our present tax laws. Let us look at the records.

HOW COAL LAND IS TAXED.

According to the U. S. Geological Survey, Colorado has 17,130 square miles of coal land, or 10,963,200 acres, and according to the last report of our State Tax Commission, 59,482 acres of this land is listed on the tax roll as productive; 182,607 as non-productive, and 719,801 acres as coal reserves. The average assessed value of productive coal land is \$117.12 an acre, non-productive \$44.57, and coal reserves \$23.28. Therefore, the total number of acres taxed as coal land is 961,890, and its assessed value last year was \$16,782,441. According to these figures then only one-sixteenth of the coal land that has been reduced to private ownership is put to productive use, to say nothing of the large areas known to contain coal, that were taken up as homesteads and desert entries and that are now taxed as grazing, timber or agricultural land. This makes it plain that some one is holding all this coal land out of use by paying a light tax on it, and as this may be done

for the purpose of keeping prices up and wages down, the next question is, who pays these taxes?

To find this out it is only necessary to look at the records, for in this State corporations are required by law to file annual statements with the Secretary of State, and among other things to tell how much land they "own, lease or operate." The Colorado Fuel and Iron Company's sworn answer to this question is "approximately 100,000 acres." Other coal companies file similar answers, but without taking the time to go into them here, it is plain that the big companies that sell coal in Denver are holding large bodies of coal land out of use. And that most of this land is the kind that miners would like to use, if they only had the price. Is shown by the maps on file in the offices of the State Land Board and the State Coal Mine Inspector, for it there appears that the coal land held by the "Combine" contains the best known veins that are close to railroads. Therefore, it is clear that if anyone wishes to compete with the combine in supplying Denver or any other market with coal, they must do so by digging coal out of poor veins that are remote from railroads, and, that such competition is not very profitable is proved by the experience of the small operators who persist in trying it. However, the competition of small operators tends to keep the price of coal down, for if they can dig coal out of poor veins, then haul it to the cars in wagons, and deliver it to consumers in Denver at four dollars a ton, the big operators will sell their coal at the same price, for it is obvious that although they could well afford to do so, they will not charge less for it.

HOW A LIGHT TAX ON COAL LAND KEEPS PRICES UP AND WAGES DOWN.

Now it should be noticed that the small operators who use this poor land or poorly located land, pay no rent for it, while the big operators get in large rentals not only for the small amount of land they use, but also for the large amounts they monopolize by paying a light tax and they receive their rent not only in prices that are much higher than the cost of producing coal from their good or well located veins but also in dividends on stock and interest on bonds. Of course, this practice is not confined to Colorado, as is proved by the report of the U. S. Senate Committee that investigated the Steel Trust. At one of the hearings the officers of the Trust appeared before the committee to prove that the Trust was not over-capitalized. As proof of this they showed that the trust owned 60,000 acres of Connelsville coal land that was worth \$2,000 per acre. They proved that the land was worth that much at that time—now it is worth \$3,000—because the taxes were not very high, and their ownership of the 2,000 acres in use and all the rest of it prevented their competitors from using the land to cut the price of coking coal. Evidently the U. S. Senate thought that practice was all right in Pennsylvania. Your action on this bill will show whether you think it should be encouraged here by a light tax on coal land. Now let us look into wages.

THE MARGIN OF CULTIVATION.

When the full import of the law of rent and the law of price is clearly apprehended it will not be hard to see how a high tax on land values will raise wages. We have seen that such a tax will make it unprofitable for speculators to hold productive land out of use. We must now notice that it will do this by moving "the margin of cultivation in." By margin of cultivation, is here meant, the line beyond which the land is so far from centers of population, or for any other reason, so unproductive that it will yield no rent. The man who works on no rent land, of course, can keep all he produces, and as the Single Tax will move the margin of cultivation in closer to the market and therefore to more productive land, the wages that can be made on no rent land will be materially increased. For example, farmers who now go out to the margin of cultivation to raise crops and then haul them back to market twenty or thirty miles, past good land held by speculators, would find their condition much improved under Single Tax. For as soon as the speculators let go of the land, the real farmers, that is, those who farm the farms, could move in closer to markets, and thus by using better land or better located land they could not only make much better wages for themselves, but by competing on fair terms with all other farmers they very naturally would bring the price of all farm products down to a fair margin of profit.

Now let us see how the Single Tax would affect the wages of other people who work outside of towns and cities. Take, for example, the wages of coal miners. We have seen that the Single Tax would make it unprofitable for the coal barons to hold any more land than they can put to productive use; and, therefore, that many good coal veins that are close to railroads would be accessible on fair terms to coal miners who are always on strike or threatening to strike. In other words, in an economic sense, the margin of cultivation would be moved in, and as in the case of farmers, competition would then be free. Consequently the price of coal would come down, wages would go up, and we would have no more Ludlow massacres or insurrection bonds.

