

criminal privilege classes in control as were in control under Presidents Harding, Coolidge and Hoover, though none of those three had President Roosevelt's gift of bamboozling the American people. Apparently, only a British defeat, or scare over South America created in the hearts of millions of Americans, can re-elect the present occupant of the White House, who has done infinitely more for monopolists and the special privilege classes than any predecessor, though he has handed out more slops and sops to the disinherited than any other of his less astute predecessors in Washington.

Every reactionary interest in America, clerical, financial, pseudo-educational and landed, favors the conscription of men for an army, including an industrial army. They first tried to get them at \$5.00 a month, throwing in religious services, though they have raised the ante, under severe pressure, to \$30.00.

The Congress of the United States favors more consumption taxes to pay for the billions of dollars allegedly for defense and, as the writer told the House Committee on Ways and Means, the defense tax bill should be called a bill to "give free plants to profiteers, and protect them from taxes".

The big financial and industrial interests of America, whose products are needed for defense, are on a sit-down strike. This is so serious that the President of the American Farm Bureau Federation, a highly conservative organization largely dominated by Southern planters, told the House Ways and Means Committee: "The American people will not tolerate, at a time of such grave emergency, any group, in effect, pointing a pistol at the government and saying they will not produce guns or airplanes or other supplies needed for national defense in this hour of grave emergency unless they are given this guarantee or that guarantee and unless the restrictions are kept off their profits."

Readers may think I have painted a rather dark picture. I hope events may prove me wrong, but I doubt it.

No essential economic changes have been made yet in any major nation, except through totalitarian methods. America has gone a long way toward that goal in the efforts of the Old Deal and the New Deal, to maintain special privileges. America has a chance to do the essential things by democratic procedure, but they cannot be postponed for any term of years. It is not Hitler at our gates which menaces America; it is the big and little Hitlers of special privilege in America who constitute the real danger to our country. Running away from depression at home to disaster abroad, is not the American way.

THE final arbiter of all intellectual truth is the mind; of all moral truth the conscience. These are the real authorities, and the duty of subjecting all things to the test of reason and conscience a man owes to his fellowmen, and to God.— JOSEPH DANA MILLER.

## A Legislative Plan of Action

IN these days, when so many signs indicate the necessity of a reorientation of our revenue system, the question arises: What concrete plan have Georgeists to offer the various legislative bodies, who in the last analysis are charged with the responsibility of effecting the application of any reform. With this in mind, Messrs. Walter Fairchild and Harry C. Maguire, of the American Association for Scientific Taxation, New York City, have prepared what they consider a model draft of a Constitutional Amendment and Concurrent Bill, for introduction in the Senate and Assembly of the State of New York. LAND AND FREEDOM is pleased to offer to its readers the ideas suggested in this plan to legislate the fiscal requirements of the Georgeist philosophy.

In the proposed Constitutional Amendment which follows, the italicized portion represents new matter to be added to the present Section 10 of Article 1 of the New York State Constitution:

### PROPOSED CONSTITUTIONAL AMENDMENT

The people of the state, in their right of sovereignty, possess the original and ultimate property in and to all lands within the jurisdiction of the state. All lands shall forever remain allodial\* so that the entire and absolute property is vested in the owners, according to the nature of their respective estates. *The term property, however, shall not be construed to permit any person to appropriate the rent of land; it is hereby recognized and declared that all ground rent, actual or potential, belongs to the people of the state as a common asset, and the legislature shall pass appropriate laws to recover the full annual value of all lands exclusive of improvements within the jurisdiction of the state for the use of the state and its subdivisions.* All lands the title of which shall fail, from a defect of heirs, shall revert, or escheat to the people.

\* \* \*

It will be noted in the foregoing draft that it is proposed to delimit, in the basic law, the commonly accepted, though erroneous, meaning of the word *property*. At present, the layman's and lawyer's concept of *property* admits the "right" of land owners to appropriate that which under the natural law and justice cannot be the subject of private property, viz., ground rent.

To carry out the Constitutional Amendment, enabling legislation is of course required. To that end a concurrent bill is proposed, from which we quote the preamble and a few sections.

\*"Allodial" is opposed to "feudal." The latter tenure requires the rendering of services to the overlord or sovereign, in return for the feudal estate granted. Allodial tenure is complete and absolute, with no such restrictions.—Ed.

## PROPOSED ACT

To promote the general welfare, by taking the value of land and special privileges in taxation, and repealing taxes on labor and industry.

