

The Abolition of Poverty

Alfred Bishop Mason

THE lack of money is the root of all evil.

There is a wise saying: "All general statements are untrue, including this one." There are evils which are not rooted in poverty, but they are as a rule easier to bear than those that are so rooted. They are also not so continuous. This is one reason why they are easier to bear. Thackeray's "Time, that grey anodyne" either heals or dulls the sharpest grief. It neither heals nor dulls the wound of the wolf outside the door. That dweller on the threshold is a more monstrous thing than ever Rosicrucian fancy framed. There is no agony that can compare with that of the riven soul of a man with wife and children who sees them suffer because his willing hands cannot find work.

, Involuntary poverty is the chief curse of mankind to-day. Condescending charity, even on the colossal scale of the present time, cannot grapple with it. About four thousand charitable agencies are actively at work in New York City to-day. The four thousand agencies and the forty million dollars they spend each year give practically no let to the swollen stream of poverty that flows steadily on, filling jail, brothel, bar-room and potter's field, wrecking bodies, breaking hearts and ruining souls. The Church has done nothing in nearly twenty centuries to abolish involuntary poverty. It has long dealt in futures. It is now beginning to deal in presents. The hope of the future may sometimes stay a sick soul. The gift of the present may sometimes heal a stricken body. Neither touches the cause of the curse. No other agency than charity and the Church even tries to grapple with involuntary poverty, except, here and there, the voice of the reformer, the scorned, abused, hated, crucified reformer, the welcomed, glorified reformer.

The strongest and the weakest thing on earth is the Law, weakest when it goes against human nature, strongest when it goes with it. It is the Law which the reformer would reform, in order to abolish involuntary poverty.

Two preventives of poverty, just two, are even suggested. They are Socialism and the Single Tax. Unless another can be found, we are morally bound to try one of these two. It cannot be that poverty is to be the general lot forever. If God has decreed that, let us "curse God and die." This Moloch who thus decrees the destruction of our children shall have no praise or reverence or belief from us. We will not dishonor God by believing in this god. Even the dull, grey level of Socialism would be better than the vast abysses, rarely reached by pale sunbeams, in which most of us dwell now. Even for individualism, sacred as it is and should be, the poverty of the mass is too great a price to pay.

The Single Tax remains to be tried, simple, straightforward, right. It will abolish involuntary poverty, without laying the weight of a finger upon the free development of the individual.

We single-taxers are fortunate in that at last we have a foeman worthy of our steel. Every idea that is to help mankind runs a gauntlet that is a gamut. First it is ignored; then it is abused; then it is discussed; then it triumphs. The gospel of Henry George can no longer be ignored. The princes and proletariat of Privilege have found that abuse would not kill it. It has reached the stage of being a practical question. It is being discussed. It is being homosopathically applied. We dread argument now as little as we have dreaded anger in the past. We welcome the fact that the chief American authority on taxation, Professor E. R. A. Seligman, devotes thirty-two pages of the eighth edition of his *Essays in Taxation* to a reasoned rejection of the single tax. Herewith we take issue with him, we who believe that poverty can be abolished, as slavery has been. It will be abolished, whenever Christendom is converted to Christianity,—and perhaps a very long time before that GreekKalends' date ripens.

Professor Seligman says that the social utility theory is the acid test by which the single tax must abide. We welcome that test. The social utility theory is that the public convenience, as part of the *salus populi*, is the supreme law. He says that the difference between property in land and property in other things is one of degree. That is partly true. Land gains value in a great city by the pressure of population. So do cabbages grown near a great city. But cabbages have a limit of price. There are many substitutes for them. Land-values seem to have no final limit. Year by year they increase. There is no substitute for land. And there is a marked difference in kind between land and other things. Bare land-value owes nothing to labor. All other taxable things owe their chief value to labor. The distinction is deep. In the *Inheritance Tax* chapter of his book, our courteous foe says: "It is now commonly recognized that incomes from property should pay a higher rate than incomes from labor." "

The social-utility theory bids us derive the whole income of the State from the taxation of land-values, if this is for the public good. If not, not. This is true, whether the ideal basis of taxation is the theory of benefit or the theory of ability to pay. No system of taxation can make everybody pay in exact accordance with either the benefit he receives or the ability to pay which he possesses. Whatever tax-system favors most, or hinders least, the public well-being is the one to adopt.