WHY PEOPLE CROWD INTO CITIES.

But, after all is said, the important question is: How would Single Tax affect wages and prices in towns and cities? That is the most important question of all, because it is in towns and cities that most people now work and live. In this connection, allow me to remark that I was an interested listener to your discussions on the School Code at the last session when the question came up: "Why are country districts becoming depopulated and cities everywhere growing?" I remember Senator De Busque gave as one reason, "that cities maintain good schools," although he admitted there must be other reasons which he did not fully understand. He said that when he was a boy only ten per cent of the people lived in towns and cities, and that now 66 per cent have crowded in, and he is still wondering what there is in cities that attracts

so many people. I would like to tell the Senator, and others who may be interested, that a good answer to that question can be found in a little book written by Louis F. Post, first assistant to the U. S. Secretary of Labor. In that book it is shown that the influx to the cities began with the introduction of improved machinery, that in order to increase the productive power of labor to any great extent, many machines must be operated under one roof and therefore, as people must live close to their work, cities grow up around the factories. Mr. Post looked closely into the nature of machinery and saw that each machine can do only the one thing it was made to do, so it is necessary that many of them must be operated in close proximity to each other and the people who become expert in operating machines must live close to the factory so they can go to work when the whistle blows. He shows too that those who continued to use old-fashioned methods soon found that they could not compete in the market with those who used modern machines, so millions of men, women and children were not attracted, but virtually forced from their homes into the factories. This, he clearly points out, resulted in a great demand for city land. He also calls attention to the fact that exchange is a part of production and as most exchanges are made in cities the people who work in stores and office buildings and who must live close to their work intensify the demand for city land. And being a level-headed Single Taxer, Mr. Post saw that the ever-increasing demand for this land must force its value skyward, so he is not surprised to find that much of it is now worth from one to twelve million dollars an acre, to say nothing about the improvements on it. Thus, instead of raising wages, these immense values are absorbed by city land, and speculators get all the benefits of improved machinery, and modern methods of production.

CITY LAND MONOPOLY.

The people who get these land values are in many respects not unlike the people who have to work for what they get. The chief difference being that they are envied by their neighbors. Those who invest in land for which a strong demand soon grows up are called lucky, while those who buy land for which demand is slow in manifesting itself are called unlucky, but this difference is not marked in the few communities where public opinion compels taxes on land to keep pace with the demand for it. In such places, as we have seen, land may have a high rental and little or no selling value. However, as yet, there are only a few communities where the full rental value—that is, the site value—of land is taken in taxation, and as a result many land owners have grown to be millionaires through a rise in the value of land to which they happened to hold title. Indeed, most of our millionaires were made in that way, as is shown in the report made by a man whom the New York World selected to investigate the matter. He says in his report that out of 5,000 millionaires that he interviewed, 4,500 admitted that their fortunes came to them for the most part through a rise in land values, and only 500 out

of the 5,000 claimed to have made their fortunes in any other way. Of course, the lucky speculators had many rivals. As soon as it appeared that luck and a little money were the only things required to buy land in the right place, nearly everyone who had the money began to buy, especially in and near towns and cities, for there it seemed the great prizes were to be found. The result was that the land "close in" was soon monopolized and the margin of cultivation was moved so far out that market gardeners could scarcely make a living. Even in the hearts of cities many vacant lots were and are "held for a rise," and much money is wasted grading streets and laying tracks, and wire and pipe lines past them. For instance, Denver contains 38,000 acres, of which only 9,000 acres are in use, and a great part of that is only half used. But this is enough to say about the people who get, or try to get, the rent they do not earn: now let us look at the condition of the people who earn the rent they do not get—which, in Denver alone amounts to 10 or 12 million dollars a year.

HOW LAND MONOPOLY COMPELS ORGANIZATION.

To see this we should remember that it was sixty or seventy years ago when improved machinery began to revolutionize industry in this country, and consequently it was about that time when country people began to crowd into cities. Only a few of them knew anything about the science of economics, so when they realized how enormously the improved machines increased their productive power they naturally expected that sooner or later they would get a corresponding increase in wages. But when they found that instead of being raised, their wages were often reduced or they were thrown out of work altogether, they grew sullen and resentful. Later, when they found that the cost of living was going up without any increase in wages to speak of, they first pleaded with their bosses and then finding that the bosses either couldn't or wouldn't do anything for them, they commenced to realize their economic helplessness, and in desperation many of them joined labor unions. That is the condition of things we find here today, now let us see what organization has done for them. Out of 36,000,000 wage earners in this country about 3,000,000 are organized, and everyone knows that their organization has been a slow and laborious process. The reason for this is that the organized, like the unorganized workers, have no clear ideas on "what's eatin' 'em."

