

# Saving Communities

by promoting freedom, equality and prosperity

## Direct Tax Implications

## Demographics of the African American Community

## Homeowner Exemptions

## Sales and Income Taxes

## The Ghetto Effect

## Property Tax vs. Land Value Tax

## Slumlording and Speculation

## Rental Housing

## Assessment Reform

## Economic Development Schemes

## Delinquencies, Foreclosure and Abandonment

## Deeper Issues

## Discrimination

## Affirmative Action

## Land and Tax Issues for the African American Community

by Dan Sullivan, director  
September 9, 1998

Topics

In the final analysis, the right-wing slogans on 'government control' and "creeping socialism" are as meaningless and adolescent as the Chinese Red Guard slogans against 'bourgeois revisionism.' An intelligent approach to the problems of poverty and racism will cause us to see the words of the Psalmist -- "The earth is the Lord's and the fullness thereof" -- are still a judgment upon our use and abuse of the wealth and resources with which we have been endowed.

-- A Testament of Hope:  
The Essential Speeches and Writings  
of Martin Luther King Jr: pp 629-630

This is a sketch of our past findings about the impact of various local taxes on the African-American community. It is followed by deeper observations about how tax policy affects the relationship between land tenure and race. It addresses the question of "fairness," not just in terms of who pays more and who pays less, but also in terms of fundamental, classical-liberal principles of what taxes are for and who rightly should pay. Although conservatives and libertarians have declared themselves to be following the principles of classical liberals, you will see that they are substantially at odds with those principles in regard to what constitutes a fair tax. Indeed, by the very principles that conservatives claim to espouse, they are paying far too small a share of the taxes, while poorer people, and especially poorer minorities, are paying too large a share.

This paper is focused on the African American community because it is the most significant minority population in Pennsylvania, where our organization is best established. It is likely, however, that similar patterns apply to other poor minorities, including Hispanics in places where their ancestors had predated those of the dominant racial group.

IntegrationWelfare and  
Poverty  
ProgramsWinston  
Churchill on  
WelfareReparations

It is also worth noting that, although some of the analysis in this paper is radical (fundamental), our proposals are neither militant nor extreme. Extreme measures often treat symptoms without addressing root problems. The proposals in this paper are so modest that they are seen as innocuous, yet the principles of justice underlying them have far-reaching implications. That will be discussed at greater length later in this paper. Our first task is to look at the direct impact of various local tax policies on the African American community.

**Direct Tax Implications**SlaveryMark Twain:  
"Better" Than  
Chattel SlaveryThaddeus  
Stevens: 40  
Acres and a MuleAbraham  
Lincoln: Hold No  
More Land Than  
You UseThomas  
Jefferson: Land  
Monopoly  
Violates Natural  
RightRousseau: Land  
Titles Root of  
OppressionRalph Waldo  
Emerson:  
Landlessness  
Invalidates TitlesTolstoy: Land  
Monopoly as  
Wrong as  
Slavery**Demographics of the African American Community**

At all levels of government, census data indicates that African Americans have a much lower incidence of home ownership and a much higher incidence of renting than whites have. In Pittsburgh, which is the primary focus of this paper, 1990 census data shows that about two thirds of all white households are owner-occupied and about one third rent. The figures are almost exactly reversed for black households. That is, about two thirds of all black households are renter-occupied, and only one third own. This means that various tax policies that benefit homeowners at the expense of renters also shift the tax burden from the white community to the black community. At the national level, blacks in 1980 constituted 13% of the population but only held 1% of the privately owned land. We should get a more recent figure for this, but the disparity it is unlikely to be much better than it was in 1980.

Blacks also have statistically lower incomes than whites, but the difference in incomes is not nearly as great as the difference in home ownership. Moreover, the median value of real estate in African American communities is generally lower than the value in white communities, and that difference also exceeds income differences, but by a lesser amount. This means that replacing property tax with income tax is not only punitive to black renters, but is of marginal value at best to black homeowners.

Finally, it has been observed that homeowners in poorer neighborhoods, which tend to be black, are less likely to appeal property tax assessments than are people in wealthier neighborhoods, that tend to be white. But even within a single income category, homeowners from black

Henry George:  
Land Monopoly  
Is Slavery

The Truth  
Behind the "Ice  
People" Theory

Tom Paine:  
Landholders Owe  
the Community

communities are believed to be less likely to appeal their assessments. For example, far more appeals are filed from mostly white Brookline than from the mostly black upper Hill District, even though income levels are similar. While we do not have statistical tabulation of this (yet), discussions with various assessors support our contention. The hypothesis we would put forward is that white homeowners tend to be more comfortable with legal processes, and even tend to view government more as their servant than as their rulers. In any case, as we will later note, a result is that, whenever there is a failure to scrupulously reassess real estate values, predominantly black neighborhoods tend to become overassessed in relationship to predominantly white neighborhoods.

**Political**  
**Considerations**

Allying Whites  
with Blacks

These demographics should be kept in mind as we discuss tax reform proposals.

### **Homeowner Exemptions**

Using the Right's  
Rhetoric

Pennsylvania's recent constitutional amendment for homeowner tax relief stipulates that any tax forgiveness for homeowners cannot be funded from higher taxes on other real estate. The problem is that any replacement tax other than a real estate would fall heavily on renters. This means that tax relief for Pittsburgh's overwhelmingly white homeowner community would be funded primarily from Pittsburgh's substantially black renter community.

**The Ultimate**  
**Coalition**

American Indians

Hispanics

Asians

Jews

Irish

Labor Unions

Nonunion

Workers

Government

Workers

Tenants

Home Owners

Feminists

Pacifists

Greens

Merchants

Small Businesses

Farmers

True

Conservatives

Everyone But the

Monopolists

Furthermore, various bills before the legislature differ in how they handle this provision. Some of them, such as Senate Bill 2, include requirements that would make it difficult for communities with homeowner exemptions to ever shift taxes from income or sales back to real estate.

### **Shifting from Property Tax to Income and Sales Taxes**

There has been a movement for some time, but especially in the last decade, to replace real estate taxes with income and sales taxes. Both of these measures actually increase the tax burden for Pittsburgh homeowners, because almost half of Pittsburgh's taxable property is investment property, and much more of its taxable land value is from investment land. A study we had undertaken for Pittsburgh council president Jack Wagner in 1989 calculated the property tax impact on every owner-occupied parcel in the city (including side lots). We found that homeowners paid more than twice as much under income tax as under property tax

citywide, and more that 3 1/3 times as much under income tax as under land value tax.