SECTION 1. *Policy of state and purpose of chapter.* It is hereby declared that a serious public condition exists in this state affecting and threatening the welfare, comfort, and safety of the people of the state, resulting in abnormal disruption in economic and industrial processes, and the curtailment of incomes by unemployment and business depression. To raise wages, increase the earnings of productive capital, abolish unemployment, and promote the free flow of capital goods, require a shifting of the burden of taxation from values created by the combination of labor and industry to the values created by the community. The abolition of all taxation save that upon the value of land and special privileges will remove the burden upon production and industry, bear equally upon all men, and fall only upon those who receive from society a peculiar and valuable unearned benefit, and upon them in proportion to the benefit they receive. The shift of the burden of taxation from production and exchange to the value or rent of land and special privileges will result in disposing the lands of the state to their best possible use, thereby permitting prosperity to all. With nature's opportunities thus free to labor, with capital and improvements exempt from tax, and productive industry released from restrictions, wages of labor and earnings of productive capital will be increased, unemployment eliminated, and poverty abolished. Therefore, in the public interest, the necessity for legislative intervention by the enactment of the provisions hereinafter prescribed is hereby declared as a matter of legislative determination.

SECTION 2. *Assessment of land.* Beginning in the year next succeeding the passage of this act and thereafter, land shall be assessed at its full value as though unimproved and free from tax, and the taxing authorities of counties, cities, towns, villages and school districts shall annually fix such tax rates on the assessed valuations of land so as to cause, as nearly as possible, the full annual gross value or rent of land to be taken by taxation.\*

SECTION 4. *Assessment of intangible franchise rights.* Beginning in the year next succeeding the passage of this act, the state tax commission shall annually fix and determine the full and actual value of the intangible franchise right of each special franchise under the jurisdiction of the public service commission and of the transit commission as though free from tax and exclusive of the value of tangible property included in such special franchise.

The commission shall also determine the full value of the same and file a written statement of such value with the clerk of the city, town, or village in which such special franchise is subject to assessment, as set forth in section 45-c of article 2 of the tax law. The taxing authority of each taxing district shall annually fix such tax rates on such full value of the intangible franchise right as to cause as nearly as possible the annual value of such intangible franchise right to be taken by taxation.

SECTION 5. *Equalization of assessment and apportionment of tax.* The state tax commission shall make such reasonable rules and regulations not inconsistent with law as may be necessary to require the local taxing authorities of the state to assess land at its full value as though unimproved and untaxed. The state tax commission shall ascertain the amount of the budget reasonably adopted by any county, city, town, village or school district and in the case of any overlapping taxing districts it shall calculate the ratio of the amount of such budgets with respect to the land values within such taxing districts. The state tax commission shall also ascertain the amount of the total assessment for land in any tax district and the total amount to be raised by taxation, and shall apportion this amount in accordance with the respective local budgets. Any excess of taxes above the reasonable budgets of the local taxing authorities shall be collected by the county treasurer and paid over to the state tax commission for the use of the state.

SECTION 6. *Repeal of taxes on industry and labor products.* All taxes on industry and labor products are to be abolished as hereinafter provided to wit:

The following taxes shall be abolished and the laws providing for them repealed to take effect on the last day of the second year following the passage of this act:

Tax on gasoline and similar motor fuel (article 12A of tax law), tax on milk (article 19 of tax law), cigarette tax (article 20 of tax law), taxes on alcoholic beverages (article 18 of tax law), excise taxes on business transactions, occupancy, tickets of admission to places of public exhibits, patent medicine, tobacco, vending machines, possession of telephone connections, and all other excise taxes and taxes on sales of merchandise whether under a state law or under any local law.

The following taxes shall be abolished and the laws providing for them repealed to take effect on the last day of the third year following the passage of this act:

Tax on mortgages (article 11 of tax law), tax on transfers of stock and other corporate certificates (article 12 of tax law), corporation tax (article 9 of tax law), franchise tax on business corporations (article 9a of tax law), franchise tax on state banks, trust companies and financial corporations (article 9b of tax law), tax on national banking associations (article 9c of tax law).

\*The method herein proposed seems for the present more practical, while no less effective, than the alternative method of directly collecting the annual gross economic rent as such, since it conforms more nearly to existing tax procedure.

The following taxes shall be abolished and the laws providing for them repealed whenever the revenue from the sources mentioned in Sections 2 and 4 above is found sufficient to meet all budgetary requirements herein and shall not at any time be levied in a larger amount than may be necessary to meet, pro-ratably, the needs of the budget aforesaid:

Taxes upon personal incomes (article 16 of tax law), taxes on inheritance (articles 10, 10a and 10b of tax law).