Most of them, before going to work, spent a few months or years in our public schools, where, if they were taught "economics" at all, it was to fix more firmly in their minds the false belief that "property in land is a sacred institution," so the rank and file of the labor unionists never tried to shift taxes from industry on to land values—the only thing that can open equal opportunities to all. Instead of employing that one simple and sovereign remedy, which at least to some extent they could have done, they went on the theory that they must fight the employing capitalist—the man who is often as much a victim of the system as they are—and thus resulted their

many strikes and long years of suffering. However, they gained some advantage by organizing; for, first, it was quite an advantage to them to meet together in their own halls and discuss their own problems in their own way. Second, they won quite a few victories, in the way of shorter hours and better pay through their power of collective bargaining; and, third, they at length came to see the many advantages to be gained through political action, and seeing this, many of them now hold strategic positions in government, which, if rightly used, will enable them to advance the interests of labor in many ways. Indeed, they have already made considerable progress educationally as well as economically and politically for every year they are coming out in more pronounced fashion for the taxation of land values. But that they are not yet ready to endorse the whole Single Tax platform is shown by the fact that some of them are still opposing the plank that declares for public ownership of public utilities—that is, for the public ownership of every business that requires a franchise in public ways. Now having seen what the workers who are organized have done since improved machinery revolutionized industry, let us notice what the unorganized have been doing.

The reason why so many wage earners are still unorganized is, first, because many intelligent workers are conscious of the mistake the unionists have made, and still make, in fighting capitalism instead of landlordism, therefore they mistakenly think that it would only be a waste of their time and money to engage in union work. Second, many low paid workers cannot, or think they cannot, afford to pay union dues. Third, a great many do not yet feel the need of organization and therefore they are unorganizable. Of course, the unorganized are at a great disadvantage in making contracts for their labor, and consequently millions of them are forced to live below the poverty line; that is, on less than \$400 a year. We have seen that the reason why wages are low is because; no man can make an effective demand for more wages that he can produce working for himself on no rent land at or near the margin of cultivation, and this for the reason that whatever he produces at the margin, fixes the price of all goods of the same class or kind in all markets. It must be borne in mind too that the law of rent, and the law price are always and everywhere in operation and therefore that they find expression not only in the country but also in the slums and sweatshops of our great cities. But as all this is fully explained in standard works on political economy, we will not go further into it here.

HOW SITE TAX WOULD AFFECT THE WORKERS.

The fact that prices and wages are largely determined by the way the State's taxing power is used, will become plainer still if we notice how different classes in society are affected by it, so let us first notice how Single Tax will affect the casual and migratory workers who are too independent to be servile slaves in sweatshops, and who are not content to drudge their lives away for a bare subsistence on poor or poorly

located land. Such men are inured to hardships, and being unafraid of danger and disposed to roam, they, as the saying is, "hit the road." It is this class of men who build the railroads and dig irrigation ditches. They insist on good wages so they also harvest the crops and do any other kind of work for which there is a pressing demand. Of course, the demand for the work they do it very inconstant, so they are often unemployed. When on the road they travel in boxcars, sleep around camp fires, and sometimes they beg from door to door. In the winter time, when most work is closed to them, and they are without money to pay for cheap meals and cheap beds, they often go to jail, or, if they are physically fit, they enlist in the army. Two years ago the police authorities estimated that there were 6000,000 of these destitute and desperate men looking for work in this country, and to avert a revolution many of them were fed in bread lines and everywhere municipal lodging houses were crowded with them. Perhaps some of you gentlemen remember how the problem was met in Denver. I was one of a committee that requested the Governor of the State to come down town one cold winter night to see 500 of these men sleeping on the floor of two vacant rooms which was all the city felt it could provide them with. After viewing the situation the Governor said it was "frightful," but it seems that the State was powerless to help, for nothing was done to remedy conditions. Taxes on land values were not increased so eight of the men died of hunger and cold, and when spring time came the rest scattered throughout the country to go through the same old routine on a monopolized earth. However, the workers who are casually employed or unemployed have now formed themselves into an organization called "The Industrial Workers of the World," and if they get the right idea they may do much towards bettering conditions by freeing the land—especially if they are forced to adopt the plan that seems to be making some headway in Mexico and in Russia.

HOW IT WOULD AFFECT HOME OWNERS.

Other classes of people who do much to increase rents in towns and cities and who are unjustly treated by our tax laws, are the mechanics, business and professional men who live and work in cities and who own their own homes. Let us first look at the interest they will have in this bill as home owners, and then notice how it will affect their business. They, of course, get the rent, as users, of the ground upon which their homes stand, but their lots are assessed in columns separate and apart from their improvements, and the tax books show that in nine cases out of ten their improvements are worth more, and in many cases a good deal more, than their lots. Under the present system, lots and improvements are taxed alike, but under the Single Tax all improvements would be exempt, and the tax on lot values would be not more than twice as much as it is now. Therefore, it is easy to see that most home-owners—probably 90 per cent of them—would find their taxes reduced under this bill. It is true those who have more

lot value than improvement value would find their taxes raised, but the home-owners in this class are not more than one-tenth of the number who would save money. In other words, the home-owners who own poorly improved lots, or lots that are not improved at all, are the only ones who would have to pay more under the Single Tax, and they are a small minority.

