

POVERTY AND THE SINGLETAX.

Second Part of Address of Louis F. Post, Editor of
The Public, Before the Thirty-ninth National
Conference of Charities and Correction of
the United States, at Cleveland, Ohio,
June 17, 1912, on "Distribution of
Industry in Relation to Con-
gestion, Rent, Taxes."*

In considering the question of continual monopolization of the mechanism of modern industry, our greatest difficulty comes from assumptions that this universal and unified mechanism is artificial. But wholly artificial it in fact is not. This universal and indispensable subsistence factory of the civilized world is not wholly produced nor wholly repaired nor wholly renewed by workers, either in the sense of a personal class or of economic interests. Nor yet by its owners. Its roof to the zenith, its foundations to the center of the planet, and all the forces of nature that play between, are supplied continually from sources independent of human initiative and energy. This is no news of course; but I am not trying to bring you news. I am here to urge reflection upon familiar facts. If the workers of the world have to bid for a place in the world's workshop, bid in cut-throat competition against one another, because monopoly interests control it and workers must get access to it or become objects of charity—if that be true, then the primary reason must be not that its *artificial* equipment is monopolized, but that the *natural* foundation and walls of the workshop itself, and its equipment of *natural* forces, are monopolized and monopolized continuously. The master key to present problems of industrial distribution is recognition of the supreme industrial power of planet monopoly.

It does not follow, though, that charity organizations should enter upon a crusade for the abolition of land titles. They will have done their share in that respect if they subject the land monopolization principle to systematic and intelligent scrutiny; and then, if they find it operating unrighteously in the distribution of industry, by candidly saying so. Could less be asked of any organization of self-respecting citizens?

As to the rest, it is all a matter of method—of righteous expediency with reference to time, place and circumstances. Those for whom I may speak with some measure of authority believe that there is a righteous and practicable and peaceable way of abolishing monopoly of the planet with reasonable rapidity. They believe it can be done without substantial injury to anyone. They believe it can be done without prejudice to any conventional right that is not a continuing and blighting wrong. They believe

it can be done without attempting the hazardous experiment or arbitrarily readjusting intricate industrial relationships. They believe it can be done in strict conformity to the historical trend of social evolution. In the way they propose, they believe that the interlaced industrial mechanism of the world would progressively and speedily become a closed shop against monopoly and for industry an open and fair one—and this altogether without class conflicts either political or "direct," but through normal development of enlightened self-interest and the expansion of higher ideals of industrial life.

If that method were tried and should realize those expectations, there would no longer be an overplus of labor, reducing wages to the subsistence minimum and driving workers into unnecessarily hazardous service. The charity problem in all its aspects would consequently solve itself. Nor would the efficacy of the method be completely suspended pending its complete application. Its results would be realized progressively in a degree corresponding to that in which the method itself was allowed to progress. Nor yet is the method at all arbitrary or in any wise divorced from the facts of the situation. It takes into account still another of the large and plainly observable facts of modern life, and adapting to it a further fact, brings the two to bear co-operatively upon the purpose to be achieved.

Of this order of large and obvious facts, I have already marshalled four. First we had the fact that poverty is especially characteristic of the working class. Next we had the correlative and explanatory fact that abundance of the products of work is especially characteristic of aristocratic leisure. Our third was the world's monopolized subsistence machinery. The fourth accounted for that monopolization by monopoly of the planet and its surrounding space. If, now, we consider this basic monopoly commercially, in a civilization wherein feudal status with reference to planetary proprietorships has given way to capitalistic contract—landlordism to land-capitalism—we shall observe a fifth great fact.

Differential advantages of location possess in the market differential commercial values. They vary from zero where work is hard and its results scanty, to high figures where the results relatively to the work are abundant. In New York City, for instance, the aggregate of planetary location-values is twice the aggregate of the value of all the buildings. Translated into terms of area, the location-values of that city would be equivalent to a path of \$100-an-acre farming land more than two miles wide around the globe at the equator, through all the continents and across all the seas. And these commercial values of location, already enormous, as that single example suggests, rise as improvements enhance the productivity of work and the possible comforts of life. Not uncom-

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monly they rise in mere expectation of improvement. If I do not make this clear, any real estate dealer will, if you put the point to him as a question of investment. Have you never heard of confidence in the future of this or that locality, as an inducement to invest? Invest in what? Not in the artificial mechanism of the industrial system, nor in any of its products, but in a foothold on its natural foundations in that locality—in a title, that is, to some share of planet monopoly.