---

**The Power of Principle**

Why Politicians Will Support Us

We also did an analysis within each census tract, and found that income tax cost homeowners more than land value tax over their lifetimes in all census tracts except two tracts in the Golden Triangle, where land is especially valuable.

---

**Political Obstacles**

Fixating on Superficial Reforms

Commitment to Superficial Coalitions

Another factor, especially in suburbs, is that we are speaking about highly localized tax bases. Braddock (a poor industrial suburb of Pittsburgh) would have to levy a 6% income tax to get the same revenue that Fox Chapel (a wealthy suburb) enjoys from a 1% income tax. This is less of a problem with property tax, however, because poorer communities tend to be absentee owned. A substantial share of the property taxes of places like Braddock are paid by landowners from places like Fox Chapel anyhow. This is even more true of land value taxes than of conventional property taxes, because land value tax tends to fall more on absentee owned properties.

Fear

Ad Hominem Thinking

The Popularity Trap

Although we do not have direct tax-impact comparisons between real estate taxes and sales taxes, we do have a state-by-state comparison of sales taxes and income taxes from Citizens for Tax Justice, a research organization in Washington DC that is supported primarily by labor unions. Their research indicates that Pennsylvania's sales tax falls far more heavily on middle-income and lower-income homeowners than our income tax does, even with exemptions for food, clothing and medicine.

---

**Adherence to Truth**

**The "Ghetto Effect" of Productivity Taxation**

One of the problems with sales and income taxes is that they drive high-volume business and high-income residents out of the taxing jurisdictions that levy these taxes. When Pittsburgh had a 4% wage tax, the out-migration of residents reached alarming proportions. By 1988, Pittsburgh had a 4% out-migration in a single year. Most of the people who had left were higher income renters.

Pittsburgh's Mayor Masloff commissioned an economic studies department of the University of Pittsburgh to find out exactly why people were leaving. They got a list of address changes from the Post Office and called people who had moved away, and asked them simply, "Why did you move from your previous location?" The number one answer given was to escape the high city wage tax. Mayor Masloff then cut the wage tax for two years in a row (1988

and 89), and the outflow was reduced to a near break-even point. However, since Allegheny County raised the sales tax and generated a great deal of negative publicity by trying to do so again, there is now a growing out-migration from the entire county. It is likely that that out-migration is also primarily by higher income renters.

As more affluent people leave jurisdictions with high income taxes, rents drop in those jurisdictions, and poorer people move in. The result is that high-income-tax jurisdictions tend to become low-income ghettos. The same thing happens in the commercial sector under sales tax. High-volume stores tend to move to just outside the sales tax jurisdiction, and they take job opportunities with them.

The reason for this out-migration is not just due to taxes being high, but to the particular taxes chosen. When land value taxes are high, nobody takes their idle land to other taxing jurisdictions. Instead, they either put their land to use or they sell it to someone who will.

Even within a taxing jurisdiction, income and sales taxes tend to segregate high-income families from low-income families. Shadyside might well be so desirable that affluent people don't mind living there and paying \$8,000 per year in income taxes, but can the same be said of Homewood? Under a land value tax, Homewood, with its attractively low land values, would once again become a viable option for higher income residents.

### **Property Tax vs. Land Value Tax**

A shift to land value tax benefits the African American community in several ways. First of all, homeowners tend to pay less under land value tax than under property tax in black communities. We have documented that this savings is particularly striking in the cities of Clairton and Duquesne. At one time, it was particularly striking in black neighborhoods within Pittsburgh. However, bad assessment practices, which are discussed below, allowed property owners in prominent white neighborhoods to escape their share of the tax burden, while land purchases by the Urban Redevelopment authority propped up land prices, preventing land assessments from falling in certain black neighborhoods.

As a result, homeowners in Pittsburgh's Upper Hill District, who should be saving handsomely with land value tax, are

paying about what they would pay with conventional property tax, while homeowners in the 12th Ward are paying an average of \$24 more under land value tax than under property tax. Even with these problems, however, homeowners in black neighborhoods still save overall. There are substantial savings to homeowners in Hazelwood, the North Side, Fineview and the 13th ward.

### **Slumlording and Speculation**

Another important consideration of land value tax is its impact on land speculation. Conventional property tax falls more heavily on homeowners and on anyone who improves and maintains their property. Because land value tax does not fall on the improvements, but only on the value of the land itself, people who hold rundown properties or vacant lots have to pay just as much as their responsible neighbors are paying. Land value tax makes it unprofitable to hold properties idle or in a state of neglect, and absentee owners tend to fix their properties up when the real estate tax is substantially on land values.

Pittsburgh shifted to land value tax four times between 1978 and 1983, and enjoyed a tremendous surge in construction and renovation following the shift, measured by construction values stated on building permits. In high land-value neighborhoods, like Squirrel Hill, Oakland, Shadyside and the Golden Triangle, there was a great increase in permits for new construction. In poorer neighborhoods, there was primarily an increase in permits for additions and renovations. This effect on neighborhood revitalization might well be more important to members of African-American communities than the savings to homeowners, even if assessments were reformed and the savings were more substantial.

### **Rental Housing**

Another concern is the effect on renters and on the affordability of rental housing. It is a cliché that all taxes are passed on to the consumer, but economists who have examined the issue agree that this is not true about land value tax. Because land value tax leads to increased construction and renovation, it increases the supply of housing and actually decreases rental costs. Landlords can afford to charge lower rents when they have no taxes on their improvements, and they have to charge lower rents if other landlords are renovating vacant property and putting it on the market to compete with them. So, while land value

tax is only a slightly better deal than property tax overall for black homeowners, it is a tremendously better deal for all tenants. There is ample reason, therefore, for the black community to support a shift to land value tax even before assessment reform is achieved. However, assessment reform is vital in its own right.

### **Assessment Reform**

There is a striking disparity in real estate assessment between white communities and black communities. The disparity is even greater for land than for property overall. There are many reasons for this. One that has received a great deal of attention is a history of corruption and favoritism in the assessment office during prior administrations. Whenever an assessor chose to give, or was ordered to give, a favorable assessment to a politically prominent constituent, he had to give favorable assessments to that constituent's neighbors as well in order to avoid easy exposure and public scandal. As a result, the politically prominent neighborhoods of Shadyside and Squirrel Hill in the city, and the prominent municipalities of Sewickley Heights, Edgeworth and Mount Lebanon, have been the most underassessed, while the 12th and 13th wards (Homewood and Brushton) in the city, and the municipalities of Clairton and McKeesport in the suburbs, have been most overassessed.

