

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World.

KARL MARX AND HENRY GEORGE*

**THEY AGREE PERFECTLY ON ESSENTIALS: THEY DISAGREE ONLY ON
MATTERS OF SMALL PRACTICAL IMPORTANCE, AND IN DEFINITION.
KARL MARX WAS AN EARLIER AND AN EVEN MORE CONSISTENT
SINGLE TAXER THAN WAS HENRY GEORGE**

(For the Review)

By W. H. KAUFMAN

Marx and George criticised each other. Each held the other to be superficial and unsound.

The feud started with such vigor by the Prophets has been sedulously kept alive by their disciples. Of late, however, circumstances have been forcing more amicable relations between these two great divisions of the "Army of To-morrow."

For a time Single Tax seemed in danger of degenerating from a religion to a creed while Socialism had degenerated from a crusade to a debating society. Single Taxers became too opportunist, calling every slight reform "Single Tax," while many Socialists seemed to care less about real progress than about academic definitions.

The sole object of this series of papers is to reestablish both Single Tax and Socialism on the "Gospel according to St. Marx and St. George"—for, as I will show, the philosophies of Marx and of George agree as completely as though they had collaborated in the same room.

Marx and George agreed in ideas: they disagreed only in the use of words.

I know that, at the outset, both Socialists and Single Taxers will think me Quixotic; but I also know that in the end all will agree with me.

Marx and George each used common words in most uncommon senses: each assumed that the other used words in his peculiar sense: hence each had, as he thought, good reason for esteeming the other a near-fool.

*See note under Publisher's Notes.

Before we can intelligently compare the teachings of the two prophets we must get the "patois" of each. To some this word-study will be tedious and uninteresting, but it is absolutely necessary and so we will get through with it at once.

Land—This is the only important word which Marx and George use in the same sense—but both use it in a most uncommon sense.

By land men commonly mean the solid earth as distinguished from water; or agricultural land; or farms as they now are ditched, fenced, cleared, under irrigation, etc.

Far be it from our twin iconoclasts to bow to custom.

By land Marx and George mean air, water, wild horses, virgin forests, fish swimming in far off oceans, coal, oil and iron!

Ordinary people would call all these things "natural resources;" but Marx and George agree in defying common usage by calling them "land."

As a matter of fact, by land Marx and George do not commonly mean the natural resources themselves, but rather "the community-made values of natural resources." Hence, in order to be understood, when I quote from Marx or George I will put natural resources or the community-made value of natural resources in place of the misleading word land.

Capital—By capital we commonly mean "wealth used in the production of wealth."

Not so with our two prophets!

By capital George means only labor-made things as are used in the production of wealth; excluding all natural resources and also excluding men (slaves). With George capital means machinery, food, clothing, semi-finished labor products, hand-made things used in the production of wealth. Most men in speaking of the capital invested in an enterprise would include the price of the land in the factory site along with the money invested in the building, in raw material, etc. To this Georgian idea of capital Marx applies the word "commodities"—a fairly correct use of the word.

But if George's use of capital is confusing, Marx' use of the same word fairly makes one dizzy.

Marx says III-948: "Capital signifies the means of production monopolized by a part of society;" that is, capital means private monopoly.

I-840: "We know that the means of production and subsistence, while they remain the property of the immediate producer are not capital. They become capital only under circumstances in which they serve at the same time as means of exploitation and subjection of the laborer;" that is, they become capital only when they become a private monopoly.

III-207: "Let us assume that the laborers themselves are in possession of their respective means of production, and exchange their commodities with one another. In that case these commodities would not be products of capital; that is, as there was no "private monopoly" so there would be no capital.

Time after time Marx defines capital as the "privately monopolized means of production;" or for short, private monopoly.

Hence, in the Marxian sense, there can never be public capital for those two words would mean public private monopoly.

When Marx proposes to "abolish all capital" he means simply to abolish all private monopolies. "Capitalistic production" means merely production under or controlled by private monopoly.

Capitalism means merely that condition of society where private monopoly is in the saddle.