Our antagonist says there are two fiscal defects of the single tax, viz.: it is inelastic and it intensifies the inequality of unjust assessments.

My variety of the single tax would not be inelastic. I would leave every land-owner of to-day still the owner of his land. I would let him fix, subject to revision by the courts, his own valuation of his land. I would levy upon this valuation an annual tax (at first substantially the amount he pays now) but I would take, every

year hereafter, the full rental value of his land, less its rental value to-day. This form of the single tax, which avoids all confiscation in its introduction, does not appeal to many faithful followers of Henry George. They make a fetish of "Progress and Poverty." That great man is best served by correcting his few mistakes. A variation of the first named tax would increase or decrease revenue, as might be desired. At a time of sudden stress, such as war, I would levy, if needed, first an income-tax. If this did not suffice, I would supplement it with stamp-taxes. If still more money were needed, I would levy revenue-duties. These three expedients, however, should be regarded strictly as temporary and extraordinary expedients, to be cancelled as soon as the temporary and extraordinary folly of our killing foreigners could be stopped. These things would avoid a deficit. I see no danger in having a surplus, as long as the State has outstanding debts to pay, railroads to build, canals to dig, water-power to develop, or slums to replace with model tenements. If, however, a surplus becomes inadvisable, it can be avoided by lowering the tax on the landvalues of to-day.

Intensifying the inequality of unjust assessments would not be an unmixed evil, for it would tend to correct their injustice. Surely it is not beyond the power of man to make just assessments. In any city a stringent requirement that every real-estate deed should state the actual consideration paid would make the average assessment just within very few years. Under my singletax plan, the definite test of selling-value would remain.

Professor Seligman suggests three political defects of the single tax.

First: It abolishes a protective tariff. It does, and this is a merit, not a defect.

Second: It prevents the use of the taxing power (outside of itself) as a political or social power. It does, and this is also a merit. If Governments think it wise to regulate or destroy, they should do so by direct law and not by an evasive use of the taxing power. Is there any argument for a license-tax on a barroom which does not sustain a license-fee for a house of illfame?

Third: It is dangerous in a democracy to have a small class of tax-payers, because there would be no need of a budget, and the mass of citizens would have no sense of obligation to the Government and no common economic interests with it.

A budget is a statement of estimated receipts and expenditures. The necessity of it would not be diminished because the receipts would come from two forms of taxes on land-values, instead of from many forms of taxes on many things.

The average citizen would probably have a greater sense of obligation to government and a keener feeling of joint economic interest with it than he has now. If a city were to increase its

activities in providing parks, playgrounds, hospitals and schools and in preventing

disease, and were to add to these a persistent activity in feeding school-children, in taking over urban transit, gas and electricity, and in substituting model-tenements for slums, would not the average citizen feel more obliged, more interested, than he does now? He now feels an alien to a Government controlled by Big Business. He would then feel himself part of a Government controlled by the people. Of course all this means many activities outside of the single tax, but the latter would give the means to pursue them, and the average citizen would be heartened to pursue them if he knew that he and his kind, now the prey of monopoly and privilege, had mastered their chief master, land-monopoly and land-privilege.

Our opponent declares the single tax is unethical because it is not universal and because it is unequal.

No tax and no set of taxes can be universal. Exempt classes of objects appear in practically every law,—such as household furniture and incomes below a certain amount. Professor Seligman would himself abolish the tax on personal property, save in so far as that property is levied upon by income-taxes, corporation-taxes, or franchise-taxes. All owe a duty to support the State, but there are other ways of supporting the State besides paying direct taxes, such as jury-duty, militia-service, schoolattendance, answering the call of police officers for help, exemplifying law and order in one's own life and teaching that doctrine to others by precept and example. The Minnesota school fund, thanks wholly to the public ownership of the increment-value of school lands, is or soon will be sufficient to support the Minnesota schools. None would claim that in that event a school tax should be levied because taxes should be “universal.” Now we believe that the public owns the whole increment-value of all land. Personally, I propose to take only part of it, because I think we are morally estopped from taking it all, if we can get along on part of it, as we can. This increment-value is like the Minnesota school fund. If it will pay all our expenses, why levy other taxes? Since universality cannot possibly be attained, under any system, why condemn the single tax because universality is not attained under it?

