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An Argument for the Single Tax by Isaac Feinberg

The October number of THE JOURNAL contains an article by Mr. Arthur Kitson, which he appropriately entitled, "A Criticism of Henry George's Single Tax Theory." The appropriateness of the title rests in the fact that the argument is mainly an attempt to prove, not that the single tax theory is itself untenable, but that Henry George in his exposition of the theory has been guilty of making certain statements, of endeavoring to establish certain propositions, which are contradictory and mutually destructive.

Mr. George unquestionably occupies a high position in the single tax ranks. He may justly be considered the leader as well as the author and most notable and untiring advocate of the single tax movement of the present day. Were it not for him, it is extremely unlikely that this generation would have heard of any feasible plan for establishing an equitable system of land tenure. But, however exalted his position and however eminent his services, he is neither the originator of the single tax philosophy nor do his writings constitute a Single Tax Sacred Scripture. It is possible to maintain the proposition for the communalization of rent by arguments other than those used by Mr. George, and it is not at all impossible that he, availing himself of a privilege we all enjoy, may have often been inconsistent and self-contradictory. But to the student of economics, as to the student of truth in any form, it must have occurred, that a proposition obtains final acceptance, not because of the unerring exactness of the arguments of any particular advocate, but because of the harmony of the proposition itself with the eternal truth. Be that as it may, to argue that, since it is possible to convict Mr. George of contradictions, therefore the single tax theory is false, is a *non sequitur* too evident to require further comment.

Nor, to do him justice, does Mr. Kitson, though the body of his article consists of this personal assault, depend upon it entirely. He advances certain propositions of his own, in opposition to the single tax position, and claims that certain vital single tax arguments mutually destroy each other. Though not thus expressed, his main argument amounts to this: that, as a man is entitled to all he produces, the only just exchange is one that consists in a reciprocal transfer of equal values. Things without value cannot equitably be exchanged for things having value. Wealth alone possesses value. The earth has no value. Land values have no existence. Rent has no economic basis. To exact rent is, therefore, to take wealth, *i. e.*, value, and to give none in return; in short, it is robbery. The single tax is rent. The single tax is robbery.

It is true that justice demands that, in any transaction involving an exchange of values, equivalent values must be surrendered on each side. It is therefore necessary to determine the basis of value in order that we may judge, in every case that arises where value is demanded from one side, whether an equal value is returned by the other side.

On page 363 of the October JOURNAL, Mr. Kitson says:

"Land is not, properly speaking, a part of wealth. To class the factors of production with the products themselves, is contrary to a true science of economics. It is opposed to every sound economic principle, for it involves and leads to inevitable slavery. Labor is the father and land the mother of wealth. Now these two factors are the source of an infinite supply of wealth. They are themselves, therefore, of infinite value and cannot be properly classed with their products. Their value is incommensurable with any form of wealth, and can be expressed only by the sign of infinity, viz., zero."

Having thus reduced the expression land value to an economic absurdity, in the next paragraph, in endeavoring to clinch his argument, he unwittingly betrays himself and arouses a suspicion that he must be unaware of the real basis of all value. Rent or land value is, he contends, the price of monopoly, precisely as slave values were the price of monopoly. By abolishing slavery, slave values were wiped out of existence. He would have us assume as a consequent corollary that, by abolishing — what? — perhaps landlordism, land values would disappear. "If," he goes on to say, "land is not, properly speaking, wealth, land values are not, properly speaking, real values. And if land is ever excluded from that category, land values will disappear. For whatever is of value is a part of wealth."

With this statement I take direct issue. Instead of wealth, in itself, being the only thing possessing value, it is the one thing which has not and never had any value. In the above paragraph, Mr. Kitson touched the true source of value and allowed it to slip by him unnoticed. Monopoly is now and always has been the true and only basis of value, and the extinction of any form of monopoly necessarily implies the extinction of the correlative values. Wealth is merely the denominator, the term by which monopoly values are expressed.

In order that man may live, he must have those things which are necessary to life, and since all men desire to live and desire that life shall be made as agreeable as possible, they desire those things that are necessary to life and to an agreeable existence. The things so desired may be either natural forces and materials, as air, heat, light, shade, and shelter, or they may be the materials of the earth's substance, changed in form and location, by the use of human energy assisted by those natural forces, animate and inanimate, which man is able to bend to his service. The things thus produced are called by economists wealth.

When wealth is used by the producer, or freely given by him, without any expectation of return, the idea of value never occurs. Should any one, however, desire the wealth of another, he may, in order to induce the producer to part with it, offer his own wealth or some other form of service, or he may take it and give nothing in return. Should any one desire the use of any natural substance or force, as the air, sunlight, the land, or the labors of man or beast, he may render service in order to obtain these uses, or he may avail himself of them and give nothing in return.

