

## THE POLICY THAT SUCCEEDS

By Louis F. Post

(Letter from Louis F. Post (2513 Twelfth Street, N.W., Washington, D.C.) to James R. Brown, President, Manhattan Single Tax Club (226 West 47th Street, New York City), 22nd December, 1922)

Kindly allow me, through the efficient organization of which you are president, to address those of my friends in the United States and Canada who, like myself, have long been attached to the Single-tax movement.

Some of them doubtless know that this movement got its first impulse from the impressive literary quality of *PROGRESS AND POVERTY*, a phase of it, however, that was soon obscured by the Labour-Party phase which began with Henry George's campaign for Mayor of New York in 1886. The benefits of that contest lay, it should be remembered, in the publicity it gave to the principles of the movement, no value whatever attaching to its political-party feature.

To Henry George this outcome seemed so probable at the time that he strongly advised against a party organization. The result of ignoring his advice was unfortunate. A meagre vote throughout the State of New York in 1887 discredited the favourable vote in New York City of the year before; and to cap that discouraging climax a farcical campaign for President of the United States in 1888 brought the Labour-Party phase to an end.

But the movement continued. No vital movement ever dies. Though malignant antagonists misrepresent and denounce it, though thoughtless protagonists subject it to ridicule, a movement into which the breath of life has once been breathed lives on. This is the kind of movement ours has shown itself to be.

When the Labour-Party phase of it ended, a new phase appeared. The new phase harmonized, as the other had not, with the broad purpose and progressive method which Henry George from the beginning advised. The first Single-tax phase distinctively was developed in 1889 under the leadership of William T. Croasdale, with the encouragement, advice and assistance of Henry George, Thomas G. Shearman and Tom L. Johnson; and in 1890 it expressed itself nationally through a widely representative Conference at Cooper Union, New York City.

Since the World War, however, our movement appears to have set out upon a vigorous revival of the fiscal policy of the Croasdale period. Inspired by the principles and guided by the programme proposed by the Single-tax Conference of 1890, which were formulated by George, Shearman, Johnson and Croasdale, it seems now to be winning in public sentiment a place more extensive and secure than any it has hitherto held. To appreciate those principles and that programme, one must recur to their origin in *PROGRESS AND POVERTY*.

When in that inspiring book Henry George had declared and justified his ultimate purpose, he proposed a fiscal method for its realization progressively.

According to his fundamental contention, human industry and natural resources are the primary requisites for every kind and state of human development, individual and social, including all phases and degrees of business activities, every other requisite being secondary and derivable only from those two. When, for instance, a loaf of bread is analyzed, every process of producing it—raw materials, machines, factories, railways, stores—proves to be fundamentally only an application of human industry to natural resources. From this irrefutable premise, George argued that the custom of monopolizing natural resources operates, in greater or less degree according to the completeness of the monopoly, to subjugate the human factor in industry.

Yet he did not advocate government ownership of natural resources. What he advocated was fair annual

compensation from the owners of those resources to the public for the market value which their holdings derive annually from the social service of the community in which they lie—this compensation to be measured by the market value of the holdings respectively.

In the course of his argument he showed, what no one can convincingly dispute, that the community, by its growth, its governmental protection, its public service of different useful kinds, endows privileges of land-owning with varying market values which continue and increase with the progress of the community, and which in fairness ought to go to its support. While, therefore, he did not advocate eviction of landowners, nor compensation from them for any public benefits they had enjoyed in the past, he did advocate compensation from them annually for public benefits in the future. And inasmuch as they are now required to make such compensation in slight degree through inadequate taxation of land values, he proposed to abolish all taxes on improvements and other industrial products until land value taxes had risen to the level of full compensation by landowners annually for the market values which the community annually gives to their holdings.

But while he advocated full taxation of annual land values, he did not expect to reach that limit at a bound. On the contrary, his practical proposal was to "abolish all taxation save that upon land values" by progressive stages.

