

SINGLE TAX CATECHISM.

(For the Review.)

BY M. W. NORWALK.

QUES. 1 What is the Single Tax?

ANS. It is the name of a system for collecting revenue for the expenses of government—city, county, State and national, thereby—as its advocates claim—abolishing involuntary poverty and correcting most of the injustices humanity is suffering from. And while it is not a tax, it is collected the same as taxes are now collected.

QUES. 2 Why do you call it Single Tax?

ANS. Because it presupposes the abolition of all other taxes, on improvements in or on the land, buildings, personal property, income, inheritance, excise, tariff, etc., leaving the land rent only to be collected for needed revenues.

QUES. 3 Why should we abolish the tax on improvements such as houses, etc., when the owner is deriving an income from them?

ANS. For two reasons: (1) Because the producer of improvements, like the one that makes two blades of grass grow where there was only one, is a public benefactor and we ought not to fine him with a tax and thus discourage him. (2) Because no man has a just right to appropriate to himself the products of someone else, and as the government derives its just powers only from the consent of the governed, therefore the government has also no just right to appropriate to himself even the smallest part of the products of anyone's improvements by taxation or otherwise.

QUES. 4. Why not tax personal property?

ANS. Because no assessor can ascertain the amount without questioning the owner and, because in the end, it is only those who cannot or will not swear off, like the widow and orphans whose estate is known, and the very scrupulous who will pay the tax. It is therefore a tax on honesty.

QUES. 5. Why ought not a man who receives a large income or inheritance pay a tax?

ANS. If he derives his income from personal effort, from gifts or bequests, the government has no moral right to any part of it (see answer 2 to question 3); and if it is derived from a source where the government is justified in taxing it, then it will be collected by the Single Tax. Again when a man pays ground rent through the Single Tax, he already pays for all the benefits of government he enjoys.

QUES. 6. Will we not encourage inebriety if we will abolish the excise tax?

ANS. If the Government has a right, (which is a side issue in this inquiry) to prevent people from indulging to excess in any particular thing, then it has a right to prohibit the production or consumption of it, and if it

has a right to regulate it, then it may license the production or use of the article, charging a nominal fee to cover the cost of the licensing and regulating.

QUES. 7. Why abolish the Tariff.

ANS. (1) As a system of so-called protection to labor it is a farce and a lie, encouraging and building up monopolies and lowering the purchasing power of the people, as I have fully covered up the subject in a separate Catechism. (see July-August 1911 SINGLE TAX REVIEW). (2) The government has no moral right to tax or fine a man for buying, selling, or exchanging his products with whomsoever he pleases.

QUES. 8. How do you justify a tax on land values?

ANS. In several way: (1) In contradistinction to the price of articles produced by man, which is the cost of reproduction, since no one will pay for any article more than others are willing to reproduce it for, the price of land is governed entirely by the number of civilized people in its proximity, who are willing to give up a certain amount of their products for its possession. Therefore, the price of land being the product of the people it belongs to the whole people and should be taken for the maintainance of the people's Government. (2) Land values cannot be hidden from the assessor or sworn off, and there cannot therefore be any discrimination or favoritism in this tax. (3) In the price of land alone is reflected the quality and cost of good Government; the better schools, parks, streets, roads, fire and police protection, etc., the higher rises its price; therefore land values should be taken to defray the expense of government. (4) Everything produced from out of nature (land) where there is no special privilege, rightfully belongs to the producer or to him whom he willingly transfers his right; land (nature) not having been produced by any man cannot rightfully be owned by any man or set of men or even by the government itself. But, since civilization is impossible without exclusive possession of land, as no one will build or plant without being assured of such security in possession, the holder of the more valuable land ought to pay to everyone whom he excludes. But as this is impracticable, every one should pay the annual rental value of the land he possesses into the common treasury in the form of a tax, out of which fund Government should be maintained and the benefits of which all men should enjoy alike.