\* \* \*

Accompanying the proposed legislative resolutions aforesaid, an interesting "Explanation," will also be placed in the hands of the legislators. Extracts of it follow:

#### EXPLANATION OF LAND VALUE TAX LAW

As the title of the bill points out, the primary purpose is to eliminate business depressions and end unemployment and restore to all men equal rights to the use of the earth. To accomplish this the bill amends the present tax law by repealing taxes on labor products and industry and substituting generally therefor one main tax upon the value of land.

The chief requirement of the bill is that the full annual value of land exclusive of improvements shall be taken in taxation by the state and its subdivisions for public use.

The complementary requirement is to repeal taxes on labor products and industry.

The annual value of any piece of land exclusive of improvements, usually called "ground rent", is a value directly due to the presence and activities of the state's population and to the manner and amount of its expenditures public and private. It therefore constitutes the natural source of revenue for the government and should be exhausted before any resort to the taxation of individual wealth.

Relief from taxation of improvements would result in a tremendous stimulus to building construction and improvement in the number and character of buildings.

The abolition of sales taxes would increase purchasing power, stimulate trade, decrease unemployment, increase ground rent and hence still further increase public revenue.

#### TAXATION IN PROPORTION TO BENEFITS RECEIVED

The bill applies the principle that taxation should be in proportion to benefits conferred. Taxation in proportion to benefits received has long been the keystone of our tax policy, as the Court of Appeals pointed out in *People v. Ronner*, 1906, 185 N. Y. 285; 77 N. E. 106:

"There can be no doubt of the correctness of the general proposition that the principle upon which taxation is founded is that the taxpayer is supposed to receive just compensation in the benefits conferred by

government, and in the proper application of the tax; and that in the exercise of the taxing power the legislature ought as nearly as practicable, to apportion the tax according to the benefit which each taxpayer is supposed to receive from the object upon which the tax is expended."

#### ASSESSMENT OF LAND AT FULL VALUE

Assessment of land at its full value "as though unimproved and free from tax" covers the economic fact that increasing the land value tax increases the proportion of land value into the public treasury and correspondingly decreases the amount left in private hands and reduces the "selling price" or market value of land although the actual full value or annual gross rental of land will not be reduced, and as prosperity rises the full value of land will also tend to rise. Full economic or annual gross rental value, and not market value, is made the base of assessment value on which the rate is calculated.

#### REPEAL OF OTHER TAXES

Repeal of taxes on industry and labor products is staggered over 2, 3 and 4 years. It will take a year or more to make necessary adjustments. The bill divides the taxes to be repealed into three classes. First, consumption taxes like sales taxes are to be repealed at the end of the second year after the law takes effect; second, taxes on industry generally such as business corporation franchise taxes are to be repealed at the end of the third year; third, income taxes and inheritance taxes which are direct taxes are to be repealed and/or reduced as soon as feasible.

#### LICENSE FEES

There are many so-called license fees which are really taxes in disguise, that is, for automobile registration plate taxes, liquor dealers' licenses, etc. The liquor dealer's license is in addition to the tax on liquor which is in the bill for repeal. We think that this item must be handled separately and the correct rule should be that the state tax commission should determine the cost of regulating any profession or trade for which a license is required and the license fee should be in proportion to the cost of regulating the profession or trade. This bill does not touch the unemployment insurance taxes and if it is desired to repeal the unemployment insurance law we think it should be handled in a separate bill.

\* \* \*

At present the State of New York has embodied in its constitution, in Section 10 of Article 8, a 2% limitation on the amount of revenue to be raised by real estate taxes for local purposes. This section must of course be repealed, to give proper effect to the scheme of land value taxation set forth above.

The sponsors of the foregoing plan of proposed legislation for the State of New York have also worked out an amendment to the United States Constitution, so as to apply the same idea to our Federal needs.

#### PROPOSED U.S. CONSTITUTIONAL AMENDMENT

The 2nd, 3rd and 4th words (*and direct taxes*) shall be deleted from the 3rd paragraph of Article 1, Section 2.\*

Paragraph 4 of Article 1, Section 9 (Beginning with the words, "No capitation or other direct tax") shall be deleted and in its stead shall be substituted the following: "The Congress shall have power to levy and collect taxes on the value of any and all land in the United States, its territories, possessions, and District of Columbia, excluding the value of improvements."