There would be no inequality, of course, as between landowners. There would be inequality between land-owners and—say—bondholders. But such inequality, too, is inherent in every tax-system. If, in time of war, we put a stamp tax on bank cheques, we are not bound thereby to put a stamp tax, as Mexico does, upon bills. It is unequal that a man who presents a bill and receives a cheque for it should not pay for a tax stamp, when the man who receives the bill and presents a cheque must pay for a tax stamp; but because we annoy people who draw cheques by making them put tax stamps upon them, it does not follow that in order to be just we must annoy people who present bills by making them buy tax stamps, too. Equality, like universality, tends to convince by its very sound. It sounds selfevident. But there are so many exceptions to the rule that the rule does not hold good. No tax system is ever, in its results, either universal or equal.

Under this same heading, our professor pleads that land values do not always increase and that many other values have unearned increments.

Land values as a whole tend to increase constantly. The occasional individual exceptions to this rule would be cared for by my single-tax system. As the rental value fell, the tax would fall. But it is to be remembered that while certain lots in New York City are worth less in 1913 than they were in 1907, every one of them is worth a great deal more now than it was in 1807.

It is true that there are other unearned increments, but most of them fall under the rule of *de minimis* and the few that do not cannot be reached by any tax-gatherer. Professor Seligman cites an investment of \$100,000 in Sugar Trust stock, which suddenly becomes worth \$170,000 by a market advance. There will be fewer such rapid advances in the future. The profits of the Sugar Trust came partly from good management, but largely from the fact that it could buy by campaign subscriptions the power to write the sugar tariff and could also buy the Government weighers.

This high authority, who writes with an assured desire to state the truth, thinks there are three economic defects in the single tax. ‘

First: Its yield would not suffice for the expenses of poor communities. This can be met by changing the unit-area of taxation; by assessing real estate at its full value; and by applying the doctrine he himself states in his chapter on Separation of State and Local Revenues: “Many of the expenditures of local communities ought to be defrayed by the State Government.” The slums of New York do not yield in taxes enough to cover the city expenditures on the slum population. If each slum area were treated as an independent unit of taxation, this objection as to the single tax in poor communities would apply to any tax in this particular area. We make it part of a unit which embraces all classes of population and so raise money for its needs. Enlarge, then, the “poor community” unit of taxation, if necessary. I need not enlarge upon the other two points: assessment of real estate at full value and dividing expenditures properly between local and State Governments.

Second: The single tax would injure farmers. The proof offered of this is a comparison between land and other assessments in sundry communities. The flaw in this proof is the almost universal custom of assessing land below its real value. This is particularly true of unimproved land. An assessor who lists an improved lot at 60 per cent. of its value will often list an unimproved one as low as 10 per cent. of its value. The Manhattan Single Tax Club laid before Mayor Strong proof that Astor holdings on the Harlem River were assessed at one-tenth of their value, while improved small lots in that neighborhood were assessed at 60 per cent. This tendency is general throughout the country. If corrected, the figures cited would certainly be radically changed. If, after such change, they still failed to show that the single tax would lighten the farmers’ burden, I would then make its adoption a practical question by exempting land holdings up to \$3,000 apiece from any

taxation, basing such exemption upon (1) the homestead theory; (2) the de minimis theory, which in every country with an income tax exempts incomes below a certain figure; and (3) upon the frank statement that the great public benefits from the single tax would justify whatever reasonable small exemptions were necessary to obtain a majority for it.

Third: The single tax would not benefit rich urban communities, because the exemption of improvements from taxation would not (1) cause increased building; (2) lower rents; (3) increase wages; and (4) cause general prosperity.