Though George would doubtless have shifted taxes to land values all at once had he been able to do so, he knew as a student of statesmanship that he was not able and that none of his followers would be. In Chapter XIX. of *SOCIAL PROBLEMS* he urged the abolition of all other forms of taxation "until the weight of taxation rests upon the value of land irrespective of improvements." In the next to the last chapter of *PROTECTION OR FREE TRADE* he explicitly advocated the progressive substitution of land-value taxation by abolishing other taxes, "one after another." At the famous Single-tax discussion of 1890 at Saratoga he gave special emphasis to this view by declaring that the change he proposed could come only "step by step." That those expressions were not after-thoughts is a reasonable inference from the phrasing with which he had already introduced his Single-tax proposal in Chapter II., Book VIII., of *PROGRESS AND POVERTY*, where he based it upon his expectation that the tax on land values must necessarily be increased "as we abolish other taxes."

Upon that progressive policy the distinctive Single-tax movement began. There can be no mistake about it. The original Single-tax platform was specific in its declaration. Its adoption at the Cooper Union Single Tax Conference of 1890 was deliberate. Formulated by Henry George himself and recommended by a committee of which he was chairman and Tom L. Johnson and James G. Maguire were members, it was considered with care by the committee and adopted unanimously by the Conference. The policy recommended by that platform was a progressive step-at-a-time policy. Its second clause demanded "increase of present taxes on land values until all public revenues are drawn from that source"; its first clause called for "abolition, one after another, of all existing taxes other than taxes on land values."

Looking over the history of our movement and at its different phases in the past forty years, one may see with increasing clarity that Henry George's original proposal, adopted by the Single Tax Conference of 1890, was wise. It is wise to-day. In form it harmonizes with prevailing fiscal customs, which is a manifest advantage. It finds favour for itself in the growing tendency toward separate valuations, for taxation purposes, of the two radically different constituents of improved real estate—the improvements and the land. Its wisdom is further demonstrated by the fact that every impulsive deviation from it, of which there have been several, has lowered the vitality and

checked the progress of the movement. It is still further demonstrated by the contrasting fact that to this policy all our practical progress is due.

When Pittsburgh exempts real estate improvements at the rate of 10 per cent. triennially to a maximum of one half, she thereby and to that extent shifts public-revenue obligations from values individually earned to values added to building sites by the benefits of public service. When thousands of home-owners in Toronto set on foot a local movement (temporarily frustrated by special interests through legal technicalities but evidently popular) to reduce taxation on improvements, incomes and business at the rate of 10 per cent. a year for nine years, and thereafter to zero, they also adopt Henry George's proposal for practical progress. So also of the various progressive steps in Australia and New Zealand. Of those in Western Canada, too, which building-site gamblers, assisted by faithless officials, have temporarily checked. The same wise policy has written our progressive programme into the tax laws of Denmark. Thus the start has been made, and, as Henry George observed in the "Practical Politics" chapter of PROTECTION OR FREE TRADE, "when a start is once made in a right direction, progress is a mere matter of keeping on." It might be added—in harmony, too, with frequent expressions of his—that every step in a right direction gives to a movement like ours a momentum which makes every succeeding step easier.

Common sense advises, and experience confirms the advice, that, in harmony with the formulation of policy by the Single Tax Conference Committee of which Henry George was chairman, the immediate objective of our movement should be reform of unfair systems of taxation.

"Enforced contributions," as fiscal experts naively call customary taxes, have the essential characteristics of onfiscation; for, as the same experts admit, these enforced contributions are exacted irrespective of benefits. Such methods of raising public revenues are condemned by every test of fair dealing. They have no better explanation than that of being survivals of the customs of conquerors who levied tribute upon the conquered, nor any better defence than the plea that substituted methods would also be unfair. The plea is baseless. Adequate and equitable public revenues are available in every community—revenues which the public itself earns by public service. These revenues might easily and fairly be taxed for public use. They are renewed every year, rising with advance and falling with declines in social benefits. They consist simply of the familiar market values which attach to natural resources as social growth and public service enhance their desirability. Every real estate speculator is familiar with them. For the most part they go now into private purses. To levy upon them for the public purse would not be confiscatory, would not be to make enforced contributions irrespective of benefits, but would be to exact compensation for public service.