Aside from prominent individuals within these neighborhoods, the neighborhoods themselves are politically prominent. The lion's share of campaign funds come from such neighborhoods, and they are the most politically active and politically independent neighborhoods. There is always a reluctance to antagonize homeowners in neighborhoods that not only vote in large numbers but actively campaign and make campaign contributions. After the city shifted substantially to land value tax, county assessment supervisors continually reduced land assessments in Squirrel Hill and Shadyside. This flies in the face of overwhelming evidence that land values have been increasing in those two communities faster than anywhere else in the city. To cover their tracks, they increased assessments on buildings. This is blatantly wrong, as the building assessment is supposed to be based on the value of the structure apart from its location, while the land assessment is supposed to be based on the value of the location itself. It is inconceivable that building values would increase in prime neighborhoods as land values decreased.

However, there are other reasons for bad assessments besides political influence. Poor assessments tend to be mostly out-of-date assessments. Wealthier home buyers make a point of locating where land values are expected to rise. Failure to update assessments means failure to capture those rising values. Poorer home buyers are primarily just trying to escape the economic drain of paying rent forever, and will settle for neighborhoods that have no expectation of land value increases. Thus their assessment is roughly the same whether calculated from 1998 values or 1948 values. Land values also fail to rise in black neighborhoods, partly because white home buyers shy away from black neighborhoods due to racial "unease." Failure to update assessments, therefore, constitutes a failure to make higher income neighborhoods and whiter neighborhoods pay their legally proper share of real estate taxes.

Another factor that keeps land assessments up in black communities is the artificial land market created by purchases from redevelopment authorities. In the southern parts of Homewood-Brushton, particularly, vacant lots have been purchased at above market prices by the Urban Redevelopment Authority. While one can debate the merits of what the URA intends to do with this land, the point here is that that land limited to sale on the private market would sell for less, and that private land sales are the basis for reassessment. When an authority aggressively buys up land in one area, it keeps assessments from falling.

And finally, as mentioned earlier in this paper, whites are believed to have a higher incidence of filing appeals than blacks of the same income levels, and higher-income homeowners also have a higher incidence of filing appeals than lower income homeowners. The appeals board has made this worse by granting reductions to property that had not been overassessed in the first place, and sometimes to property that had already been underassessed. Sometimes this was because assessors had been poorly prepared to defend their assessments, but sometimes it was a matter of deliberate policy and a desire to send the appealing taxpayer away "happy." When I confronted the assistant chief assessor about this, he replied, "We tend to give the benefit of the doubt to the taxpayer." What he did not seem to grasp was that any grant that is "more than fair" to the taxpayers who appeal is automatically less than fair to the taxpayers who do not appeal. "Benefit of the doubt," which is proper in criminal cases, is quite improper when trying to determine what each citizen's share of the tax burden should be. Because white taxpayers tend to be the ones

who appeal, this practice shifts the net tax burden toward black taxpayers.

### **Land Value Tax vs. Economic Development Schemes**

Economic development schemes have been widely criticized because they often wreak havoc in the neighborhoods they are supposed to be helping, are subject to all manner of political manipulation, and take land off the tax rolls, often for extended periods. Even successful projects like the Crawford-Roberts development have scandalous histories behind them. The Lower Hill District was effectively destroyed for urban redevelopment purposes in the early sixties, and was not substantially redeveloped until the mid-nineties.

These redevelopment schemes also forced a dramatic shift to public housing. Pittsburgh, which has a general surplus of housing, and the best ratio of housing prices to incomes of any large city in the United States, also has one of the highest ratios of public housing. This housing was needed, not because of a natural housing shortage, but because so many people had been relocated from mostly black neighborhoods for redevelopment purposes. Redeveloping a neighborhood via one of these schemes often means evicting a neighborhood and building a new one with only a small fraction of the original residents benefitting. The point here is not to criticize this or that redevelopment director. The problems to which I refer are common to almost all redevelopment schemes.

It would also be irresponsible for me to suggest that nothing should have been done. Although the business community contained in Penn Circle and the original Lower Hill neighborhood were destroyed by urban renewal, one must acknowledge that those locations were in economic decline even before urban renewal plans had been put forward. The responsible approach is not to hamstring urban renewal efforts and then hope that the free market will find a way, but to establish a better way first, get results, and then reduce or eliminate disruptive urban renewal efforts.

Land value tax has been introduced in seventeen Pennsylvania cities. Each of those cities had surges in privately initiated construction following the shifts. There is reason to believe that a significant, gradual shift to land value taxation will lead to substantial economic

revitalization. When this occurs, the need for controversial urban redevelopment projects will be abandoned.

### **Delinquent taxes, Foreclosure and Abandonment**

Pennsylvania has set up a system for collecting delinquent taxes that does not work very well for poorer municipalities. In the suburbs, especially, delinquent tax collection has been "privatized" on a commission basis. That is, the collection agency gets a share of the revenue, just like it would for collecting on an old phone bill or credit card bill.

The problem is that, in poorer neighborhoods, delinquent taxes have to accumulate before the collection agency sees a profit in aggressive collection. Often, while the taxes pile up, the property runs down, because the landlord who does not keep his tax bill current tends not to keep his maintenance current either. By the time the collection agency gets around to collecting, the property is barely worth the back tax burden, and the property is abandoned.

Shifting from real estate taxes to sales or income taxes makes this worse, because the lower the real estate tax, the longer collection agencies will wait before they aggressively pursue collection, and the more properties will be abandoned.

Fortunately, Pittsburgh does its own delinquent tax collecting, but even Pittsburgh tax collectors are not aggressive enough about early foreclosure. Several measures have been introduced that would make it more difficult for landlords to escape delinquent debts, but the better solution is to not allow those debts to accumulate in the first place, except where there are legitimate hardship cases.

It should be noted that it is mostly absentee landlords, and mostly the more negligent of these landlords, who fall behind on their taxes. Homeowners are generally much more scrupulous about paying, and mortgaged homeowners are given no choice by the banks except to pay their taxes in advance into an escrow account.

### **Deeper Issues about Land and Taxes**

When the missionaries first came, they had the Bible and we had the land. Now we have the Bible and they have the land.

--Archbishop Desmond Tutu

Land monopoly is a fundamental issue that underlies many other issues. Failure to address it results in the failure of other measures that merely address symptoms. Treating symptoms is not as illegitimate as it is inadequate and distracting, as the following examples demonstrate. Some of these symptom-issues are class issues rather than race issues, but the confounding of race and class in this country undermines such distinctions. For example, even though the majority of welfare recipients are white, a much higher percentage of blacks are recipients, and black political leaders are far more likely to defend welfare programs. Indeed, *all* of these issues are class issues, and they all manifested themselves within English society when that society was racially homogeneous. Racial injustice is merely a manifestation of class injustice, and this becomes apparent when we trace symptoms of injustice to their roots.