QUES. 9. Since you must have the vote of a majority of the people to adopt the Single Tax, then do you acknowledge that majorities have rights and can adopt any system of taxation?

ANS. No; majorities have rights only in things which belong to all the people, like the restoration of land values to the public treasury; but have no moral right to confiscate the smallest part of the wealth belonging to even the smallest minority.

QUES. 10. Is not land the wealth or part of the capital of the individual owner?

ANS. No; land is the passive factor in the production of wealth, labor being the active factor; capital is that part of the product which instead of being consumed is used to help in the production of more wealth.

QUES. 11. Since the owner of land has paid for it with his wealth, to produce which he had to work, are you not confiscating his just belongings when you take from him the rental values of the land he owns?

ANS. No; we are simply changing the system of taxation which was never presumed to be always the same, and what he loses as a land owner he gains as an owner of improvements and as a producer and consumer of wealth, which will not be taxed.

QUES. 12. Would not the Single Tax deprive the poor widow and orphans who may own vacant land of the only support they may have?

ANS. No; if land values belong in justice to the people, including all widows and orphans, then no particular widow or orphan has a right to appropriate these values. (2) Vacant land does not support any one, and if they wish to improve the land or work for someone who will, then the sooner the tax on industry is removed the easier it will be for them to make a living. (3) If the widow or orphans are crippled or sick, then they may be supported at the expense of the money collected from land values, to which they are equally entitled with the rest of humanity.

QUES. 13. Will not rent be increased to the tenant when the tax on land values is increased?

ANS. No; by increasing the tax on buildings you discourage the erection of buildings, and the competition between tenants raises the rent, but when you increase the tax on land it becomes unprofitable to hold land idle, and more and better buildings, now tax free, are erected to meet the demand. The rent is reduced to the lowest margin which competition between house owners will bring it to, and yet leave sufficient to encourage the building of more houses.

QUES. 14. Would not the price of articles produced from or on land be increased by the increase of the tax?

ANS. No; for by taking annually the rental value holders of productive land will be compelled to put it to the best use, and coming in competition with products of cheaper land and of land which pays no tax, no one will be able to corner the market, and products will be cheaper.

QUES. 15. Will not the price of labor be reduced if the prices of its products fall?

ANS. No; as no one will be able to hold for speculative purposes, millions of acres will be dropped by their present owners, much land will be free of taxes, and the price of labor will be that which it can produce individually or co-operatively on free land, plus that which the most ingenious employers, by competing among themselves, will be compelled to offer to induce labor to work for them instead of being its own boss.

QUES. 16. If you will take annually the full rental value land will have no selling price; how will you then ascertain this ground value?

ANS. By finding the difference of the income from any properly improved property in the vicinity and the income from any other investment allowing for superintendence and deterioration or taking the price people in

general are willing to pay annually for any part of a certain locality. We thus arrive at a clear idea of the rental value in the neighborhood.

QUES. 17. What do you mean when you speak of free land?

ANS. That land upon which with the expenditure of labor, skill and capital suited to it will not yield a margin above any other line of investment where the same amount is expended, or land of no special advantage, the like of which is plenty in the neighborhood for every one who may wish to take it. This is what political economists call "Natural Opportunities at the margin of cultivation;" such land has no rental value.

QUES. 18. Could not the people as a whole lose by a combination of capitalists to hold all the best land, and who, by using the best machinery could undersell and drive to the wall those who have little or no money to buy improved appliances?

ANS. No; if they should fence in all the best natural opportunities, whether they are going to work them or not, they would thus create an artificial scarcity; this would raise the annual rental value which they would have to pay into the public treasury; their funds would soon be exhausted and they would soon let go of the unused land. (2) If they should attempt to work the land they fenced in, they would have to call upon more working men, and tempt them away from their lucrative employment. The so-called capitalists would have to part with the greater share of the products of the improved machinery, and besides would have to meet the competition of the co-operative societies of workmen with combined capital and credit.