Marx' great work "Das Kapital" can be translated into English only by the title private monopoly.

George limits capital to commodities (whether monopolized or not); but Marx limits capital to private monopoly, whether of commodities or of natural resources.

Marx' and George's ideas are as much alike as two peas from the same pod—their words alone are confusion.

IT IS TO LAUGH

Show George a fish, swimming in a lake and ask him whether the fish is land or capital, and to save his life he could not answer until you had first told him whether it was a "wild" fish or one "hand fed."

Show Marx the same fish and ask him whether it is capital and to save his life he cannot answer you until he has learned whether the fish forms part of a private monopoly!

Marx' commodities means exactly the same as George's capital. But capital in the Marxian sense means merely private monopoly.

George never had the faintest idea what Marxian socialism was. Using words in a special sense himself, he assumed that Marx used words in the same sense. So interpreted Marx' writings would be utterly senseless. George therefore hastily concluded that Marx was a near-fool.

I quote from "The Labor Question," an abridgement of "The Condition of Labor," Will Atkinson, Seattle, Wash.

IV: "Socialists do not seek the abolition of all private property. . . . What the Socialists seek is the State assumption of capital" (George thought commodities but Marx' idea was private monopoly in which they vaguely and erroneously include land.)

This is a mere jumble of inaccuracies. Marx sought the abolition of all private monopoly, but manifestly the State cannot have any capital, that is the State cannot have a private monopoly; when the State takes charge, it at once becomes a public monopoly. George thought Marx vague in his use of land as capital; but Marx is most explicit. Where land is free; where land has no community-made value and so is not a private monopoly, it is not capital; as in a very new farming community. Ordinarily land is a private

monopoly, and therefore is capital. As to its being erroneous for Marx to call land capital—if we go by either the dictionary or by common usage land is capital; George being erroneous and Marx right.

However, the essential thing is that in all these ideas Marx and George agree perfectly, only in words do they disagree.

"But it seems to us the vice of Socialism in all its degrees is its want of radicalism, of going to the root."

As I will soon show, Marx taught the full Georgian Single Tax a generation before the publication of "Progress and Poverty;" gave a definition of Single Tax that has never since been equalled for accuracy and conciseness; and also, in some minor matters, Marx is even more radical and consistent than is George himself.

"It (Socialism) assumes that the tendency of wages to a minimum is the natural law;" whereas Marx says scores of times that only under private monopoly (capital) are wages less than the full product of the laborers' efforts.

"This superficiality and this tendency may be seen in all the phases of Socialism. Take, for instance, Protectionism. (But every Socialist is a free trader).... "Take Trades Unionism." (But do not Socialists and Trades Unionists fight year in and year out)?

"Jumping to conclusions without effort to discover causes, it (Socialism) fails to see that oppression does not come from capital (by which Marx means private monopoly). But from the wrong that robs labor of capital (that is, robs labor of private monopoly)! George never understood Marx.

"It fails to see that it would be impossible for capital (private monopoly) to oppress labor were labor free to the natural material of production"—But Marx says again and again that where land is free or very cheap there can be no oppression of the wage worker; that the monopolization of land is the first step toward monopolistic production; that wages are what they ought to be whenever land is free or very cheap.

"We have no fear of capital," says George, attacking the Socialists. But to attack anything except a man of straw, George would have to say:—"We have no fear of private monopoly," for that is what Marx means by capital.

"In its idea there devolves on the State the necessity of intelligently organizing the industrial relations of men; the construction, as it were, of a great machine whose complicated parts shall properly work together under the direction of human intelligence. This is the reason why Socialism tends to Atheism."

Fudge! What a pity George never took the pains to understand Marx—who in the misuse of words transgressed only a shade more than did George himself!

Throughout IV George makes so many mistakes that out of sincere respect for the great work he did and the great inspiration he has been to me, I have been trying for some time to have IV expurgated from the "The Labor

Question." Personally it does not offend me, for I see precisely how George came to make these tremendous errors; attributing to Marx the same use (or misuse) of words that characterized George's own writings: but a Marxian scholar, on reading "The Labor Question," would naturally think George either utterly dishonest or a near-fool.