The vital point is No. I. If there is increased building, there will be more buildings for rent and therefore lower rents; there will be more opportunities for work and therefore higher wages; and the combination of lower rents and higher wages will, in any normal period, tend to general prosperity.

The question is, then: "Will the exemption of improvements increase building?"

Professor Seligman's first point is that capital cannot be found for the new buildings; that "what is put into new houses will, therefore, simply be so much taken away from other productive employments." This objection, if valid, would have prevented the construction of railroads and the development of electric power and light. Whenever an opportunity of great profit is offered, capital comes. It comes from three sources: (1) other productive, but less productive, employments; (2) unemployed wealth; (3) new capital, created by thrift (partly due to the reward of thrift offered by the new opportunity) and by the abundant returns of the new opportunity so far as it has been utilized.

The second point made is that a house tax falls wholly upon the renter only when houses alone are taxed; that when land, personal property, corporations and incomes are taxed, "the tendency for [the house tax] to be shifted [upon the renter] will be diminished." If diminished, which I doubt, it would not be cancelled. Probably no building has ever been built for rent without the owner's being convinced that after paying taxes out of his net rents, the remainder would yield him a good return on his investment. If a man decided in 1912 to put \$100,000 into a building for rent on Manhattan Island and expected the building to be assessed at its full value, he figured that, after paying a building tax of \$1,830, the residue of his rents would yield him a fair return on \$100,000. Is it not clear, too, that if the supply of three-room apartments in any city were to be materially increased within a year, their rental would fall?

Our author doubts whether much unoccupied land is held for speculative purposes in large cities. He cites the official figures showing only 467 vacant lots in 1911 south of Fourteenth Street, on Manhattan Island, out of 24,203 parcels. But here he overlooks the large number of lots inefficiently improved or improved only with "tax-payers." The majority of lots in the whole city to-day are unimproved. The single tax would force their improvement. The professor thinks that the "

rents in the slums ” would not be “ affected,” because the slum-dwellers like the “social opportunities of contact” and the toiler must be “ near his work.” In January, 1913, there were 78,115 dark rooms, including 23,788 without windows, in New York City, in which people lived,—if such rotting existence can be called

living. Did anybody ever deliberately choose to mildew in such ‘

a room on account of its “social opportunities of contact”?

The single tax would provide funds for the construction of transit systems at much lower fares than those of to-day. The new sets of homes would give the “social opportunities of contact ”; the new transit facilities would put the workman, wherever he lived, “near his work.” Would not, then, the “ rents in the slums ” be “ affected”?

Western Canada is of course of much interest to us just now. It is the scene of a “ boom,” which is bound to collapse, and this collapse will hereafter be cited (unjustly) as due to the single tax. The rate of taxation there has been far too low to check land speculation. The official figures of new buildings

in Seattle and Vancouver, however, for the last twelve years,*

Population, 1901, Seattle, 96,000; Vancouver, 26,000; 1919, Seattle, 250,000; Vancouver, 150,000. Here are the comparative figures of new buildings:

Seattle Vancouver

.....	\$4,569,788 (1)	\$731,716	1902	6,325,108 (1)
883,607	1903	6,495,781 (1)	1,426,148	1
904	7,808,190 (1)	1,968,501		
1905	6,704,184. (1)	2,658,000		
1906	11,920,488 (2)	4,308,410		
1907	13,572,770 (9)	5,639,744		
1908	13,377,329 (2)	5,950,893		
1909	19,084,853 (2)	7,958,565		
1910	17,163,080 (3)	13,150,365		
1911	7,491,156 (3)	17,652,642		
1912	8,415,395 (3)	19,888,832		

(1) 50 per cent. improvements taxed.

(9) 25 per cent. improvements taxed.

(8) Improvements exempted.

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would seem to prove, after deducting the probable results of all other causes, that exempting buildings from taxation causes a great increase in building. And as this is a priori true, this a posteriori proof seems conclusive of our claim that the exemption of improvements will increase building.