### **Discrimination**

Anti-discrimination laws prohibit landlords, employers and sellers from discriminating against tenants, employees and customers. They do *not* prohibit white tenants from refusing to rent from black landlords, white employees from refusing to accept work from black employers, or white customers from refusing to patronize black merchants. The unspoken assumption is that landlords, employers and merchants enjoy some sort of privilege at the expense of tenants, workers and customers. The primary privilege is greater access to land. Landlords literally own the earth, and white landlords own almost all of the United States. As one cannot produce land the way one produces wealth *from* the land, a general refusal of white landlords to let blacks live, work and shop on white-owned land is not something blacks can overcome through hard work and entrepreneurship alone.

The political right denies that privilege exists. They suggest that landlords, employers and merchants who racially discriminate suffer as much from losing good tenants, employees or customers as the rejected suffer from having to resort to a less desirable houses, jobs or stores. While it is true that privileged people suffer somewhat from their own discrimination, the level of desperation is much higher for those who cannot live and work for themselves on his their land, but must come to terms with a landholder to survive.

The political left, on the other hand, either ignores the underlying question of privilege or over-generalizes its nature with abstract terms like "the means of production." What is the means of production if not land and natural resources? Rather than face the question of privilege head-on, the left attempts to impose a sort of *noblesse oblige* on those who are presumed to hold privilege. Just as English noblemen were expected to behave graciously toward their serfs, so are American landlords, employers and merchants expected to behave graciously toward tenants, workers and customers.

Regulating the behavior of privilege holders instead of reducing or abolishing privilege itself is doomed to fail and creates opportunities for abuse. Prior to anti-discrimination laws, small, competitive landlords, employers and merchants discriminated the least, while the worst private-sector offenders were large apartment complexes, giant corporations and major department stores. Yet these major players got the bulk of affirmative-action grants, while anti-discrimination lawsuits have tended to fall on those who, left to their own devices, had been less prone to discriminate in the first place.

Moreover, anti-discrimination laws have been invoked by people who have *not* been illegally discriminated against and who actually *are* less deserving of the thing they were denied. An employer who hires a young, white, heterosexual male with no physical handicap knows that he can fire this person at any time and for any reason, but that he might get hauled into court if a protected minority he has hired doesn't work out. Thus the anti-discrimination laws end up giving people an incentive to discriminate. The extent to which anti-discrimination laws are abused is exaggerated by opponents of civil rights and discounted by supporters, but neither group holds the moral high ground because neither has been willing to address the underlying question of privilege.

### **Affirmative Action**

Affirmative action has been one of the most controversial civil rights issues. It is based on the reasonable notion that minorities need remedial action to overcome the effect of past discriminations and "de facto" injustices that resulted from those discriminations. Nonetheless, it fails to address the ongoing injustice of land monopoly, and it provokes a hostile reaction, particularly from working-class whites who are also victims of land monopoly.

Moreover, affirmative-action benefits for minority businesses have been terribly abused by "token" businesses. For example, there is a large plumbing supply house on the street where I live. For years, a small office across the street bore the name of another supply house. The sign on the door said it was, "a woman and minority owned business." It had no warehouse, no inventory and no delivery trucks. Businesses who had to deal with minority enterprises fulfilled their obligations by calling this "token" supply house, which took orders across the street to be filled and delivered by an established, white-owned company.

Such arbitrary solutions as affirmative action produce "gamesmanship" on the part of employers, and this gamesmanship in turn produces cynicism and resentment among blacks whose legitimate businesses are not served, and among whites who see their tax dollars being squandered. While supporters can point to positive results, use of affirmative action is limited by its economic, political and social costs.

### **Integration**

Segregation is a fundamentally oppressive practice, less austere than apartheid primarily because blacks are less of a political force here than in South Africa, where they are in the majority. It was enforced by "Jim Crow" laws in the South and by social custom (peer pressure) in the North.

In the North, where similar customs had ostracized other outsider populations (particularly Irish immigrants), the primary motive was to maintain a "genteel" atmosphere free of the problems associated with lower classes. In the South it served the additional purpose of reducing the mobility of blacks and keeping them dependent on their former masters.

Both purposes are related to land monopoly and land speculation. When the Progressive Movement brought an expansion of real estate taxes to state and local governments, the South was the most resistant, opting instead for highly regressive sales taxes. An underlying motive was that an expansion of property taxes would force large plantation owners to sell part of their holdings at prices some former slaves could afford to pay. Once that happened, the grip of Southern landlords and employers over black tenants and workers would be loosened. (Southerners also tried to prevent former slaves from

migrating westward to unsettled territories.)

The situation was different in the North. Northern landlords enjoyed a flowing stream of European immigrants that drove land prices up and kept wages down. As long as wages were significantly higher here than in Europe (where land was far more thoroughly monopolized), immigrants would keep coming. There was therefore no need to prevent northern workers from buying their own land to work and thereby escaping low-paying jobs. Indeed, immigrants buying up eastern land enabled from monopolists enabled those monopolists to accelerate their buying of western lands.

However useful immigrants might have been as cheap laborers and buyers of land, neither they nor blacks were desired as neighbors. It was not just a matter of social discomfort; the presence of less genteel neighbors lowered land values, particularly in upscale areas. The cliché, "There goes the neighborhood," was primarily an expression of *financial* concern. Ordinary home owners, speculating on the future value their homesites, endeavored to prevent lower-class people from becoming neighbors and jeopardizing that value.

Thus, segregationist attitudes have always been propped up by the desire of land monopolists to perpetuate a landless class and by small land speculators, including home owners, to maintain middle-class and upper-class images for their neighborhoods.

### **Welfare and Poverty Programs**

Nothing illustrates the trap of treating symptoms so well as welfare and poverty programs. Poverty programs have been blamed for everything, including poverty itself, ever since the Malthusian Theory blamed poverty on overpopulation, parrying William Godwin's denunciation of, among other things, the enclosure acts and the replacement of land tax with other taxes.

First then, legislation is in almost every country grossly the favourer of the rich against the poor. Such is the character of the game-laws, by which the industrious rustic is forbidden to destroy the animal that preys upon the hopes of his future subsistence, or to supply himself with the food that unsought thrusts itself in his path.... Thus in England the land-tax at this moment produces half a million less than it did a century ago, while the taxes on consumption have experienced an addition of thirteen millions per annum during the same period.