HOW BUSINESS PROPERTY WILL BE AFFECTED.

Now let us see how the adoption of this amendment will affect the economic interests of the business and professional men who pay taxes not only on residences but on shops, store-buildings, warehouses, etc. And also on goods, machinery, tools and furniture. As in the case of the taxes on their homes, they would of course pay more on the value of the ground they use in their business, but, as everything else would be exempt their taxes, in most cases, would be very much less than they pay now. But, it may be asked, when all personal property and improvements are exempt, how will public expenses be met? That question is often asked and the best way to answer it is to cite a few examples. Here is one: There are eight lots on the corner of Sixteenth and Champa streets, in Denver, that are covered with old one-story buildings that rent for \$46,000 a year. Under this bill those old buildings and all the goods in them would be exempt and the taxes on the eight valuable lots would be doubled. This, it is estimated, would increase the public income from that property about \$10,000 a year.

Another example: Just across the street from this property is the May Company's big store and in our first Single Tax campaign I had an experience which shows how that property would be affected. We wanted to use that corner for our street meetings, but the police department ruled that we could not use it without first getting the consent of the abutting property owner. I called on the manager of the May Clothing store and at first he refused his consent. I pleaded with him—as we did not then have time to take the police department through court—and finally he said that if we could prove to him that the May Company's taxes would not be increased by the Single Tax, he would consent to the use of that corner for our propaganda work. As his store was very large and full of goods I felt confident that his taxes would not be raised under our system, so I hastened to the assessor's office to look the matter up. Upon examining his tax schedule, however, I was surprised to find that his big store building and all the goods in it were assessed at considerably less than \$690,000, the amount at which the five and one-half lots under the building was assessed and consequently that the adoption of our amendment would raise his taxes about \$2,000 a year. This filled me with dismay, but nevertheless I went back to argue the matter with him. My argument ran something like this:

"Sir: You are interested in Denver and you would like to see the city thrive and grow, but what chance has it to grow under our present tax system? Groaning under a heavy load

of taxes many of our industries have already moved out and more are going. We taxed the Pullman shops out, we taxed our paper mill out, and in time we will tax more shops out. The result is that thousands of our buildings are vacant and thousands of our work people are standing idle, or working for low wages. How can you expect to sell goods or do business in a city that is burdened with such a tax system? The adoption of this amendment will tax privilege and exempt industry. It will make the people who own our valuable land pay the taxes and thereby relieve our industries from all taxation. The result will be that our shops and factories will again start up. All of our people will again go to work, supplying our home and foreign markets and as they will be making good wages they will not be disposed to slight home merchants and buy their goods from mail-order houses."

The manager listened and pondered as I went on with this argument, and being a keen far-seeing business man he finally saw things in their true light and gave his consent to our use of the corner. These two examples show how public revenues would be increased by doubling taxes on the valuable land in the heart of Denver, whether the land is used by owners or by tenants. There are only nine buildings in the business district that are worth more than the ground upon which they stand. Conditions are about the same in our other towns and cities.

HOW IT WOULD AFFECT VACANT LOTS.

Now that we have seen how the Single Tax would affect the residence section and the high-priced land in the heart of the city, let us see how it would affect vacant lots and other low-priced land in the suburbs. Some say that much of this land would revert to the government, as its owners would refuse to pay the Single Tax rate. Now let us see if that is probable. The tax levy in Denver for 1916 was 17 mills, and let us say that under this bill it would be 34 mills, which means that any speculator who owns lots that are assessed at \$1,000 would either pay a tax of \$34 on them or turn them back to the people. As speculators have plenty of nerve it seems probable that most of them would pay and try to prevent the tax from going higher. But if at length they should see they are whipped, they, with more or less grace, would relinquish their rights to exclude others, and there are plenty of market gardeners and other people now crowded in slums who would gladly pay the tax for the privilege of putting the lots to productive use. Therefore, if vacant lot owners should prove to be delinquent, it would be a good thing for the city, for if speculators refuse to pay taxes on lots the people who want to use the land will gladly pay its full rental value into the public treasury; and the rental value of all the land in Denver is not less than ten million dollars a year, which is twice the amount raised last year by taxing all property.

HOW SITE TAX WOULD AFFECT PAPER CREDITS.