In summing up his view of what could properly be done now, our antagonist—it would perhaps be more fitting to call him our judge, for except in one instance his attitude is that of the judge, highly resolved to discover the truth—our judge, then, marches part way with us on the path of progress. He says: “By enforcing the [land] tax laws as they exist to-day, by extending the law of special assessments to all the cases which are properly referable to the principle of benefits, by levying a special tax on unbuilt city lots and by adding to the existing code of taxation some form of increment-value land-taxes, we shall in all probability do as much as is under existing conditions either practicable or equitable.” This, excellent as far as it goes, is but a student’s saying, a bit of cloistered wisdom, timidly peering be

yond the cloister’s rim into the great world, but shrinking back ‘

from its splendid hurly-burly. Hear Emerson on cloistered minds: “The luminaries of heaven seem to them hung on the arch their master built. They cannot imagine how you aliens have any right to see,—how you can see; ‘it must be somehow that you stole the light from us.’ They do not yet perceive that light, unsystematic, indomitable, will break into any cabin, even into theirs. Let them chirp awhile and call it their own. If they are honest and do well, presently their neat new pinfold will be too strait and low, will crack, will lean, will rot and vanish, and the immortal light, all young and joyful, million-orbed, millioncolored, will beam over the universe as on the first morning.”

Professor Seligman is honest and will do well. His face is set toward the light. Presently the cloister will be too small for him and he will see “the immortal light” that will shine over a world that has come forth from the chill darkness of poverty.

Let none think that the single tax is still but an academic question. It has beaten upon the barred doors of every legislature the world over until many of those doors have half-opened to it. It is in part the law of the greatest two empires, Great

Britain and Germany. The British Labor platform has as its first plank: “Appropriate land-values for social uses.” Practically every German city of importance taxes the unearned increment. Paris now assesses land and buildings separately, which is the first step toward land-value taxation. France has a single-

tax review. In Sweden, Parliament has been discussing sundry single-tax measures and the conservative leader has honored us by declaring that ours is "the most dangerous heresy yet promulgated." In Denmark, twenty members of the Danish Henry George League have been elected to Parliament. The last Spanish Cabinet was openly in favor of a municipal single tax. The under-secretary to the Prime Minister was leader of the land-values group in the Cortes. The South African Labor party has petitioned for the single tax. Australia and New Zealand have it in part. China has its almond eyes fixed upon it. In Uruguay, in the Argentine, in Sao Paulo, the most advanced State in Brazil, there is single tax agitation and official help. In this country, Everett, Washington, and Pueblo, Colorado, have voted to follow our gospel. Houston, Galveston, Beaumont, Waco and San Antonio, Texas, assess buildings at a lower rate than land. Nearly one-third of the members of the Lower House of the New York legislature are pledged to support this part of our faith. Pittsburgh and Scranton have been authorized by State law to reduce gradually taxes on buildings. Before the law was submitted, the Mayor of Pittsburgh sent his chief tax expert to Western Canada to study the system in operation there. He reported in favor of it. The Minnesota Tax Commission reported as the result of its special study of Canadian conditions that the concentration of taxes on land values had worked so well that nobody there wished to return to the old system. Glasgow, Scotland, sent a tax expert there last October. He reported in favor of the plan of exempting buildings from taxation. In February, 1913, the Province of Saskatchewan abolished all taxes outside of cities except those on land-values, with a surtax of 6% cents per acre upon large areas not cultivated. Step by step, we draw nearer our goal.

As I have said in substance elsewhere:

When the full rental value is taken, enough of all land will be forced into such use as it is best fitted for. This will mean a great demand for labor. No labor of any kind is possible without the use of land. The more land used, the more labor employed. The wage scale will leave the minimum wage far behind. With employment open to everyone, involuntary poverty will disappear. Drunkenness, which is caused by poverty more often than it causes poverty, will cease to defile our civilization. The hideous traffic in women, based in almost every white-slave case upon the pressure of poverty, will also cease.

The happiness which has died in many a tenement will be born again in many a home. People may scorn us as fanatics and madmen. Better men have been so scorned. But people can understand the faith and the zeal that burn within us and make us toil for the single tax only when they understand that we verily believe that through the single tax the nation that abolished kingcraft in the eighteenth century and slavery in the nineteenth will in the twentieth abolish involuntary poverty.