As Marx and George agree perfectly in their attack on private monopoly, special privilege and all related forms of graft; differing only in the choice of words, there seems to be no good reason why we, their disciples (and a rapidly increasing number of us gladly recognizing ourselves as disciples of both Marx and George) there seems to be no good reason why we, their disciples, should not stand shoulder to shoulder in the battle for economic democracy. Hereafter in these articles capital will be a word "taboo."

When I mean commodities I will say commodities. When I mean private monopoly I will say private monopoly.

Marx' great work "Das Kapital" will be referred to as Marx' work on private monopoly—the only English phrase that expresses Marx' idea.

Sometime we will have a new translation of this same private monopoly—a translation that the man in the street can understand.

"PROFIT," "VALUE," "SURPLUS VALUE" AND "UNEARNED INCREMENT"

Value Marx defines as the average socially necessary labor time required to produce an article. If it takes four hours average time to produce a bushel of wheat, and the cost of a worker's time be 25 cts. per hour, then the value of a bushel of wheat is \$1.

Value and price fluctuate from time to time, but average the same where there is no private monopoly. When price regularly exceeds value, there must necessarily be a monopoly charge (which is what Marx calls profit). Surplus value is the excess of price above wages paid; while profit is the same thing viewed from the standpoint of the employer. In other words, George's "Unearned Increment" is one form of Marx' "Surplus Value."

Unearned increment is not caused merely by the presence of people: but by the presence of people who have worked and so have the wherewith to spend.

The ground value of a business block is created by labor just as certainly as is the value of a bushel of wheat.

Many Socialists regard Marx' surplus value as his chief contribution to economic science, yet it is identical with George's unearned increment, save that Marx' applies it both to land and commodities, whereas George applies it only to land.

THE LABOR LIEN

At bottom both Marx' surplus value and George's unearned increment are based on the idea made effective in the labor lien.

Let us make this plain even to the school boy.

Suppose my good friend, Dr. Post, brings to my farm a colt, asking me how much I will charge to care for it for three years till it becomes a horse.

We agree on \$50 a year; \$150 for the three years.

Just before the three years are up, Dr. Post brings Victor Berger to the farm, shows him the colt, and sells it to Berger for \$200—never mentioning my unpaid labor claim.

When the three years are expired, Berger comes out, puts a halter on the colt and starts for the gate.

I put my back against the gate and tell Berger that he can't take the horse away until I get my \$150.

B.—But I have a bill of sale from Post.

K.—That makes no difference at all to me. I don't know where Post is. I hold the colt until I get my \$150.

B.—But you have no claim on me. I never made any contract with you. It's my horse, isn't it?

K.—Sure, it's your horse.

B.—Well, if it is my horse, can't I take my own horse home?

K.—When you've paid the bill. If you take a horse to be shod, it's your horse all right; but you can't take it out of the shop until you pay for the shoeing.

B.—But what am I to do about the \$200 I paid for the horse?

K.—That is none of my business—I didn't advise you to pay it.

B.—Then you mean to confiscate my horse?

K.—Not at all. I am merely trying to keep you from confiscating my pasture bill.

Years ago Congress (that is the corporation attorneys in Congress) gave to the Northern Pacific millions of acres of Washington timber lands. That was the colt.

We, the people, have cared for that timber land until now it has become a horse.

Whatever the Northern Pacific, Mr. Weyerhaeuser or other holders have added to the value of that timber is fairly theirs. But the values added by us constitute a valid labor lien, and there seems to be no reason under heaven why, by initiative measure, we should not so declare, and instruct our State attorney general to at once proceed to collect our labor lien.

Practically the entire stumpage of the 294,600,000,000 feet of privately owned timber in the State of Washington!

MARX AND GEORGE AGREE PERFECTLY IN EVERYTHING OF PRACTICAL IMPORTANCE

Marx was an economist. George was a prophet.

Marx is more exhaustively accurate: George more luminous and popular in style.

At the bottom they agree.

Both make this robbery ("surplus value" or "unearned increment") depend on privately monopolized natural resources!