Now I have pointed out how the adoption of this amendment will affect various classes of people who own different

kinds of land, and I will not trespass on your time by discussing the way it will affect the owners or users of timber land, quarry land, metalliferous mining land, wharfs, terminal sites, etc. All of these come under the same principle but as each involves special problems I will not take your time to go into them here. A word should be said, however, about the effect a site tax will have on paper credits—that is, on evidences of debt in various forms, of which there is said to be about one hundred billion in this country. The argument is often made that as 95 per cent of all exchanges are made with stocks, bonds, and promissory notes, that like other money, such things should be taxed—especially as many people seem to live in luxury on the interest of them. That this is not the general view, however, was proved by an experience I had about twenty years ago in El Paso county, which, with your permission, I will briefly call attention to:

At that time mortgage notes were taxable in this State and the County Commissioners gave me a contract to look up tax dodgers. In less than two years I found about two million dollars worth of those notes that had been omitted from the tax roll, but when the holders of the notes were summoned to pay taxes on them, they all claimed that as the land that secured the notes was taxed, a tax on the notes would be taxing the same property twice. And when the State legislature met their view was accepted, for it passed the law we have now, which taxes notes that are unsecured, but exempts notes that are secured by mortgage.

HOW SITE TAX WOULD SHAKE THE WATER OUT OF STOCKS AND BONDS.

Since that law was passed it must be conceded that mortgage notes are, in part, at least, titles to land, and of course the same reasoning applies to bonds issued by industrial and public utility companies. For such bonds, like mortgage notes, are secured in large part by mortgages on lands which often have a high selling value, such as oil, timber, and mineral lands, factory sites, rights of way, terminals, city lots, etc. For instance, the U. S. Commissioner of Corporations reports that 83 per cent of the values upon which the steel company is capitalized and bonded are nothing but the value of its rights in land. This makes it plain that if these rights in land, which are held by public utility and many industrial companies, were taxed, as this bill provides, a large part of the security upon which their bonds rest would disappear, for we have seen that it is not the rental, but the selling value of land that is mortgaged to pay the bonds. Therefore, as the single tax, if fully applied, would entirely wipe out the selling value of land the big corporations would have nothing to mortgage but their labor products, buildings, tools, goods, etc.—and many of them, like the steel corporation, would be left with but a small part of the values they are mortgaging now.

It will be noticed in this connection that this bill does not provide for unlimited single tax. It simply provides that all labor products shall be exempt, and that enough site values

shall be taken from their present owners to run the government, leaving all the rest of the site values—which is more than one-half—to go into private pockets as they are going now. That is, one-half of these unearned site values will be left to private owners until the people, through their legislative bodies, decide, from time to time, to increase the tax rate for any or all purposes.

In this connection it should be noticed too, that the adoption of this amendment will take a good deal of the security out from under the mortgages and the bonds that are now afloat in the market. About how much it will depreciate their value it is hard to say, for many bonds are in large part secured by labor values as well as by land values. As a rule money lenders do not take a mortgage on more than one-half the value of a piece of property; that is, the value of the buildings and the land combined, or what they call "real estate," and bonds as a rule are secured by mortgages that cover not only the tangible property of the companies that issue them, but they also cover their rights in lands of various kinds, including their franchises in public roads, streets, and alleys. Now we should not lose sight of the fact that if the full rental value of all these land rights went into the public treasury, where it should go, that no one would pay corporations or individuals anything for those rights, or lend any money on them; that is, the selling value of land—the thing that is really mortgaged and sold—would be entirely wiped out. But we have seen that under the provisions of this bill the people will, for a time at least, take but one-half of the rental values in this State, so, for a short time—that is, until the people or their representatives decide to raise the tax rate—land will have some selling value, and therefore some value that can be used to secure mortgages and bonds. How much the selling value of the lands in this State will be reduced by the adoption of this amendment is a thing, of course, that we can only guess at, but assuming that land owners are now receiving in ground rents fifty million a year, and that under our present tax laws this tribute exacting power is or can be capitalized at one billion dollars, it follows that by taking one-half the rent for the people the selling value of the land will be reduced at least one-half, and probably a good deal more. Therefore, it is clear that the selling value of a note or a bond that is secured by a mortgage on this tribute exacting power will be considerably weakened, so we have deemed it no more than fair that the holders of the mortgage notes and bonds now outstanding should be given a year's time in which to make collections and adjust themselves to the new tax system, and for that reason this bill does not exempt improvements on land from taxation until 1920.

The bill was drawn that way because we recognize the private ownership of land values as being: "The gigantic wrong of the centuries," and in doing away with the hellish tax system that supports it we feel, as Lincoln did—when he was willing to pay for the slaves—that we should change the system as slowly and as mildly as possible. Of course this reason does not apply to personal property, so it will be exempt

at once; and the adoption of this amendment will in no way impair the value of chattel mortgages, for they are secured by property that is always worth as much as it costs to duplicate it.

In regard to the abolishment of the poll tax, we believe that provision of the amendment will win for it many supporters, for every day it is becoming plainer that the poll tax has but few friends left. Even the I. W. W.s who have but little faith in political action, say they will try to register and be at the polls whenever there is a chance to hit the poll tax with their votes.