God speed the day.

http://mssa.library.yale.edu/obituary_record/1925_1952/1932-33.pdf

Alfred Bishop Mason, B.A. 1871.

Born February 23, 1851, in Bridgeport, Conn.

Died January 25, 1933, in Florence, Italy.

Father, Roswell B. Mason, a civil engineer; builder of Illinois Central Railroad, mayor of Chicago; son of Capt. Arnold Mason of War of 1812 and Mercy (Coman) Mason, of New Hartford, N. Y. Mother, Harriet Lavinia (Hopkins) Mason. Yale relatives include: Edward G. Mason, '60, and Henry B. Mason, '70 (brothers); Henry E. Mason, '89, Edward H. Mason, '92, James R. Trowbridge, '94, Roswell B. Mason and Henry G. Miller, both '95, William S. Miller, '96, Julian S. Mason, '98, Huntington Mason, '99, Maurice Mason, '01, Roy Mason and Mason Trowbridge, both '02, Elmer B. Mason, ex-'02, Lawrence Mason, '04, Calhoun Mason, ex-'04, George C. Mason, ex-'07, and Frederic O. Mason, '09 (nephews), and Edward G. Mason, 2d, '26, William W. Miller, '28, and Barrett K. Mason and Mason Trowbridge, Jr., both '32 (grandnephews).

Chicago High School. Second prize in English composition Sophomore year, dissertation appointment Junior year; and editor of Yale Literary Magazine; member Linoma (second prize in debate in 1869 and first prize in 1870), Kappa Sigma Epsilon, Phi Theta Psi, Psi Upsilon, Skull and Bones, and Phi Beta Kappa.

Editorial writer with *Chicago Tribune* 1871-76, during that period studied law (1875-76) and was admitted to the bar in 1876; practiced law in Chicago for about six years, at first with firm of Mattocks & Mason (in which his brother, Edward G. Mason, '60, was a partner) and later as member of the firm of Mason Brothers with Edward G. Mason and Henry B. Mason, '70; subsequently practiced in Jacksonville, Fla., for a time and served as general counsel, vice-president, and land commissioner of Jacksonville, Tampa & Key West Railroad Company until 1889; from 1889 until his retirement in 1922 engaged in business in New York City; had been vice-president and a director of American Cotton Oil Company, managing director of Sprague, Duncan & Hutchinson, Ltd., consulting engineers, and of Sprague Electric Elevator Company, president of Vera Cruz & Pacific Railroad in Mexico (which he built) and of Cauca Railroad in Colombia; a founder of Provident Loan Society of New York; helped originate Chicago Sunday Lecture Society in 1874 and Illinois Free Trade League in 1876; author: *Primer of Political Economy* (1875; 13th edition 1914); a series of boys' books, *Tom Strong's Washington's Scout* (1911), *Tom Strong's Boy Captain* (1913), *Tom Strong's Junior* (1915), *Tom Strong's Third* (1916), and *Tom Strong's Lincoln's*

Scout (1919); A Duchess and Her Daughter (1929), and Horace Walpole's England (1930); translator and editor of VonHolst's Constitutional History of the United States (1876) and Constitutional Law of the United States (1887); contributor to Atlantic Monthly Century, and Fortnightly Review (London); **former president of Manhattan Single Tax Club** and former member National Civil Service Reform League.

Married (1) November 6, 1872, in New Haven, Mary Elizabeth, daughter of Rev. David Murdoch (B.A. Union 1845; honorary M.A. Yale 1852; D.D. Union 1867) and Julia (Porter) Murdoch. Children: Gladys (born and died same day); and Macdonell, ex-03 (died in 1927). Mrs. Mason died January 18, 1912. Married (2) April 7, 1914, in New York City, Mary Knight Wood, daughter of Horatio Gates and Mary Ann (Huntoon) Knight.

Death due to influenza. Buried in the English Cemetery, Florence.
Survived by wife.