QUES. 19. What would you do with monopolies of public utilities; light, water supply, railroads, etc.?

ANS. We would first collect the full rental value of the franchise (which is no more than the exclusive right to the use of a long stretch of land for certain exclusive purposes) and if we should conclude that these services were enhancing the value of land the same as do parks, streets, etc., we would make these utilities public property, furnishing the service free and maintaining them from the land rent so increased.

QUES. 20. Why not have the people as a whole, through their government, own and operate all kinds of machinery and employ every citizen in a well organized industrial army?

ANS. Because, (1) It would be too stupendous and cumbersome an undertaking for any group of men to manage justly and economically. (2) It would require such a strong and all-prevailing discipline that individual initiative would be to a great extent destroyed; and (3) since the ownership by the people as a whole of the implements and machinery of general production will not increase the rental value of land, to which alone the common treasury is entitled, there would be no funds to procure the necessary machinery unless the producers are robbed (Ans. 2 to Ques. 3).

QUES. 21. What then are the proper functions of Government, and what are not?

ANS. For anything that cannot in its nature be produced or operated

by everyone in the community who has the means and inclination to do so a franchise is required; tunnels, lines of wires, pipes or rails, etc. must be used in, beneath or above the ground, and these services are proper subjects for governmental supervision, ownership and operation; all other kinds of service are properly subjects of private initiative and competition. If groups of persons mutually and voluntarily agree to produce or consume, render services or exchange in co-operation, then of course they can govern themselves accordingly.

QUES. 22. You must admit that all government service has to be paid for with products collected from the producers. Does it not follow that even under the Single Tax System you must rob the producer of part of his product to maintain the Government?

ANS. No; a man is only entitled to what he produces on and out of land the like of which anyone who wishes can obtain freely; but the surplus product that can be produced on better land, or those products which men are willing to part with for the privilege of possessing it, does not belong to the possessor, and should be divided between all privileged and non-privileged in the form of governmental benefits.

QUES. 23. How will the Single Tax abolish involuntary poverty?

ANS. Since all wealth is produced by labor from land, and since the Single Tax will bring about a condition where everyone who is willing to work may get free land below or at the margin of cultivation, and will enjoy all the benefits of civilized government without having to be taxed for it, directly or indirectly (as government will be maintained with the wealth collected from those using opportunities above the margin), then the slowest and most unskilled workmen will have not only that which he will produce on and from free natural opportunities, but also plus that which the most ingenious captains of industry and well organized co-operative societies with the best machinery, will have to offer him in competing for his services. (Ans. 15.)

QUES. 24. How will it correct most of the injustices humanity is suffering from?

ANS. As there will be no special privilege granted to anyone and all will enjoy equal rights, there will be no reason for class hatred, cheating or stealing, because with a few hours of work a day and with the increase of inventions brought into general use by free competition, everyone will enjoy the education, comfort and leisure which even the richest cannot dream of at present.

QUES. 25. How will the Single Tax stop strikes, lockouts, blacklists, and boycotts?

ANS. By eliminating the landowner's exactions and freeing industry from taxation, capital and labor, the natural allies in the production of wealth, will peacefully produce and divide among themselves the proceeds at the margin of cultivation, each one receiving his just share, since neither capital nor labor will engage in production otherwise, and thus equitable distribution will result.

QUES. 26. How do you justify profit to the employer of labor or to the middleman and merchant, or interest to capital?

ANS. The word profit has no meaning in political economy since every work performed is entered upon with the intention to profit. Interest paid for wealth used in the production of other wealth (Capital) is justified by the following reasons: Since it increases the efficiency of labor's work on nature it is entitled to a part of the increase. (2) Capital being the stored up energy of labor and land have the potentiality of increasing without further labor, as in cases of wines, etc. It must be given its share of the proceeds for the "interest" it takes in the enterprise, and (3) the participation of capital in the profits in which it is invested is wages paid to labor which produced it. As to the middleman, there is no middleman. Each worker in the long line of production is a producer, whether he makes the tools for plowing, or himself plows, sows, reaps, transfers, bakes, or keeps in store ready for the consumer, thus saving the latter's time and allowing him to work at his own vocation. Everyone who renders service in the ramification of production is a producer.