This is an attempt, whether effectual or no, to throw the burthen from the rich upon the poor, and as such is an example of the spirit of legislation.

-- Inquiry Concerning Political Justice, Book I

Malthus went on to blame charity for giving people what they had not earned, deflecting the argument from the assertion that landless people had been denied their birthright. Charity is, by its very nature, predicated on need rather than on rights. It argues, not that the privileged owe something to the dispossessed, but that the rich ought to "give" to the poor. In such a context, the poor are easily portrayed as parasitic and the rich as put upon to help those less "fortunate." This is the attitude that prompted Jonathan Swift to write "A Modest Proposal," that English noblemen should cultivate a taste for barbecued Irish babies, so that the Irish peasants could pay their rents.

Classical liberals made a point of distinguishing between charity and justice. In Agrarian Justice, Tom Paine emphatically noted, "In advocating the case of the persons thus dispossessed, it is a right, and not a charity, that I am pleading for."

Even today, people complain about welfare mothers having children in the same spirit that they once complained about immigrants having large families and, indeed, in the spirit used by Malthus to blame poverty on the landless poor of England having too many children.

The other accusation against the welfare system is that it has not solved the problem of poverty because it is wasteful. The question of whether it is unreasonably wasteful is beside the point, though, because charity programs can never overcome injustice. It has often been observed that rent in the poorest quarters amounts to whatever poor people can generally afford to pay, and that increases in welfare benefits, or even in private charities, are simply offset by increases in rents.

Winston Churchill spoke of a parish (county) in England where the poor were given

...doles of bread by charitable people in connection with one of the churches, and, as a consequence of this, the competition for small houses, but more particularly for single-roomed tenements, is, we are told, so great that rents are considerably higher than in the neighbouring district.

Nor, he noted, does a reduction in charges against the poor provide any greater long-term relief:

Some years ago in London there was a toll-bar on a bridge across the Thames, and all the working people who lived on the south side of the river had to pay a daily toll of one penny for going and returning from their work. The spectacle of these poor people thus mulcted of so large a proportion of their earnings appealed to the public conscience; an agitation was set on foot, municipal authorities were roused, and at the cost of the ratepayers the bridge was freed and the toll removed. All those people who used the bridge were saved 6d. a week. Within a very short period from that time the rents on the south side of the river were found to have advanced by about 6d. a week, or the amount of the toll which had been remitted.

Nor, he noted, does it help the landless poor for government to subsidize industry, as fans of "trickle-down" economic advocate, because this also raises rents on the poor, and, for that matter, on industrial tenants.

All goes back to the land, and the landowner, who, in many cases, in most cases, is a worthy person utterly unconscious of the character of the methods by which he is enriched, is enabled with resistless strength to absorb to himself a share of almost every public and every private benefit however important or however pitiful those benefits may be.

It is quite true that land monopoly is not the only monopoly which exists, but it is by far the greatest of monopolies - it is a perpetual monopoly, and it is the mother of all other forms of monopoly. It is quite true that unearned increments in land are not the only form of unearned or undeserved profit which individuals are able to secure; but it is the principal form of unearned increment which is derived from processes which are not merely not beneficial, but which are positively detrimental to the general public.

Here then, is the root of the problem: Land monopoly is a fundamental form of economic exploitation. Those who collect rents from holding land titles are collecting "entitlements" that are vastly larger than those entitlements about which conservatives complain. The real opposition to real estate taxes, and particularly to land value taxes, are that they loosen the grip of landlords over the landless.

### **Reparations**

There is now a call for the payment of reparations to the descendants of slaves, and a reply that it is too late to make

such a claim. But if all benefits ultimately go to landlords, then for landless blacks the proposal too *soon* rather than too late! Wouldn't the reparations simply enable the poor to pay higher rents, and wouldn't landlords simply take advantage of the situation by raising rents? Just as there is little point in discussing compensation for fire damage while the building is still burning, so there is little point in discussing reparations for past injustices while living under current injustices.

Once the current injustices are properly addressed, we can consider compensation for past injustices. My expectation is that a spirit of comradery and integrity will prevail in a climate of justice and prosperity. In that spirit, whites will probably acknowledge that some compensation is warranted, but blacks will realize that they no longer need it and will not pursue it.

## Slavery

"We used to own slaves; now we just rent them."

-- Florida orange grower's quip about migrant farmworkers in the Edward R. Murrow documentary, *Harvest of Shame*, 1960

Give me the private ownership of all the land, and... I will undertake to make slaves of all the human beings on the face of it. Not chattel slaves exactly, but slaves nevertheless. What an idiot I would be to make chattel slaves of them. I would have to find them salts and senna when they were sick, and whip them to work when they were lazy.

No, it is not good enough. Under the system I propose the fools would imagine they were all free. I would get a maximum of results, and have no responsibility whatever. They would cultivate the soil; they would dive into the bowels of the earth for its hidden treasures; they would build cities and construct railways and telegraphs; their ships would navigate the ocean; they would work and work, and invent and contrive; their warehouses would be full, their markets glutted, and... everything they made would belong to me. It would be this way, you see: As I owned all the land, they would of course, have to pay me rent.

-- Mark Twain, "Archimedes"

Thaddeus Stevens, the abolitionist Congressman from Chambersburg, PA, first advocated giving freed slaves "forty acres and a mule." This is because he, like almost all

classical liberals, recognized that land monopoly is a form of slavery and that, without access to land, blacks would still be obligated to work for whites instead of working for themselves.

The proposal was debated after the Civil War, but Northern support for it died when Congressional representatives of immigrant constituencies argued that *all* landless people should be offered 40 acres and a mule. Extending the offer to all landless people would have not only have weakened the ability of northern landlords to get low-wage rent-paying immigrants, but would have set aside lands for homesteading that politically connected landlords (particularly railroad barons) wanted for themselves.

Many of America's founders had learned from the Indians that land was a common heritage and that land monopoly was a basis of exploitation bordering on slavery. The English classical liberals learned this in turn from the American colonists. Modern right-wing libertarians who pretend to be classical liberals try to repress the fact that opposing the evils of land monopoly lay at the very heart of classical liberalism. To demonstrate that point, I offer several quotes to that effect:

The land, the earth that God gave to man for his home, his sustenance and support, should never be the possession of any man, corporation, society or unfriendly government, any more than the air or water if as much. An individual or enterprise requiring land should hold no more in their own right than is needed for their home and sustenance, and never more than they have in actual use in the prudent management of their legitimate business, and this much should not be permitted when it creates an exclusive monopoly. All that is not so used should be held for the free use of every family to make homesteads, and to hold them so long as they are occupied.