Differential commercial values of planetary locations is the fact alluded to by the word "rent", in the title of this discussion. Not house rent, for houses being products of work there is necessarily a categorical difference between what is paid for them and what is paid for the use of the planet. Planet rent includes rent for the site of an office building, for instance; royalties on mineral deposits; excessive rates for monopolized transportation; premiums for location on the earth, in the earth, or over the earth. In Cleveland a few years ago a large sum of money was paid by the city for mere permission to swing a viaduct draw over low land in the Cuyahoga Valley, through some man's air. That was "rent," planetary rent. "Rent" does not mean periodical payments alone. It means also the selling price of land, of air, of space, of location—which is potential ground rent capitalized. Every form of income that is for the monopoly in any degree of natural resources, and every capitalization of such income (be the income actual or potential), is "rent"—no matter what its other name may be. Incomes from railway stocks are seldom thought of as planetary "rent," yet that is what for the most part they really are. The fact that they are represented on the market by stock certificates instead of title deeds makes no difference. Think you that any part of the anthracite coal deposit of Pennsylvania loses its character as land, because the planetary titles to 60 per cent of it are represented by Reading railway stock? When you use the term in the discriminative economic sense, "rent" refers to one of the large and highly significant facts of modern industry. Its function in industrial distribution is to distinguish the social surplus from the shares of individuals for their work. In the world's workshop industry proceeds under varying advantages of planetary opportunity socialized. The differential values of those opportunities constitute a social surplus. This surplus—though it be called "rent," or whatever other name it may take—represents the advantages of social opportunities for industry in contradistinction to individual services in industry. Though every worker got his full proportion of all he individually helps to produce, this perennial surplus of production would exist, because differences of desirability in working opportunities exist.

But the social surplus is not now distributed socially. It is distributed among monopolists of

the world's workshop in proportion to the industrial desirability and scarcity of their respective monopoly holdings. In other words, it goes as planetary rent to planet owners.

Another important consideration is that rent, this social surplus of industry, increases with industrial improvement and in expectation of industrial improvement. That statement needs no other proof than any one can give from his own experience or observation. If any of you had a "sure tip" that a vast improvement was about to begin at your home town, one that would increase the local population in a year by those "leaps and bounds" by which we describe progress when other expressions fail us, wouldn't you wish to invest? But invest in what? In the improvements? You wouldn't have money enough left for that after you had cornered all the local building lots you could. This planetary investment tendency is everywhere. With frequent fluctuations as to time and place, but on the whole constant, investment flows heavily toward monopoly of location, and thereby the industrial future is mortgaged. Not only are needed localities monopolized as needed, but they are monopolized in advance and held out of use for exorbitant prices. Nearly a third of the site of crowded Chicago, for instance, is vacant; and a good deal of the rest isn't much better.

Such a tendency can have but one effect on the working classes of the world—its working interests, if you prefer "interests" to "classes" as I do. It is a tendency that must make access to the world's workshop increasingly difficult, that must make the volume of disemployed labor increasingly great, and that must therefore make underbidding for work increasingly keen, and the necessity for charitable relief more and ever more pressing.

Incidentally, the same investment tendency causes those harrowing congestions of population which, like the poverty and the crime that fester there, are characteristic of working life. We cannot have wholesome distributions of population any more than we can have righteous distributions of industry and its products, so long as the natural foundations and the natural equipment of the world's intricate mechanism of labor and life are monopolized.

All this would be obvious enough if a non-working class held the planet under feudal custom. But methods make no difference. The principle and its effects upon industry are precisely the same when non-working economic interests exploit industry by contract with reference to planetary rent, as they would be if a feudal class did it under the power of status.