QUES. 27 Would the Single Tax perpetuate the present competitive system which is responsible for so much misery?

ANS. At the present time we have a one-sided competition where the landless and jobless employes are competing for work. The Single Tax will bring about competition between employers who will offer more and more to tempt the workmen to go to work for them.

QUES. 28. Will the Single Tax raise enough revenue for all necessary expenses of city, county, State and national governments?

ANS. Government becomes necessary only when civilized people settle in one place and then land has a price which increases with the increase of population, which latter in turn necessitates a more complicated and more expensive government. In other words, it is as if a Superior Wisdom has provided a fund for the maintenance of necessary government, both increasing and decreasing in the same ratio.

QUES. 29. State a concrete example?

ANS. At the present people would not like to live where there is not enough police protection and the more efficient the service, the higher the price of the land. But when the Single Tax is inaugurated, the government will cease to set the bad example of legalizing robbery of the citizen, giving flimsy excuses that it must have revenue, and everyone will be able to make a good living with comparatively a few hours of work. Crime will diminish or disappear and police service, jails and penitentiaries will be almost unnecessary; their maintenance will not enhance the price of land, consequently this fund will dwindle to almost nothing. The same is true of the maintenance of Armies and Navies when tariffs, which are silent warfare, are abolished and special privileges and concessions granted to no one, there will be no incentive for war; each nation will live in peace on its own land, developing its best traits and characteristics; every international question will be settled in the Parliament of nations. Armies and navies will be the horrible night-

mare of the past and there will be no fund in the price of land to maintain them.

QUES. 30. How will you bring about the adoption of the Single Tax?

ANS. By the gradual removal of taxes from personal property, imports, etc., and by increasing the tax on land values until no other tax is left and all land values are absorbed and expended for the benefit of the people.

QUES. 31. Why not adopt it at once?

ANS. (1) Because the people are not ready to grasp the whole truth of the Single Tax after they have been accustomed for centuries to tax industry. (2) While it is just to restore to the community the rental value of natural opportunities, nevertheless since the latter has so long acquiesced in the appropriation of these values by private individuals, it is fair to give warning and ample time to the present owners to adjust their affairs to the new conditions that are coming.

AN AGE-OLD PROBLEM.

**Extracts from an Address delivered at the Country Life Congress at Omaha,
January 11th, 1912, by Frank G. Odell, Secretary
Nebraska Rural Life Commission.**

There is a problem as old as human society; ingrown into the hereditary selfishness of men until it has been the bane of every civilization since time began. It is existent in every civilized country today, even in America. This problem is complex, for it touches every phase of human development; its prime factors are necessity, multiplied by greed, and their product is expressed in the literal statement:—"Pay Rent, or Get Off The Earth."

It may be well enough for those of altruistic trend to philosophize over the abstract principles of human brotherhood and declaim that "every man has a natural birthright to the soil;"—their altruism hunts a hiding place when the landlord comes round on the first of the month. Let us recognize the economic tendency of land toward monopolistic control. This may not be inherent in land itself; in fact, I should seriously combat such a statement. I am still, philosophically speaking, of the opinion that God made the earth with all its riches for men to enter into possession of in order that humanity might feed upon the fruits of their labors; but, most unfortunately for this philosophy, the world agrees not with such thinking, holding most stoutly to the practical opinion, very practically expressed in laws and possession, that while God may have been able to create a world, He did not fully understand the proper uses of it.

This tendency toward monopoly in land has been dominant in every age; it is manifestly predominant in human nature as expressed in our social development. If I read history aright it has been the crucial center of every