Of course this amendment will not affect government bonds. At least not in the same way that it would affect the bonds that are sold by corporations, for the value of a government bond rests not on the government's rights in land, but on its taxing power. Anyway the government could not tax its own land and it is not likely that government bonds will ever be taxed, for everyone knows that the power to tax is the power to destroy, so no government will be foolish enough to tax itself, or to allow its subdivisions to tax each other. And now, although there is still much that could be said on the incidence of a land tax compared with a tax on labor products, I will hurry along to other matters that should be considered in connection with this bill.

HOW SINGLE TAX IS THE FIRST STEP TOWARD WORLD PEACE.

Those who do not understand the single tax no doubt will say, that we should not bother with it until the war is over. To those who have never given it much thought, the single tax appears to be a mere fiscal measure, and not seeing how fundamental and far-reaching it is, they think that we should give our whole attention to other matters now that the war is on. This, it is safe to say, is the way the matter is regarded by large classes of people and no doubt they will be surprised to hear it said by those who have studied the question, that a permanent peace cannot be established or maintained until the single tax is quite generally adopted. Seeing that the war would have been impossible if we had single tax, they believe it was the want of it that brought the war on. The students of the question who hold this view believe, of course, that its adoption will be quite general as soon as it is given a fair trial in any one place, for its benefits will then be so manifest to all that no state or country can long afford to be without it. In other words, it will spread like wildfire throughout the world.

The difficulty then is to get it fully and fairly established in some one place. That is, in some place where all public revenues, national as well as local, can be paid out of ground rent. Until this is done, it is the belief of some, and probably most single taxers, that in some form or another the war will continue. This belief is based on their knowledge of the evils of land monopoly that is everywhere supported by our unjust tax systems. They know that until recent years land owners

everywhere had a predominating influence in governments, and that they used their power to appropriate to their own use the major part of the rent of land, and now that the landless are slowly but surely gaining a share in political power that wars and rumors of war must continue until a new feudal system is established, or until land monopoly is destroyed. They know that one of these two things must happen, for if land monopoly is maintained land values must necessarily be concentrated in fewer and fewer hands. There is no other way out. Let us briefly notice why that must be so.

As land values accumulate in the hands of the people who own them, they must either be consumed by their owners or put to productive use. As there is a limit to the amount the owners can consume, some of the "unearned increment" must be used in employing labor to produce goods to be sold in the open market, and we have seen that the price of the goods they produce is fixed by the cost of producing a part of them at the margin of cultivation. But by far the greater part of the goods is produced inside the margin at a less cost, so they have what Karl Marx calls a surplus value, which value, Henry George proves, is ground rent. In the meantime population increases, which moves the margin of cultivation still further back, and as the laborers' wages are fixed by the amount he can produce on no rent land, he soon finds the market full of goods that his wages are too small to buy; and the landlord must use his unearned increment in more wasteful living, in extending his markets, or in buying more land. As a matter of fact, we find that he does all of these things. For in every country on the globe a few rich men now own vast areas of land, they spend immense sums in building palatial residences, pleasure yachts, racing stables, etc., and many of them go into politics and urge their governments to raise armies and build navies to extend their foreign markets. They have been able to do all these things because up to the present time they have by perverting the schools, the newspapers and the churches, educated the people to believe that property in land is a sacred thing, and that it would be a great injustice and a blunder worse than a crime to take the taxes off labor products and put them on land values. Thus, while the great masses of the people have been kept in abject and degrading wage slavery, a landed aristocracy has been built up, headed by kaisers and kings, and up to this time they have been able to run things to suit themselves through a correspondence called "Secret Diplomacy."

Of course, in late years, they have had to use a great deal of "diplomacy" in maintaining the system, but they succeeded in doing it by keeping the science of economics from being taught in the public schools where the common people are educated, and by maintaining elaborate charity organizations and standing armies to keep down revolutions and strikes. But years ago everyone knew that the system could not be maintained much longer, so no one was surprised when the great explosion took place in Europe. The magazine was loaded, and all that was needed was for some one to touch a spark to it.

And now that this great world war has come on, a great many are wondering what it is all about. Every nation assigns a different cause for the war and the public mind is so confused that many think it is causeless. Even astute thinkers and writers fail to agree on the cause of the war, but that need not surprise us, if we remember that the war had an economic cause, and that most of our writers got their "economics" in the colleges that are maintained by land monopolists. The single taxers are about the only people who have any clear ideas on the subject. They know that the war was caused by land monopoly and that the cure for it is not to be found in the police power of the states but in a judicious use of their taxing power. They know, in short, that fighting settles nothing, and that the only way to end this war is to maintain freedom of speech, and thereby give the people a chance to think along right lines. If they are given that chance, they are sure to read some of the single tax pamphlets we often hand out. And when they are cudgeling their brains over the intricacies of the single tax, I always know when they begin to see the light, for the blood rushes to their heads and the tips of their ears get red.

