

The Essential Reform

In lieu of the article addressed to "The Man in the Street," promised in last issue, we print the following from P. J. Markham, of Melbourne, Australia. This is the Henry George Foundation Prize Leaflet, No. 2, and is an admirable statement of our principles, understandable, we think, by even those wholly unfamiliar with economic discussion.

THE reform known as the Single Tax rests on two basic principles—

(a) All the Community have an equal right to life, and as this can only be secured by access to Natural Elements—the free gifts of Nature—all have an equal right to these gifts.

(b) Each individual has exclusive right to the product of his own labor.

The first of these rights is the more important; indeed, the second is subject to it. For the individual right of property in goods produced by labor can only be secured by treating all the elements of Nature as the common property of the community.

THE CATEGORY OF LAND

If we look at the special characteristics of Land—of Land in the ordinary sense—its difference from other forms of Property will be readily seen. The late Lord Strathclyde, formerly Lord Advocate for Scotland, enumerated some of these as follows:—

(1) Land comes from the Creator; it does not owe its existence in any sense to men.

(2) It is limited in quantity; we cannot add to its area.

(3) It is necessary for man's very existence, for production and for the exchange of products.

(4) The value of Land is independent of the improvements upon it.

(5) Its value is not due to the owner; it is due to the presence, activity and demand of the community.

(6) Its value ever increases with social development.

(7) It cannot be carried away or concealed.

(8) A Tax upon Land or Land Values cannot be shifted.

Let the reader ask himself: Can he name any other property answering to that description? Surely not! These special qualities place Land in a category by itself.

The right to exclusive individual ownership of things produced by Labor—all of which may be embraced in the term Wealth—must be recognized. But the same ownership cannot apply to Land, upon access to which our very existence depends. For, above all civil law, there exists a Natural Law, by which the earth is the property of all the people. Nature has provided the Common Right, but this has not been recognized, and the bounty goes to the few, while the many are dispossessed.

The aim of the Single Tax Movement is to re-assert

the Common Right; to bring it into general recognition and operation by Legal Enactment.

COMMONSENSE PROPOSALS

In asserting the Common Right, Single Taxers do not propose the impossible task of dividing up the Land among the people, nor is it proposed that Government should become the sole landlord. How we should proceed is clearly set out by Henry George in "The Condition of Labor:"—

"We do not propose to keep Land common—letting any one use any part of it at any time. We do not propose dividing Land in equal shares; still less the impossible task of keeping it so divided.

"We propose leaving Land in the private possession of individuals, with full liberty on their part to give, sell or bequeath it; and simply to levy on it for public uses a tax that shall equal the annual value of the Land itself, irrespective of the use made of it or the improvements on it.

"We would accompany this Tax on Land Values with the repeal of all taxes now levied on the products and processes of industry, which taxes, since they take from the earnings of Labor, we hold to be infringements of the right property.

"The taking for common uses of the value that attaches to Land, irrespective of any exertion of Labor on it, combines the advantages of Private Possession of Land with the justice of Common Ownership of Land Values.

"It expresses the same principle as where a human father leaves equally to his children things not susceptible of specific division or common use. In that case such things would be sold or rented, and the value equally applied.

"It is on this commonsense principle that we, who term ourselves Single Tax men, would have the community act.

"This we propose, not as a cunning device of human ingenuity, but as a conforming of human regulations to the will of God."

BACK TO THE LAND

The moral basis of the claim to the Common Ownership of Land Values, and that the increasing fund of Land Rent is a provision to meet the ever-growing wants of Social Government, and its collection, if it may be called a tax, is Natural Taxation, is strikingly supported in the famous Pastoral Letter of the Most Rev. Dr. Nulty, Bishop of Meath, known as "Back to the Land." Read carefully the following extracts, and note Dr. Nulty's absolute assurance on these points. He says:—

"On the strength of authority as well as of reason, I may fairly infer that the people are, and always must be, the real owners of the Land of their country. This great social fact is of incalculable importance, and it is fortunate

indeed that on the strictest principle of justice, it is not clouded by even a shadow of uncertainty or doubt.