If any desirable thing, whether artificial or natural, may be taken by all who desire it, without rendering service in return, that thing will have no value. If any desirable thing, whether artificial or natural, can be obtained only by the rendering of service, that thing will have value. The amount of the value will be the amount of service that must be rendered in order to obtain the desirable thing, and this quantity will be expressed in terms which are apparently terms of wealth or of its representative, money, but which are, in reality, terms of service. That which determines

whether anything shall or shall not possess value, is not the amount of labor that has been expended in the production of that thing, nor whether it is a product of labor at all, but whether service must or must not be rendered in order to obtain it. No one will render service for any desirable thing unless he must do so. It follows, then, that any natural or artificial thing will possess value only when some individual or group of individuals is able to withhold that thing from those who desire it, *i. e.*, when it is monopolized.

Value can, therefore, properly attach itself not merely to objects of wealth but also to any tangible substance naturally existing, or to any intangible privilege created by human enactment or custom, the use and enjoyment of which is desirable and which can be obtained only by the performance of service, in some form, by those desiring it. Land values are thus seen to arise from the same source as all other values. If land values are not, properly speaking, real values, then no values are, properly speaking, real values. Any attempted solution of the land question which takes as its major premise the ignoring or denial that land may properly possess value must be incorrect, any attempt to apply it must be ineffective, since it is vitiated by a gross fallacy.

But, it may be argued, all monopolies are not of the same class. Some are just and right, others unjust and wrong. The monopoly of land is unjust and it is only necessary to abolish the legislation sustaining it, and the monopoly and its concomitant value will be extinguished. "I am inclined to think," says Mr. Kitson, "that if occupancy and use determined the right of individuals to possession of land, the evils of which Mr. George and his friends complain, as inherent in our present system, would rapidly disappear." The questions as to the justice or injustice of any monopoly and as to the proper terms and methods by which anything, whether in its natural form or in a form produced by the exertion of labor, may be held, bring us to the borderland which separates the domain of economics from that of sociology.

In spite of all that has been urged to the contrary, I am unable to divest myself of the belief that, behind the veil of misleading appearances, the sum of which makes up that which we call our knowledge of the universe, there is an infinite reality, and that, behind all the confusion and uncertainties which perplex us, there is an eternal truth. All our investigations are but an effort to comprehend this reality; all our longings and aspirations, our struggles for right individual and social conduct, are but an effort to adjust ourselves to this truth. An attempt is, however, being made, and very properly, to establish a science of social conduct which shall not depend upon supernatural sanctions. All truth being one, the truths attained by experience and investigation cannot conflict with any other truth, no matter how acquired. And, as a matter of fact, it is precisely these truths of experience and knowledge that are most generally accepted and most firmly established.

After all our groping for definite principles on which to found a science of sociology, almost nothing has been determined which shall, like the truths of mathematics, find unquestioning acceptance. When any great principle is announced and its application demanded, a thousand and one interests that are based on the violation of this principle, rise up in wrath and denounce the new idea as false and iniquitous. It is necessary then for each investigator to begin at the bottom and to build up carefully from some secure foundation, before he can be sure, even in his own mind, that his structure conforms to the lines of truth, and is founded on justice.

All men, finding themselves alive, are eager to continue their existence. This universal desire for life has resulted in the acknowledgment that all have an equal right to life ; for an attack by any one on the right of another is virtually an attack on his own right. Now whether this right vests in any individual by prescription or is the consequence of a natural law, is not vital to the argument. The dispute as to the existence or non-existence of natural rights is here of no importance. It is sufficient to the present discussion to know that, urged by the instinct of self-preservation, the equal right to life is generally admitted. Direct murder and those evident acts by which one individual may indirectly shorten the life of another, are universally condemned.

Flowing as a consequence from the right to life, is the right of each individual to his own life and to all its possibilities, that is, the right of each to himself, to all his powers and capacities, and to the enjoyment of all those things that the exertion of his faculties is able to procure for him. Since it is impossible to demonstrate that any one has a greater right to another than he has to himself, he therefore owns himself. This is the primary monopoly, the monopoly of each man in his own person and in his own faculties. Hence each individual has a value which attaches itself to the service he is able to render.

Not alone the services of the laborer, so called, of him who serves indirectly by producing wealth, but also the services of those who directly minister to human needs and desires, as the physician, teacher, musician, clergyman, or actor, have a value. If these services can be readily obtained, that is, if the monopoly be of a low order, their value will be small. If there are but few who can render the service desired, if the monopoly be close and well held, the value will be great.