Both agree that machinery (progress) enables men to create more surplus value (unearned increment).

Both agree that this surplus value (unearned increment) is mainly absorbed by land.

Marx tells with great glee of a Mr. Peel who took 3,000 people and \$250,000 in commodities to Swan river, West Australia, intending to establish a manufacturing village similiar to those of England. But the unfortunate Mr. Peel did not have foresight enough to have the land made a private monopoly and so on the morning following his landing, every man, woman and child fled to take up homes on the free land, and the owner of all the machinery, food and other supplies "had not a servant to make his bed or to fetch his water from the river."

Has George anything better than that?

Marx, like George, directs the wage worker against the monopolist—not against the non-monopolist employer. Between St. Marx and St. George there is a far less divergence than between St. Matthew and St. Luke.

I challenge any Socialist to bring forward any quotations from Marx concerning natural resources (land) that I cannot duplicate from George: and I also challenge any Single Taxer to bring forward any quotations concerning natural resources (land) from George that I cannot duplicate from Marx.

In 1847, thirty-one years before the publication of "Progress and Poverty," Marx and Engles were directed to draw up a statement of principles and also a practical programme that would express the attitude of the Internationals.

Of the sixteen distinct steps or planks therein enumerated the very first one was:—

"1. Abolition of private ownership of natural resources: application of all rents of natural resources to public purposes"—which is a nexcellent statement of Single Tax."

MARX ON LAND MONOPOLY

As I will show, Marx makes land monopoly the chief cause of most of our economic ills: such as Unemployment, Low Wages, Rural Depopulation, Congestion in City Slums and The High Cost of Living.

Marx took Single Tax to mean merely getting all taxes from land owners (but not heavy enough to abolish speculation and private monopoly) and so his criticisms of Single Tax are as superficial and foolish as are George's criticisms of Socialism.

But if we define Single Tax as a means whereby every citizen is assured an equal interest in all the community-made values of all natural resources—as Marx himself states it, "The application of all rents from all natural resources to public purposes"—Why then Single Tax is the very heart of Marxian Socialism.

George says:—"We would simply take for the community what belongs

to the community, the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual; and treating necessary monopolies as functions of the State...."

As a Marxian Socialist I readily subscribe to this statement by George, but would add Marx' provision that a majority should be able, at any time, to operate collectively even a non-monopolistic enterprise—as, for instance, war munition manufacture; which although not necessarily a monopoly is a very dangerous thing in private hands; leading to agitation for preparedness.

To say that nothing but necessary monopolies are to be operated by the people collectively—this assumes omniscience as to the future. A city's milk supply may possibly be best distributed collectively.

I do not say that it must be best; merely that it may, sometimes, be best; furnishing cheaper and purer milk.

Manifestly George erred in limiting public management to "necessary monopolies."

Aside from this slip, George and Marx agree perfectly.

GROUND RENT AND TAXES

By JONAS M. MILES

If an automobile goes slower instead of faster when we put on more power do we send it to the paint shop? If it stops short and won't go at all when we put on full steam ahead, shall we hope to mend the matter by going up to the State house and asking them to change the number? Do we not rather think something wrong in the principle on which it is made, or that some parts have been put together wrong end to?

So it is with our Massachusetts system of taxation—the general property tax; the harder assessors try to tax wealth, the less they find within their reach to tax; and when they do their whole duty under the law their job will be gone, for the people will gather up their property and go away.

The thing that is wrong is the idea that we ought to pay in proportion to our means. It is not true that we ought to be taxed according to our wealth. It is not a good reason for taxing a man, that he is rich. We do not buy postage stamps so, or potatoes; we pay what they are worth, and prices are not fixed by the money in our pockets.

That is what we ought to do in our taxation; we ought to be taxed on what we get from the community, and not on what we do for ourselves. Wealth comes by our labor; we are not beholden to the community for it.

It is proposed to exempt wealth from taxation and to raise all public revenue by a Single Tax on land values alone. Single Taxers say (and the economists are with them) that land is not wealth; that its value is made