"There is, moreover, a charm and peculiar beauty in the clearness with which it reveals the wisdom and the benevolence of the designs of Providence, in the admirable provision He has made for the wants and necessities of that state of Social Existence in which the very instincts of nature tell us we are to spend our lives."

Then, as to the sufficiency of Land Values:—

"One of the most interesting peculiarities of this property is that its value is never stationary; it is constantly progressive and increasing in a direct ratio to the growth of the population; and the very causes that increase and multiply the demands made upon it increase proportionately its ability to meet them."

The Bishop of Meath sounded the slogan, "Back to the Land." Single Tax is the method of achievement.

EQUITABLE TAXATION

Under the Single Tax plan, all values created by individual use or improvement would be exempted from taxation, and the only value taken into consideration would be that attaching to the bare Land by reason of situation, etc. The farmer, therefore, would pay no more than the man who held Land of equal value idle; and the man who, on a city lot, erected a valuable building would be taxed no more than the speculator who held a similar lot vacant.

The Single Tax would thus call upon men to contribute to the public revenues, not in proportion to what they produce or accumulate, but in proportion to the value of the Natural Opportunities they hold.

This principle of raising Governmental revenue speaks for itself. It is founded on justice, while the present methods are unjust both in conception and incidence.

DOUBLE-TAXERS

Our present methods of raising revenue consists mostly of taxes on labor and labor products, and those who object to the Single Tax must subscribe to some, if not all, of the many multiple taxes with which we are burdened.

Whether the people know it or not, Government is taking by taxation part of the product of each individual worker. His real wages are thus reduced in a dozen different ways, by forms of taxation which sometimes are given little heed to.

Just to mention a few of them. The Income Tax is inquisitorial, and falls most heavily upon the honest man. Customs Duties at borders and seaports are a negation of the Brotherhood of Man, and breed enmity between nations; they hamper trade, make goods dear, and are a specially cruel infliction on the poor. Taxes on Buildings and Improvements restrict enterprise and penalize industry. Then there are Excise Duties, Probate Duties-Stamp Duties, Amusement Taxation, etc., all manifestly

unjust; yet, for lack of advanced knowledge among the people, such taxes are in general use in almost every country throughout the world. The introduction of the Single Tax would be accompanied by the wiping away of all these expedients, none of which conforms to Natural Law.

WHAT IS PROPOSED

A good description of what is proposed would be "Not a Single Tax!"

It is proposed to abolish all present taxes, and to resume Ground Rent—or Land Values—for the use of the community, and to describe this resumption of Rent as taxation is really not correct; but on account of usage, the term may stand.

The system, then, as its name implies, means one tax. Abolishing all present taxes, a Single Tax is to be levied on the value of Land; this without regard to the use made of the Land and of the improvements upon it.

It is not a tax on real estate, for real estate includes improvements. Nor is it a Tax on Land, but on Land Values—a vastly different thing. These Land Values would be taxed fully. If the holder of Land improved it, he would be charged no more; if he neglected the Land, he would be charged no less.

It is not, now, a new tax; for in Australia as elsewhere, Land Values are already taxed for Municipal, State and National revenue purposes. In the Municipal sphere it is proposed to abolish all Rates that now fall upon buildings or other improvements, and to levy all Local Taxation upon Land Values only.

In the State and in the Commonwealth, the reform would abolish present systems of taxation, wipe out the graduations and remove the exemptions under the Land-Values Tax, and would increase that Tax so as to take, as nearly as may be, the whole of the Economic Rent.

ADVANTAGES OF THE SINGLE TAX

By taxing Land in proportion to its market value those holding it idle would be induced either to use it or let others use it on fair terms. Thus, by making Land available to use, it would enormously increase the production of wealth, and it would further stimulate production by removing the burden of taxation which industry now bears.

It would get rid of taxes which promote fraud, perjury and corruption, and which tax what the nation can least afford to spare—honesty and conscience.

Since Land lies out of doors and cannot be removed or concealed, and as its value is the most readily ascertained of all values, the Single Tax on Land Values could be collected with the minimum of cost and the least strain on public morals.