Shall we try, then, to abolish planetary rent? It were better, I reckon, to practice first on something easy—abolition, for instance, of gravitation. But if we could, why should we? Normally, planetary rent operates in behalf of equal pay for equal work, regardless of the differential advantages of

working opportunity where the work is done. Normally it turns the differential rents of different working opportunities into a social rent fund. Rent is not an evil to be abolished, but our social misuse of it is an evil. We distribute this common fund unfairly, and so as to encourage monopolization of the planet and gambling in its social values. Thus we feed that "parasite of normal industrial interests become abnormal which take without giving," thus we breed poverty and all its concomitants. Reverse that process. Recognize the rent fund as the social surplus it is, and use it accordingly for social purposes, leaving the work fund to workers as they earn it and free of all exactions. Do that, and instead of starving industry as we do now, we shall starve our industrial parasite.

To begin doing this involves no difficulties whatever, except such as the righteous but slow of thought and the unrighteous but alert, may thrust in the way. In itself it is a simple matter. We have only to continue levying taxes as now on land according to its commercial value (regardless of whether used or not, and regardless of how well or how poorly used), but at the same time to begin a policy of exempting all industry from taxation. The governmental machinery for this exists now and is in operation everywhere. Nothing is necessary but to begin exempting what ought not to be taxed. The rest will then be automatic—a mere matter of keeping on.

While taxation has at first the sound of a far cry, it is in fact related closely to our whole subject. Taxation should not be a levying of private contributions for public use. It should be a public taking over of common funds. No better brief statement of the matter could be asked for than one by Joseph Fels in the Daily Herald (the Labor daily of London) in its issue of May 10, 1912. "In the last analysis," says Mr. Fels, "we must either tax Labor values or Monopoly values. That is the question we have got to face, and I suggest that such taxes should be levied on Monopoly values." Mr. Fels continues:

Wealth goes down through two main channels, wages to Labor and rent to the owners of Land. We must either take our taxes out of the one or the other. The taxation of land values will put a period to land speculation; make it easy for industry to have access to its natural reservoir; create a demand for Labor and raise wages naturally. This to my mind is the genuine direction to go for the solution of the poverty problem.

Mr. Fels implies that we need not adopt this method all at once. Personally, I would adopt it all at once if I could, and I am sure that he would. But if there were no other reasons against this, the fact that the opposition is as yet too strong would be reason enough. The time is ripening, however, for advances in the direction of lifting the burdens of taxation from industrial pro-

cesses and placing them on planet values; and one of the advantages of the method he and I advocate, along with rapidly growing groups and a still more rapidly growing general sentiment in every community, is that every advance in that method is a distinct improvement, not only in the readjustment of the distributions of industry but also in taxation simply as taxation.

For that assertion we have the testimony of experience. Beginning in New Zealand some 20 years ago, and taken up soon afterward in crude fashion by the Germans in China, experiments in various forms—some not so good as others and none of them far enough advanced to emphasize their efficiency in readjusting industrial distribution, except suggestively—have been made or officially set on foot in many countries. Nearly 100 taxing localities in New Zealand are operating now under this method of taxation. Several of the States of Australia have adopted it. Its vital principle has crept into the fiscal plans of hundreds of cities in Germany and even into the budget of the Empire. Great Britain introduced it for Imperial purposes through the Lloyd George budget of 1909, and is now on the point of allowing it for rating purposes, that is, for local taxation. Vancouver was probably the first to adopt it in purest form; and all the other important cities of British Columbia have followed Vancouver's example, as it is now understood that British Columbia as a Province will do at the next session of the legislature. Coming eastward through Canada, the movement for this method of taxation has reached the Atlantic coast, affecting many localities on the way but principally those of the Canadian middle west. Although not yet adopted anywhere in the United States, its agitation here meets with favorable and growing responses in many places. In its most radical form it polled in Seattle 13,000 votes out of 40,000 this year, though Seattle is a city that worships at the shrine of land speculation and all the land speculators were against it. In Missouri and in Oregon, with the support of public-spirited citizens there who are impressed with its value simply as a method of abolishing the exasperating policies of taxation that now prevail, Constitutional amendments providing for it are to be voted on next fall. Whether these experiments and proposals, or any like them yet to come, shall go further in the direction of abrogating planet monopoly and its concomitant industrial evils, will depend no doubt upon whether they commend themselves in practice to public approval. That they have done this so far is the testimony in every place where they have been tried. In New Zealand the experiment has not been abandoned except in two or three instances, and in those only for peculiar local reasons. In Vancouver and the other cities of British Columbia it has proved to be so successful and consequently popular that although the experi-

ments there are among the most advanced, the adversaries of this policy elsewhere are forced to pretend that those experiments are "not the real thing."