And now that we have seen how the war was caused by land monopoly and that peace will be impossible until effective steps are taken to insure the general adoption of the single tax, let us see how unlikely it is that we would have any wars under that system. To see this it is only necessary to notice that it would open all the resources of nature to all men on the same terms, and as all wealth comes from land—everyone could then make contracts for their labor on terms of equality; and this in turn would, of course, insure to every man and to every woman, the full product of their toil. Under such conditions, how could there be war? What would there be to fight about?

That these ideal conditions do not exist in Colorado, we have seen by examining our own tax records, but we have seen it is an ideal that has been approached and is being approached in many places. We all know that such big things, as this must come step by step. Therefore, it should be clear that the one great step that you can take toward gaining economic freedom for the people in this state is to submit this amendment to a vote. Nay, more, its almost certain adoption will set before the world an example of genuine democracy that is sure to be followed by other states and ultimately by every civilized nation in the world.

Of course, it may be said by the opponents of the measure—and they no doubt will be many and strong—that the governor's call for the extra session is not wide enough in its scope to permit the submission of this amendment, but I am informed that this is a point upon which there is a wide difference of opinion. We all know that it requires a two-thirds vote of both houses to submit a constitutional amendment to the people, and as the governor cannot veto any bill that gets a two-thirds vote, it seems to me that the first responsibility rests on you. We also know that the extra session was called to consider war and revenue measures and as this is both, we

see no good reason why you should not let the people vote on it, without putting us to the trouble and expense of getting out petitions. However, that is a question that is up to you and we can only hope that you will see the matter as we do.

WHO WILL SUPPORT OR OPPOSE THE SITE TAX?

The next thing to be considered is the prospect of getting this amendment adopted if you submit it to a vote. Of course, it will be said that as yet the people in this State have made no crying demand for single tax, and therefore that it would be useless to submit the proposition to them. But you must remember that the same thing was said when we were fighting for woman suffrage, for prohibition, and for the tools of democracy, and now that we have these good but comparatively unimportant things why should we hesitate longer to start the fight for economic freedom by submitting this amendment to a vote, which is the only effective way it can be started. There is a good chance that it will be adopted in the first campaign, for already there is quite a strong single tax sentiment in this State, and every day it is growing stronger. Even as far back as 1902, when we voted on "the Bucklin Bill," the showing we made was not so bad; for that was practically a single tax bill, and the vote stood 31,527 for, to 69,751 against, and, we must remember, that since we voted on that bill a great deal of educational work has been done in this State. Our campaigns in Pueblo, Colorado Springs, and Denver, were not without effect, and every one knows that opinion changes much more rapidly now than it did in days gone by. Every one who has studied the history of ideas knows how long it used to take for a new idea to gain acceptance, compared to the time it takes now. It took centuries to make people believe that the earth is round, and historians tell us that forty million lives were sacrificed in the fires kindled by witchcraft before that superstition was weeded out of the human mind, but no one believes it will take very long for the superstitious belief in parchment deeds to die out. A good many are now losing their reverence for deeds made to land by men who are dead and they are ready to believe that while the holder of a title to land should be secured in possession, he should pay the full rental value of the land to the community that made the land valuable. Besides this idea is not new. More than one hundred years ago, Jefferson told us that "the land belongs in usufruct to the living," and 38 years ago Henry George clearly explained what that means, and now thousands of people are beginning to see the light. That the light is spreading is proved by the fact that single tax got 263,000 votes in California last fall. North Dakota and Oregon have amended their constitutions so that property can be classified for taxation, and now in those States whenever the people get ready they can tax land at a higher rate than other property. In Missouri and in Ohio petitions are already out to submit single tax to a vote, so why should it not be submitted here?

Some of our single tax friends may tell you that it should not be submitted because it is almost sure to be defeated.

They will say that although the land in this State is assessed at only \$617,000,000 that its actual market value is at least a billion, and therefore as the owners of this land draw down in rent about five per cent. or \$50,000,000 a year, they will make such a hard fight against this bill that it will rock the State to its very foundations. They will tell you, too, that most of our land values are now in the hands of a few rich men who can quickly organize to protect their interests, while the great exploited masses are not only unorganized but they have such vague notions about the question at issue that they are practically unorganizable. Therefore, they will say, the people's attention will be divided and their votes scattered on side issues that are sure to be raised, and that it will be much better for us to go on with our educational work for a few years longer and wait for a more opportune time to submit the proposition to a vote. These are the arguments often advanced by our timid friends, but while they contain a grain of truth they have hitherto been given too much weight. We all know that the privileged interests will put up the fight of their lives when this question comes up, but as the time is sure to come when the fight must be made anyway, why not make it now?