--Abraham Lincoln

Whenever there are in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural right.

-- Thomas Jefferson

The first man who, having enclosed a piece of ground, bethought himself of saying, "This is mine", and found people simple enough to believe him, was the real founder of civil society. From how many crimes, wars and murders, from how many horrors and misfortunes,

might not anyone have saved mankind by pulling up the stakes, filling in the ditch, and crying to his fellows, "Beware of listening to this impostor; you are undone if you once forget that the fruits of the earth belong to us all, and the earth itself to nobody."

--Jean Jacques Rousseau (1712-1778) "Social Contract"

Whilst another man has no land, my title to mine, and your title to yours, is at once vitiated.

--Ralph Waldo Emerson

Solving the land question means the solving of all social questions.. Possession of land by people who do not use it is immoral -- just like the possession of slaves.

-- Leo Tolstoy

Robinson Crusoe, as we all know, took Friday as his slave. But suppose that instead of taking Friday as his slave, Robinson Crusoe had welcomed him as a man and a brother, had read him a Declaration of Independence, an Emancipation Proclamation and a Fifteenth Amendment, and informed him that he was a free and independent citizen, entitled to vote and hold office, but had at the same time had also informed him that that particular island was his (Robinson Crusoe's) private and exclusive property. What would have been the difference? Since Friday could not fly up into the air, nor swim off through the sea, since if he lived at all he must live on the island, he would have been in one case as much a slave as in the other. Crusoe's ownership of the island would have been equivalent to his ownership of Friday.

Chattel slavery is, in fact, merely the rude and primitive mode of property in man. It only grows up where population is sparse. It never, save by virtue of special circumstances, continues where the pressure of population gives land a high value, for in that case the ownership of land gives all the power that comes from the ownership of men, in more convenient form. When in the course of history, we see the conquerors making chattel slaves of the conquered, it is always where population is sparse and land of little value, or where they want to carry off their human spoil. In other cases, the conquerors merely appropriate the lands of the conquered, by which means they just as effectually, and much more conveniently, compel the conquered to work for them.

--Henry George, Social Problems, Chapter 15, "Slavery and Slavery"

### **"Ice People" and the Hypocrisy of Northern Abolitionists**

The "ice-people" theory, popular among African Americans in the 1980s but now discredited as both unscientific and racist, was that the oppressiveness of European-based cultures was due to the lack of melanin in white people, causing whites to be warlike. The problem with the theory was that it reached for an unlikely genetic explanation and overlooked an obvious climactic one that ties directly to the power of landlords in cold climates. This climactic observation also explains why northern states were willing to abolish chattel slavery.

All of the United States was sparsely settled, but winters in the North were harsh. Northerners could not wander in winter, but were dependent on permanent shelters, storehouses of food and trade with others. Northerners did not "squat" on land they did not own because eviction in winter would force them back into settled areas where they would have to find work and pay higher rents. The greater dependency on trade also meant that more people lived in settlements, and that the farms had to be located close to those settlements in order to be profitable. As a result, rent collection was easier in the North, and valuable land was more concentrated, making it easier for speculators to grab the land that would bring an immediate return.

It was harder to exploit people in the South by extracting rent from them, because people could live off the land all year long. If a landlord came and evicted someone in the South, the evicted person could carry off (or abandon) his rudimentary shelter and squat elsewhere. This made rent lower and labor more expensive in the South, and provided an incentive to maintain chattel slavery longer.

Southerners saw Northern abolitionist sentiments as hypocritical, not just because the North had only abolished slavery after importing slaves was outlawed (Most imported slaves were first sold in Boston, New York and Philadelphia.), but because the economic conditions of landless "free" people in Europe and in the North were substantially worse than those of chattel slaves in the South.

When the slaveholders of the South looked upon the condition of the free laboring poor in the most advanced civilized countries, it is no wonder that they easily persuaded themselves of the divine institution of slavery. That the field hands of the South were as a class better fed, better lodged, better clothed; that they had less anxiety and more of the amusements and enjoyments of life than the agricultural laborers of England there can be no doubt; and even in the northern cities, visiting slaveholders might see and hear of things

impossible under what they called their organization of labor. In the southern states, during the days of slavery, the master who would have compelled his Negroes to work and live as large classes of free white men and women are compelled in free countries to work and live, would have been deemed infamous, and if public opinion had not restrained him, his own selfish interest in the maintenance of the health and strength of his chattels would. But in London, New York, and Boston, among people who have given, and would give again, money and blood to free the slave, where no one could abuse a beast in public without arrest and punishment, barefooted and ragged children may be seen running around the streets even in the winter time, and in squalid garrets and noisome cellars women work away their lives for wages that fail to keep them in proper warmth and nourishment. Is it any wonder that to the slaveholders of the South the demand for the abolition of slavery seemed like the cant of hypocrisy?

Henry George, *Progress and Poverty*, Book 7, Chapter 2, "The Enslavement of Laborers the Ultimate Result of Private Property in Land," paragraph 14

By making everyone dependent on community and forcing them to cluster together, the harshness of winter in northern climates enabled feudal lords to extract wealth and concentrate that wealth, even where populations were relatively sparse. That concentration of extracted wealth, first under feudalism and later under commercial landlordism, entrenched a rent-collecting class that naturally wanted to expand its holdings via imperialism. This is a much more plausible explanation of why the center of empire moved northward.

Men did not make the earth.... It is the value of the improvements only, and not the earth itself, that is individual property.... Every proprietor owes to the community a ground rent for the land which he holds.

--Tom Paine "Agrarian Justice"

This quote of Paine's holds the key getting the best of private property in land without the possibility of monopoly and exploitation and without substantial interference in the free market. If each landholder pays a ground rent, or land value tax, to the community, then those who genuinely want to use land will willingly pay the tax, while those who had wanted to profit by holding land out of use will either change their strategy or go elsewhere.

## **Political Considerations**

If land value tax is fundamentally fair, as almost all classical liberals have agreed that it is, and if African Americans hold about 1% of America's land, it stands to reason that African Americans should be paying about 1% of the taxes. Even though African Americans pay less income tax than whites on a per capita basis, they surely pay far more than 1% of the taxes. I believe we can easily show that the share of taxes paid by African Americans is much larger than the share of land held by them. This debunks the lie that middle class whites are overtaxed to support subsidized blacks. Indeed, middle-class whites are less overtaxed than blacks are, and the beneficiaries are land monopolists who live off the productive efforts of both blacks and whites, and who form the main economic base of the political establishment.

### **Allying Working-Class Whites with Working-Class Blacks**

Black politics has suffered because monopolists have been able to pit working-class whites against working-class blacks in order to divert attention from their monopolies.