In all civilized societies, the monopoly of each individual in himself is sustained as ethically just, and his right to refuse to exert his personal powers for the benefit of another, without exacting service in return, is unquestioned. The more evident invasions of this right, as by means of chattel slavery, unjust imprisonment, robbery, forgery, or breach of trust, excite the horror and condemnation of civilized men.

Now it is clear that though the evident invasions of the rights to life, to property, and to person, are thus universally reprobated, there are many diminutions of these rights constantly practiced, which are either quietly permitted or openly approved. Are these rights, then, unlimited, or are they qualified by other considerations not yet touched upon?

Up to this point in our investigation of the principles of human association, we have discovered a fair degree of unanimity. From this point, especially when we consider the relations of the individual and of society to each other, we shall find divergent and antagonistic opinions.

On the one side are those who contend that the state, organized society, is the seat and origin of all authority, the preserver of order and peaceful development, the restrainer and punisher of crime. Those who do not trust to the righteousness of the individual, who are affected by the exhibition of power and authority exerted by large and well-organized bodies, are inclined to accept this principle. Many go to the point of demanding that all things should be directed by the state.

Over against the principle of state authority has been set that of individual sovereignty. The individual is supreme. No one can control him, for none can show an authority over him greater than his over them. To those of keen perception and a strong sense of personal rectitude, to those who clearly perceive the evils arising from the abuses of which the state has ever been guilty and who feel sure that the consequences of wrong-doing will be the best preventive of crime, this principle appeals most strongly.

Between these two extremes we have the various hodge-podge systems for the government and regulation of human affairs, of human rights and obligations, each of which is strongly condemned and each of which is as strongly commended. Any fact, therefore, that can lead us surely through the intricacies of argument, to a correct conclusion, should be gladly welcomed and employed.

The science of society is but a branch of the science of life. The broader science of all life, not being subject to the selfish considerations and warped judgments that affect the solution of all purely human problems, is more likely to furnish us with principles on whose correctness we may depend and which may serve as a guide in fashioning a right social system. Biology may thus offer us some general deduction which, applied to those matters specifically human that are subject to uncertainty, will clear the atmosphere of the doubt which now befogs our vision and enable us to move confidently forward over a sharply defined path, toward the goal of justice and truth.

There is one universal law of life which may be thus applied. The life of any species is always held to be superior in importance to the life of any individual of that species. The individual is always sacrificed when necessary, in order that the species may be preserved. The philosophy of such a law is evident. It is that which prompts the captain to sacrifice even the most valuable part of his cargo, in order to save his ship. The life of humanity being then superior in importance to the life of even the most exalted human being, humanity will institute some device for racial preservation. This device will naturally not be individualistic in its character. The state is the institution which has been devised as the defender of the race.

We have now two clearly defined entities which are seen to be not antagonistic but complementary to each other: the state, with the right to do all things necessary to the preservation and happiness of the race, but with no right over the individual that is not demanded by that necessity; the individual, with the right to do all things necessary to his own preservation and happiness, but with no right to do anything detrimental to other human beings, *i. e.*, the race. Any human relation or institution, the continuance of which would hazard the existence of the race, is a matter for state regulation. Any human relation or institution which does not affect the continuance of the species is of purely individual concern. All attempts by the state to regulate or control such relation or institution is a usurpation, mischievous, intolerable, and destructive of the very purpose for which the state has been established.

For it is clear that the highest development of humanity can come only through the greatest possible freedom of growth of the individual. Any attempt to check this individual development, by legislation, purely restrictive and not defensive in character, by checking individual variation

and constricting individual breadth, instead of benefiting, injures the race. In their individual aspect, men are, therefore, not equal, nor is it desirable that they should be so.

From the social standpoint, on the other hand, it is evident that the life of the race depends in the highest degree on the *equal right* of all to do those things necessary to life, for the denial of this equality to one is a practical denial of the right of all. This is in no wise inconsistent with the greatest possible right of the individual to himself but serves rather to strengthen it. Whatever tends to prevent or restrict the free exercise or development of the faculties of each individual on terms of perfect equality of access to all natural means of enjoyment and use, that is, any monopoly other than that of the individual in himself, is a direct attack on the life of the race. Such monopolies create invidious distinctions, cause unnatural antagonisms, loosen the social bond, and invite social disintegration and racial destruction. All monopolies which are the product of human legislation should be abolished by the repeal of the laws sustaining them. All monopolies which arise in the nature of things and are not sustained by human enactment are properly a subject of social adjustment. The monopoly of land is of this nature.