Other advantages would be the dispensing with an army of tax gatherers and other officials which our present taxes require, and the placing in the Treasury of a revenue

which would make Government more independent of lobbyists and wirepullers, and consequently purer.

JUSTICE THE OBJECT

The operation of the Single Tax would mean deriving the greatest product from the Land, by applying the Free Trade principle to Production as well as to Exchange.

As you cannot have trade without Production, which begins with the Land, it is absurd to talk of Freedom of Trade while penalizing Production at its source. Our present system of taxation does this, and further hampers trade in many ways, the result being to lessen production.

Single Tax, in practice, would open up the Land to the people, place Rents and Wages on their Natural Level, and establish for all time a sound system of Land-tenure.

Giving complete freedom to Production and Exchange, it would tend to the fullest development of the resources of the country and would enrich the nation.

Freedom of access to Land would lessen the causes of discontent at home; with Freedom of Overseas Trade, we would reduce the risk of trouble abroad.

The raising of Public Revenue from the proper source would give free play to co-operation and trade, bringing the nations closer together, and eventually establishing Internationalism.

Thus, the Single Tax is not advocated solely as a means for raising revenue. Merely as such it would not command the whole-souled devotion of men in every country throughout the world.

The object of the Single Tax is to achieve Economic Justice.

THE POWER OF TRUTH

We earnestly ask readers to study the Single Tax question for themselves. Being a truth, it will bear the closest scrutiny. It can hardly be hoped that this article will of itself make converts; but it may, at least, cause some to look closer into the matter. Henry George realized how difficult it is to win people from old convictions when he wrote:—

"The truth which I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends—those who will toil for it, suffer for it, if need be *die for it*. This is the power of truth."

And now we ask the reader to mark this final word from the same author—which is at once an appeal and a challenge:—

"Try our remedy by any test. The test of justice, the test of expediency. Try it by any dictum of political economy; by any maxim of good morals; by any maxim of good government. *It will stand the test*. I ask you not to take what I or any other man may say, but think for yourselves."

Many Make Fortunes For the Few

ONE hundred years ago Columbia University received a grant of 11 acres of land in the city of New York from the State. The first tenant was unable to make the rent of \$500, and gave up the lease. The trustees were peeved at the president of the college for accepting the land in lieu of a small grant in money. Later the tract was laid out in streets, and improved with private houses, the lots being leased to the builders by the college. The tract consists of three blocks from Fifth Avenue to Sixth Avenue and from 47th to 50th Streets, in the heart of the city, excepting a strip 100 ft. deep on Sixth Avenue and a similar strip in one of the blocks at the Fifth Avenue end. This whole tract has recently been leased for a term of 100 years by the trustees of the university to John D. Rockefeller, Jr., at a rental of \$3,000,000, and taxes which will be about \$1,375,000 more a year. This gives the property an estimated value of at least \$60,000,000. Many of the houses have long since been converted to business and more recently to "speakeasies" or "bootleg" purposes. Columbia has had a substantial income from the leases for years.

The transaction serves well to visualize economic rent as a basis of taxation. The owners did nothing to increase the value of this land. The increase was all created by the people who came and made the city their home and place of business. In other words, the community created the extra value, and gave it to the owner. Fortunately in this case it goes to an educational institution, but in other cases it goes to individuals. The increase of rental for the next 100 years will all go to Mr. Rockefeller and people yet unborn. If we made economic rent of income on land the basis of taxation instead of property, these unearned rents, in whole or in part as required, would go to pay the cost of government and replace other taxes.

The land value in these 11 acres is equal to the estimated land value of 17,600 average farms in the State of New York, or more than one-tenth of the total farm land values of the State. *The Rural New Yorker*, Feb. 1.

Future of American Cities

THE annual dinner for the League for Industrial Democracy, New York, Dec. 27th, was made the occasion for discussing city problems which are becoming daily more portentous. Norman Thomas, who made such a surprising run for mayor on the Socialist ticket at the last election, was one of the speakers. He said the "good government" movement is of negligible value in the building of a better city, there is more to city government than honesty and efficiency. "Good government does not touch special privilege and has no social programme when it does get into power * * * * With such a barren