By advocating this method of raising public revenues, advocating it for what it is—a shifting of the burden of taxes from those of us who get no marketable benefits from public service to those who profit from public service in the values it gives to natural resources,—our movement, while performing a useful task little by little as it advances, may glide to its own distant goal on a rising tide of progressive public opinion.

This policy having long seemed to me to offer the true, the effective guide for the Single-tax movement, and seeming to me now to be the probable policy of the movement for the immediate future, I shall be glad to hear from Single-taxers in the United States and Canada whose views are similar to mine in those particulars.

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## "COLLECTED (NOT TAXED)"

In a letter to the TOWN CRIER, Birmingham, 29th March, Dr. R. Dunstan (Labour candidate for Moseley, Birmingham, at the General Election, 1922), in reply to a question put to him by Mr. Chapman Wright, Secretary of the Midland Land Values League, writes:—

"It is because I object to use the word 'tax' in connection with the land. The economic value of the land has been created by the community, and should be collected (not taxed) by the community for use in communal services.

"The rating and taxing of land values was a Liberal capitalist movement, using and prostituting the teachings of Henry George and ending, as it deserved to end, in failure under Mr. Lloyd George's leadership."

Dr. Dunstan is an innocent, though he really ought to know by this time what Henry George taught. In connection with this outburst the TOWN CRIER in another column reports that: "It was something of a novelty to hear the famous Land Song sung in Birmingham Town Hall as a prelude to Dr. Dunstan's address on the land question." It is not stated how the Dr. looked when the audience sang "Make them pay their taxes for the land, we'll risk the rest." Perhaps he has already arranged to have the word "rent" substituted for "taxes" at the next Birmingham rendering of the song.

Dr. Dunstan is quite within his rights in denouncing the Land Values Taxation, but he only makes himself ridiculous when he declares the policy to be a prostitution of Henry George's teaching. The merest tyro in the Henry George movement knows better.

Here are Henry George's own words on the subject: "What I therefore propose . . . is to appropriate rent by taxation. . . . Now inasmuch as the taxation of rent, or land values, must necessarily be increased just as we abolish other taxes, we may put the proposition into practical form by proposing to abolish all taxation save that upon land values."—PROGRESS AND POVERTY, Book VIII., Chapter II.

Henry George was first in giving the name Taxation of Land Values to the movement and for the obvious reason that "with the current we may glide fast and far. Against it is hard pulling and slow progress."

The manner in which Mr. Lloyd George and the Liberal capitalist movement handled the policy fourteen years ago has no more to do with the merits of the case for Taxing Land Values than Mr. Philip Snowden's Bill for land purchase and public ownership has to do with Dr. Dunstan's peculiar notion of collecting the rent of land without reference to the word "tax"; yet Mr. Snowden is a co-worker, if not a leader of the Dr.'s, in the Labour party.

Henry George's followers have not the making of political parties. They must make the best of a "bad lot"; and Dr. Dunstan should reflect that it is ever a bad habit for people who live in glass houses to throw stones.

A site of three acres on the Wilbraham Road estate is to be transferred from the Housing Committee of Manchester to the Education Committee for a school, at a price of £500 an acre. Including paying charges, the total cost will be about £1,200 an acre. This estate, consisting of 196 acres in a rural area of Manchester, was purchased by the Corporation for a housing scheme at a price which worked out at £416 an acre. The land had previously been let to a farmer at £2 10s. and bore a rateable value of about 29s. an acre.

The ground-rents of shops (Regent Street, London) which in 1822 were fixed by the Crown at 10s. 6d. per week have now risen in this area to over £250 a year. Thus the increased shopping value of a century is measured. —THE STAR, 20th April.