Anyone interested in the complete draft and explanation of the proposed legislation, or in the program for putting it into effect, in the State of New York or elsewhere, should write to the American Association for Scientific Taxation, care of LAND AND FREEDOM.

## Frederic Cyrus Leubuscher

FREDERIC CYRUS LEUBUSCHER passed away August 18, at his home in Essex Fells, New Jersey. While prominent in many walks of civic and political life, his greatest reputation was as a life-long advocate of the Georgeist philosophy. We can think of no better way of paying tribute to his memory than to present the accounts of him which follow, each of which shows a different side of his life and work. One account is from a featured obituary of Mr. Leubuscher in a local newspaper. The other two are by close friends of the man—Charles H. Ingersoll and Joseph H. Fink.

### The Life of Leubuscher

(From the *Caldwell and Verona News*)

Mr. Leubuscher was born (in 1858) in New York. He was the son of Louis Mortimer Leubuscher and Catherine Horner. His father, while a student at the University of Berlin, took part in the Revolution of 1848-49. He was taken a prisoner, but later escaped and came to New York.

Frederic was a graduate of the New York public schools, College of the City of New York and of Columbia University. He started the practice of law in 1884 and continued active in that profession until two months before he died. For many years he was chairman of the Municipal Court Committee of the New York County Lawyers Association and was a member of the Judiciary Committee of that

body. In 1909 he was chairman of the Municipal Democracy that nominated Judge Gaynor for the mayoralty.

When Henry George ran for mayor in 1886, Mr. Leubuscher supported him, and at the close of the campaign, wrote a history of it in collaboration with Louis F. Post, who later became assistant Secretary of Labor under Wilson.

He had been connected with Single Tax activities for over fifty years, and was for many years president of the Manhattan Single Tax Club and head of the Society to Lower Rents and Reduce Taxes on Homes, a Single Tax affiliate.

Shortly after moving to Essex Fells, he ran for the Borough Council and was elected on the Democratic ticket in 1920. Mayor Sylvester H. Williams named him as chairman of the finance and law committee. In 1925, he was elected president of the Council, and reelected in 1926.

Mr. Leubuscher was also a member at one time of the New York Free Trade Club, having served on the executive board with Theodore Roosevelt.

## The Religion of Leubuscher

By CHARLES H. INGERSOLL

Our friend Frederic C. Leubuscher, was a personal acquaintance and ardent admirer of my namesake and relative—the agnostic, Robert G. Ingersoll. And one of the lifelong ties that have bound Fred Leubuscher and myself, and our families, has been a heterodox religious faith. I use the words "religious faith" advisedly; by that I mean that we *have* religion and that we *have* faith.

I think my thoughts now may be considered that of Leubuscher and Ingersoll—as well as many friends here assembled—when I assert a belief that is different from the common concept—in a God of Order and a God of Nature, whose Divine Purpose comprehends all of his two billion children on Earth, as distinguished from a special interest in individuals and sects, in their affairs and their creeds.

My earliest memory of Fred Leubuscher—back in the early 1880's—was on the platform of the Masonic Temple at 23rd Street and Sixth Avenue, New York, at one of the meetings of the Reverend Hugh O. Pentecost, a *Preacher of the Gospel*—of a Gospel also immortalized by Father Edward McGlynn, in whose career Mr. Leubuscher was vitally interested. I refer to the Gospel of the Fatherhood of God and the Brotherhood of Man.

This Gospel changes a narrow orthodoxy which panders to human peccadilloes and denials, by implication at least, that a Creator could have but one design in creation, to that of the possession, by all of his children, of an earth, with its usufruct, as Jefferson called it, stored with an abundance for all peoples' sustension.

And this religion goes further—it includes the optimistic—because it is better grounded—faith and hope. A faith and hope supported by history, authority and reason, that one day, when so-called Christian Civilization has run its tragic course of economic illiteracy and destruction, this usufruct—or rent—of the earth will be recovered to all the people, and thus realize, in its highest terms, Jeffersonian Democracy. This was the religious faith of Fred Leubuscher.

Fred Leubuscher's life has been long and faithful; wonderfully balanced between the practical and the ideal; between the truly spiritual and that which is scientifically applied; between the hard grind of the work of today and a vision of the morrow that may still be a hundred years from realization.

His philosophy was not the kind that demanded either plaudits or continuous support; he was schooled in that rare reserve expressed

\*As thus amended, the paragraph would read, "Representatives (deleted portion) shall be apportioned among the several States which may be included within this Union, according to their respective Numbers, etc."