Land monopolists' kids didn't get schlepped around in busses to desegregate public schools, because those kids go to private schools, funded by land rents from both blacks and whites. Whether or not bussing was a good idea on its merits, it played into the hands of monopolists who wanted to divide working people along race lines.

Land monopolists don't worry that "Some affirmative action black guy will get my job," because they have the land, collect the rent, and don't want jobs; we who have jobs ultimately work for them. The issue of equal rights to jobs is legitimate, but it still pits working-class blacks against working-class whites, enabling monopolists to play upon the fears of whites and the frustrations of blacks. Yet, as soon as the issue becomes one of equal rights to land, or even a right to be taxed only in proportion to one's land holdings, working-class whites and blacks are suddenly on the same side, and land monopolists are on their own.

### **Using the Right's Rhetoric Against Land Monopolists**

The political right has succeeded in beating up the left more on taxes than on any other issue. This is because working people and genuinely productive capitalists actually *are* overtaxed, and the right has been eager to say

so. However, monopolists who fund the right prevent them from admitting that those people are overtaxed because monopoly is undertaxed.

When corporate elites say that profits should not be taxed, we can say fine, let us tax land instead, for these corporations usually have low ratios of profits to land holdings.

When they complain that taxes interfere with economic growth, we can quote their own economist heroes, such as Milton Friedman and Arthur Laffer, who state point-blank that land value tax is the one tax that does no such thing.

When they start whining about entitlements and transfer payments, we can point out that the title to land is the mother of all entitlements and the payment of rent to title holders is the mother of all transfer payments. We can even quote another of their heroes, Winston Churchill, to back up the claim.

When the biggest landowners and corporate interests in Pittsburgh say that we must build them new stadiums so they can entertain visiting elites in corporate boxes, we can say, build it with land value tax. At least that way they will pay a significant portion of the costs. Probably, our economy would be so strong under land value tax that they would not need stadium subsidies, and we would feel the need to give them subsidies.

When they say that we must give special tax breaks to corporations who offer to develop here, we can go them one better and say, "lets give tax breaks to everyone who has ever developed here, and tax increases only to those who hold land back from development."

When they say that taxation steals the fruits of people's labor, we can point out the value of land is not the fruits of the landholder's labor, and that land-monopolists also steal the fruits of labor when they charge a monopoly rent.

When they start ranting about socialism, as they do when all else fails, we can point out that most of their capitalist heroes advocated land value tax.

At every turn, where the right has successfully beat up the left on tax issues in recent years, land value tax uses their own rhetoric against the monopolists among them, like jujitsu. This is because land value tax is the key ingredient

of their own philosophical system that the monopolists have been working to conceal for the last 100 years--the ingredient that spoils their monopoly game.

### **The Ultimate Coalition**

The community of people who would benefit from a shift to land value tax is broader than any political coalition in our lifetimes. To begin with, it includes virtually all ethnic minorities:

- American Indians can support it because they originated the concept. Indian activist Russell Means, veteran of the Wounded Knee incident (and the voice of the father of Disney's Pocahontas), is a dedicated advocate of land value tax.
- Hispanics can support it because, like American Indians, they have been made into tenants and even illegal immigrants in what had been their ancestors' own country. They live in states with Spanish names, but only by permission of English speaking landlords, some of whom insist that they adopt English as their "mother" tongue.
- Even most Asians can join this coalition, because nobody can pit the stereotype of the energetic and disciplined Asian American against the stereotype of the lazy undisciplined black. Both are overtaxed so that the land monopolist can be undertaxed.

It can also include all the interest groups that ever embraced progressive causes:

- Many Jews have supported it because the Jewish culture has a long history of living as tenants in European countries that did not allow Jews to own land.
- Many Irish Americans support it because the people of Ireland had long been tenants in their own country to English landlords. Indeed, most immigrants left places where land was monopolized and expensive and wages were low to seek the "American Dream" of decent wages and affordable land.
- There is growing support among labor union leaders. In Pittsburgh, Albert Fondy of the Pennsylvania Federation of Teachers supports it enthusiastically.

Labor Day itself was deliberately set on the birthday of Henry George (quoted above) because of his advocacy that land should be taxed instead of labor. He is considered to be America's first great labor economist. Many early labor-movement heroes supported land value tax.

- Nonunion workers can support it because it will untax their paychecks.
- Government workers can support it because shifting to land value tax is tax-saving alternative to slashing government programs.
- Tenants can support it because it improves the housing stock, holds down rents and makes it easier for tenants to become homeowners.
- Most homeowners can support it simply because most homeowners will pay less.
- Feminists can support it because the monopoly form of land tenure is a product of conquest, and conquest is a very anti-feminist thing.
- Pacifists can support it because most wars are waged to dominate land and thereby collect the rent of land. Many wars are perpetuated more by land speculators and landholding factions than by actual national interests.
- Many Greens support it because they regard the earth as a common heritage. Northwest Environment Watch recently published a book called Tax Shift that advocates shifting to land value tax plus taxes on pollution and on resource extraction.

This issue can even win support from people who have lately been in the conservative camp:

- Retail merchants can support it, especially as an alternative to sales tax, because sales tax drives business away from them.
- Small businesses in general can support it because they are far more land-efficient than giant corporations are, and because a shift to land value tax will give them the competitive advantage they deserve.

- Small farmers are also more land efficient than large farmers. And, surprisingly, most full-time family farms pay less under land value tax than under property tax. This is because the tax is on value, not acreage, and value is much higher in cities, towns, and inner suburbs.
- Even conservatives who are true to their philosophies, and not just apologists for monopoly, have embraced land value tax.

All that is left out of this coalition is the land monopolists themselves and the political operatives who depend on them for funds. Even they can be placated if land value tax is promoted on a principled, win-win basis.

### **Speak Softly and Carry a Big Principle**

Our experience is that many politicians who consider the land value tax issue are inclined to support it, just because it makes sense to them. However, they are under considerable pressure from powerful interests to resist it. It has never been necessary to organize pressure groups in order to push them into adoption, but it has sometimes been necessary to inform the public so that elected officials would not be maligned by these interests.

In Pittsburgh, for example, land value tax shifts had been adopted four times between 1978 and 1989. In each case, the vote was overwhelming. The difficulty had been in getting anyone to introduce a land value tax measure. Supporters of land value tax have been reasonable and accommodating, while opponents from big real estate lobbies have been strident and shrill. Such shrillness has always backfired because people with that much power are expected to be more diplomatic.