If Mr. Kitson imagines that the abolition of our present land laws and the substitution of tenure by occupancy and use would abolish land monopoly, he has done nothing to show the reason for the faith that is in him. That it would cause a considerable amelioration is undoubted, but monopoly would still remain. The most equitable private possession is monopolistic possession, precisely as the most inequitable private ownership is monopolistic ownership.

Let us suppose a community which, without any fixed system of land tenure, would settle on some considerable tract. Before long certain portions of this land, either through superior fertility, the presence of mines, or by becoming the centers of large populations, would enable their possessors to obtain a superior livelihood with no more, or, perhaps, less exertion than required of those occupying less favorable localities. The old story would be retold. Those occupying the poorer lands would forcibly dispossess their more favored neighbors, to be in turn themselves driven off. Thus would be instituted a series of forcible dispossessions and re-dispossessions until some organization was effected which would define and defend land titles. This has been the history of the development of security of land tenure, and in England it has been only within recent years, about 1838, that the persisting right of an original possessor, as against the right of an intruder, was fully acknowledged.

We might conceive the members of our community to be so peaceful, or to have so fine a sense of moral obligation, as not to violently dispossess each other. The possessors of desirable estates, those on which it was possible to obtain a maximum of product with a minimum of exertion, would then be in the same position as though they were protected by an authoritative body, by a state. What would then happen would be what, under similar circumstances, constantly is happening. Those lands which could be freely obtained by all who desired them would have no value. Those lands which were in private possession, that is, monopolized, and which possessed a producing power greater than that of the free land, would possess value. They would acquire value in virtue of the fact that the necessary monopoly of their possession would enable their possessors to obtain service in return for the transfer of their possession. The amount of service rendered would be the difference in the productive power between the monopolized and nonmonopolized land. And it must be noted that it would not be necessary for Henry George or any other single taxer to incite him to exact this service that economists call rent. It would be

tendered to him freely and willingly by those who would desire to possess themselves of his monopoly.

Private possession of land is necessary to the best development of the individual. The inequalities of access to the natural sources of wealth, resulting from the monopoly values produced by this private possession, are detrimental to individual growth and happiness. How shall we reconcile these contradictions? Evidently, by equalizing the injurious inequality, by the state, as the defender of the race, taking the land values from the individuals who now wrongfully appropriate them, and using them for the general good. This, though it may be done in the form of a tax, is not a tax in the sense of a confiscation of private property for public purposes. It is in reality the collection of a value inherent in a natural, unavoidable monopoly, and its diversion from those who now unjustly seize upon it into the public possession where it rightfully belongs. Before attempting to criticise the single tax, it is necessary to demonstrate that monopoly is not the true basis of value and that economic rent has no existence. Mr. Kitson has done neither.

There are some minor objections in his paper, to which a few words may be given. In order to ridicule the idea that communal growth is the cause of the increase of land values, he depicts an ideal community which toils not, neither does it spin, but which should be able to maintain itself in more than Solomonic glory, on the rent due to the presence of population. And in another place he objects to the argument that because communities create rental values, they are therefore entitled to them. Communities as such, he contends, produce nothing. It is individuals alone who produce and they alone who are entitled to anything. This is a mere playing with words. Bent arises, not from the passive presence of population, but from the presence of a dense population rendering more intensive activities possible. And further, communities, as such, do produce true monopoly values, but the point of the argument is not that land values belong to the community because it has produced them, but that they do not belong to the land monopolizer, because he neither owns the land, nor has he produced the land values.

Finally, Mr. Kitson says that "there is scarcely a business or profession the value of which does not increase with the growth of the community. In fact, where communities decline, all businesses and professions decline with them; and where they increase, increase in values appear." Here he has innocently admitted the whole single tax contention. These increases and diminutions which are dependent, not on individual capability or lack of it, but on increases and diminutions in population, invariably find expression in the rise and fall of rents. It is not necessary to tax and untax doctors, lawyers, bootblacks, and drug clerks, as he would have us do, in order to be consistent. It is necessary only to confiscate rent.

The matter sums itself up in this: Since all have an equal right to life, all have an equal right to do those things necessary to life. Whatever diminishes the return of a man for his labor, whatever exacts from him service without rendering an equal service in return, nullifies his right to his own life and to its results. In order that the race may continue, these equal rights must be maintained. The state is the institution whose duty it is to defend the race. Monopoly is the source of value. The monopoly of the

individual in himself enables him to obtain service for service. All other monopolies, by creating values without rendering service, assail the right of the man in himself. All other monopolies are therefore injurious, inequitable. Wherever possible, the state must abolish them, wherever that is impossible, the state must control them or equalize their values. The monopoly of land being necessary to individualistic use, is unavoidable. It is the duty of the state to equalize the resulting values. The single tax will do this. The single tax is just.