We all know the kind of a fight the landlords will put up. They will make the same kind of a fight here that they made in England, when Lloyd George proposed to increase the tax on their land one penny in the pound. Parliament was then dissolved and an election was held in which that was the paramount issue, and it was the hottest election ever held in England. According to the papers, every billboard in the kingdom was plastered with flaming posters denouncing Lloyd George and his land tax bill, and every night during the campaign great crowds gathered in halls and on street corners to hear the land tax defended or denounced. In London alone there were more than two thousand meetings held in one night. Unthinking people wondered why there was such a great fuss made over a penny in the pound, but those who understood the principle at stake were not surprised at the stir it made. It will be the same thing here whenever single tax is up for a vote. Indeed it will be worse, for the Lloyd George bill was a mere compromise measure that was put up for the purpose of establishing the principle, while this bill will cut privilege to the quick as soon as it is adopted—yes, even before it is adopted. Therefore the land-owning crowd will leave no stone unturned and spare no expense to confuse the voters, and if possible defeat the bill. Their paid speakers will be heard on every corner and in every hall where they can get anyone to listen to them. The State will be covered with pamphlets filled with their kind of economics and their great dailies and weeklies will belch forth tirades of abuse on every one who dares to say that God made the land for the people. And they will not be without active supporters and large audiences that can be reached in that way. All the cheap land speculators in the country districts will join with the big monopolists in the cities to make a hot campaign, and we all know that many honest but gullible farmers are ready to believe that single taxers are trying to take their farms away from them. There

fore, we know that a majority of the farmer vote is likely to be against us. And we know one chief reason for this is, that in every farming district in the State there are many small farmers who are holding land for a rise, and that their votes are generally influenced by the country storekeepers and bankers to whom they are in debt. And as country storekeepers and bankers are often shrewd politicians who are also holding land for a rise, they will for that and other reasons line up all the votes they can against single tax. They will be able to do it, because they can always get plenty of campaign funds for such work from big monopolists, who live in cities. However, they will not find it so easy now to influence the votes of farm hands and tenants for many of these men and their wives read good papers and they are beginning to realize that they have everything to gain and nothing to lose by the adoption of this amendment. In saying all this I know what I am talking about, for I organized one of the big farmers' unions in this State and for several years I ran the union paper.

In regard to the town and city vote, little more need be said. We have seen that a great majority of the people who work in cities are living in abject poverty and that the struggle for existence is growing keener all the time. And that this great majority has no right to the land it uses—except to pay rent—can be seen by glancing through the registration books, where every voter is required to state whether he or she is owner, tenant, or lodger. For the last few days I have been copying the registration books in Denver, and I think it is safe to say that not more than one voter out of ten is registered as "owner." Therefore, to get the votes of the tenants and lodgers for this bill, it is only necessary to hand them a written argument, something like this letter, only not so long, and persuade them to read it. The women, especially, are apt to read an argument like this, for they have votes, and, unlike some men, they are willing to be shown how their votes can be used to raise their wages and cut the price of their food and clothing. Many of them already see that while all wealth is produced by labor, it is distributed by law, and they are getting clearer ideas on how that is done by reading reform papers and the report of the Industrial Relations Commission. Discussing woman's wages, that report says:

"From two-thirds to three-fourths of the women workers in factories, stores and laundries, and in industrial occupations, generally work at wages of less than \$8 a week. Approximately one-fifth earn less than \$4 and nearly one-half earn less than \$6 a week."

The Commission gives no particular reason for these low wages, so to clear up that point I will relate an experience I once had, which is this: One night, about twenty-five years ago, while on my way to the Chicago single tax club, I was solicited by a girl on the street. I asked her where she worked in the daytime and she said she worked in Seigel-Cooper's store for \$6.00 a week. When I arrived at the club I related the incident, and a committee was appointed to investigate. When the manager of the store was seen, he explained that he could not afford to raise the wages of his em-

ployes. First, because competition was keen and the company had to pay a high tax on its stock of goods and on its large store building; and, second, because it had to pay the landlord \$100,000 a year for the use of the ground upon which the building stands. Cases similar to this are well known to most women, and now many of them are beginning to see that the only right remedy for this horrible condition of things is to vote and get their friends and their neighbors to vote for the exemption of all goods and all buildings from taxation, and to raise all public revenues by a single tax on the value of land.

Of course, some women as well as some men who knew but little about law, may think that even if this amendment is adopted the supreme court will find some excuse to nullify it, so to ease their minds on that score they should read the court's opinion in the prohibition case which was decided last year, in which our supreme court used this language:

"The amendment of a state constitution is an exertion of the sovereign power of the people to give to their express will the force of a law supreme over every person and everything in the state, so long as it does not conflict with the federal constitution, and it supplants all other constitutional provisions, laws, and rules inconsistent with it, and particularly is this true when the amendment declares: All provisions of the constitution in conflict herewith are hereby repealed."

You will notice that the amendment we are asking you to submit contains the repealing clause, so if it is adopted by even one majority, it will go into immediate and full effect, for no one will pay taxes on personal property and improvements if the people, who have the last word in such matters, say they need not do so.