It has been objected that this method of taxation is an entering wedge for the abolition of planet monopoly. But the objection confesses its value as an entering wedge for that purpose. And isn't that purpose desirable? Planet monopoly ought to be abolished. To what good end or by what moral right shall monopoly of the planet be perpetuated? Nobody can defend it without moral stultification. To defend planet monopoly is to align oneself with those historical enemies of orderly society of which some of the Dukes of Great Britain are survivals and to whom Thorold Rogers alluded when he wrote of liberty and property, that these "two conditions of social order have been invoked as names by those who know nothing of any liberty but their own privilege to do wrong, and no property but that which custom has allowed them to appropriate and fence."

If in the milder applications of the principle of exempting industry and taxing land values alone, its feasibility for starving the industrial cancer of planet monopoly should be indicated, who will oppose expanding the experiment? Shall any one complain because he or his, forsooth, may therefore lose an unearned income? It would be an insult to any man's honesty as well as his civic intelligence to assume that he could wish to have the continuous stream of industrial products divided otherwise than in proportion to earnings—to earnings adjusted under full freedom of every one to do work and to make working contracts in an unglutted labor market. I assume that nobody here would tolerate in his conscience the notion that a system of privileges, however ancient in its origin, should be permitted to take from the producers of today any part of their fair share in the production of today, in order to give to privileged ones shares they do not earn or shares that are larger than they earn.

Of course it is not for me to say whether the views I offer should be adopted. You may think them faulty. If you do, it is your duty no less than your right to look for something better. I ask nothing of you except that you yield to your own best impulses under the counsel of your own best thought. My appeal is not to any one's self interest, but to every one's chivalry, to their citizenship, to their sense of brotherhood, to their honesty, to their passion for the right, to their moral courage if courage be needed. Let me ask your special heed, however, to these words from Henry George, of whose teachings this address throughout has been but an echo. Referring to the central truth of his philosophy as expounded in "Progress and Poverty," he writes: "It shows that the evils arising from the unjust and unequal distribution of wealth, which are becoming

more and more apparent as modern civilization goes on, are not incidents of progress, but tendencies which must bring progress to a halt; that they will not cure themselves, but, on the contrary, must, unless their cause is removed, grow greater and greater, until they sweep us back into barbarism by the road every previous civilization has trod." "But it also shows," Henry George continues, "that these evils are not imposed by natural laws; that they spring solely from social maladjustments which ignore natural laws, and that in removing their cause we shall be giving an enormous impetus to progress. The poverty which in the midst of abundance pinches and imbrutes men, and all the manifold evils which flow from it, spring from a denial of justice. In permitting the monopolization of the opportunities which nature freely offers to all, we have ignored the fundamental law."

Speaking for yourselves and to yourselves, my fellow citizens of this fair but monopolized land, of this wealth-producing but poverty-breeding world, what say *you*? Shall you keep on ignoring that fundamental law?

BOOKS

OUR STORE HOUSE.

Memory; How to Develop, Train and Use It. By William Walker Atkinson. L. N. Fowler & Company, London. The Elizabeth Towne Co., Holyoke, Mass. Price, \$1.00.

Among the many memory culture systems there appears to be nothing more simple and practical than Mr. Atkinson's recent addition to the list. While it embraces the vital points of other systems they are applied in a practical common-sense way which appeals at once to the understanding of the student who sees a reason in what he has hitherto regarded as arbitrary laws.

Mr. Atkinson's theory is that the subconscious region of the mind records all impressions made upon it and will yield up its classified facts on demand when we have learned the scientific method of producing and recollecting the stored up knowledge which is never lost to us. "The memory region may be thought of as a great record file with a system of indexes and office boys whose business it is to file away the records, to index them and to find them when wanted."

It appears to be our own fault if the office boys of memory fail to respond with alacrity to our call for needed facts, since we must have failed to impress them with the vital duty of attention to the data committed to their charge for instant reference and service.

Interest—attention—practice and review are the important points which our memory teacher