It is also noted that the most flamboyant officials have never served as an effective force for land value tax. It has always been the quieter politicians who advanced it most. The principle advocates of land value tax on Pittsburgh City Council were William Coyne, Robert Rade Stone, William Russell Robinson and Jack Wagner.

We therefore have reason to believe that a reasoned approach by responsible leaders is the most reliable way to shift taxes off productivity and onto land values. The purpose of organizing constituencies is not to exert pressure and invite pandering, but to offset pressure and

prevent pandering.

In asking for land value tax, African Americans would not be asking for special favors at the expense of other deserving taxpayers, but would be asking for fundamental justice for all taxpayers. Breaking up land monopoly through land value tax does not shift privilege from some to others, but undermines privilege altogether.

## **The Real Political Obstacles**

### **Fixating on Superficial Reforms**

The first real obstacle to this and any other fundamental reform is that it would eventually make superficial reforms unnecessary and would similarly make opposition to those reforms unnecessary. This is a problem only because of the people and organizations whose identities are wrapped up in supporting or opposing those reforms.

The key is for supporters of fundamental reforms to avoid being entangled in either supporting or opposing the superficial reforms that are already under consideration. For example, at a Pittsburgh City Council hearing on extending civil rights protection to sexual-orientation minorities, I pointed out the underlying privileges held by many landlords, employers and merchants, and asked council members who opposed the ordinance what their solution to this problem would be. I did not actually support the ordinance itself, but those who did were effusive in their appreciation of my observations, while opponents also appreciated my suggesting alternatives to the reform.

When we who support fundamental reform use our perspective to reconcile differences held by superficial-reform adversaries, we gain respect. We do not ask people to abandon a superficial reform, but to also support a fundamental reform that would address core problems. After all, superficial reforms provide immediate relief, and such relief is often needed until fundamental reforms can take effect. Whoever is genuinely concerned about the people he is serving and not just trying to get credit for winning easy victories can demonstrate this concern by advocating fundamental reforms as well.

Similarly, we ask those who oppose superficial reforms to support fundamental reforms as an alternative. If their objections to superficial reforms are genuine, and they are

not just turning their backs on the plight of others, they would surely support just alternatives. Doing so gives thoughtful objectors a way to separate themselves from the merely callous and support a positive measure that respects their genuine concerns about superficial reform.

### **Commitment to Superficial Coalitions**

One of the reasons we do not ask people to give up their positions on other reforms is that organizations and their leaders are vested in maintaining coalitions. These coalitions are not based on core values as much as on a solidarity of mutual support. The more people and organizations identify with these coalitions, the less they are able to think and act independently, especially on measures that don't fit neatly into the socialist vs. capitalist model. Many people on the left are unable to wrap their minds around the idea that their various bureaucracies could be rendered unnecessary, and many on the right cannot cope with the idea that their monopolies are unjustified.

### **Fear**

People who have bought into the left-right mind-set fearfully grasp at suggestions that any departure from their approach would have fearful consequences. They often raise objections that this or that party would be unfairly hurt by the reform, without thinking the matter through. Winston Churchill ran into exactly that problem when promoting land value tax.

But when we seek to rectify this system, to break down this unnatural and vicious circle, to interrupt this sequence of unsatisfactory reactions, what happens? We are not confronted with any great argument on behalf of the owner. Something else is put forward, and it is always put forward in these cases to shield the actual landowner or the actual capitalist from the logic of the argument or from the force of a Parliamentary movement.

Sometimes it is the widow. But that personality has been used to exhaustion. It would be sweating in the cruellest sense of the word, overtime of the grossest description, to bring the widow out again so soon. She must have a rest for a bit; so instead of the widow we have the market-gardener - the market-gardener liable to be disturbed on the outskirts of great cities, if the population of those cities expands, if the area which they require for their health and daily life should become larger than it is at present.

What is the position disclosed by the argument? On the one hand, we have one hundred and twenty thousand persons in Glasgow occupying one-room tenements; on the other, the land of Scotland. Between the two stands the market-gardener, and we are solemnly invited, for the sake of the market-gardener, to keep that great population congested within limits that are unnatural and restricted to an annual supply of land which can bear no relation whatever to their physical, social, and economic needs - and all for the sake of the market-gardener, who can perfectly well move farther out as the city spreads and who would not really be in the least injured.

Henry George noted that this same fear tactic was used to defend chattel slavery:

Do not be deluded by this widow and orphan business. That is a matter that is always put to the front. When people talked about abolishing slavery in my country, the cry was raised about the widow and the orphan. It was said: "Here is a poor widow woman who has only two or three slaves to live upon; would you take them away?" It reminds me of the story of the little girl who was taken to see a picture of Daniel in the lions' den. She began to cry very bitterly, and her mother said: "Do not cry, do not cry. God will take care that no harm will befall him." To which she replied: "I ain't crying for him, but for the poor little lion at the back — he is so little; I am afraid he won't get any."

Henry George, "Scotland and Scotsmen"

### **Ad Hominem Thinking**

The final obstacle is ad hominem thinking. People who have wrapped thier identities around villainizing those with whom they have disagreed have difficulty a measure that those people also support. Yet that is the nature of fundamental reforms -- they transcend alliances and win the support of people from throughout history and from across the political spectrum.

It is not only necessary to avoid villainizing past opponents, but to avoid villainizing land monopolists themselves. By villainizing them we antagonize the very powerful, but by sticking to principle we win their respect and even, on occasion, their allegiance. (Recently, for example, the owner of a large shopping center donated hundreds of thousands of dollars to the cause of promoting land value tax.)

To cite Churchill again,

I hope you will understand that, when I speak of the land monopolist, I am dealing more with the process than with the individual landowner. I have no wish to hold any class up to public disapprobation. I do not think that the man who makes money by unearned increment in land is morally a worse man than anyone else who gathers his profit where he finds it in this hard world under the law and according to common usage. It is not the individual I attack, it is the system. It is not the man who is bad, it is the law which is bad. It is not the man who is blameworthy for doing what the law allows and what other men do, it is the State which would be blameworthy were it not to endeavour to reform the law and correct the practice. We do not want to punish the landlord. We want to alter the law.

### **The Popularity Trap**

The final obstacle to overcome is the popularity trap. Politics attracts people who crave popularity to the point that it overshadows commitment to principle. For example, Clarence Darrow

made many speeches in favor of land value tax when it was very popular among progressives. Then, when socialism became more popular he became a socialist, and when socialism became very unpopular he abandoned them as well and made his fortune representing corporate interests. Similarly, the great reformer Upton Sinclair was led astray by the lure of popular success. It was not popularity for himself, but for the cause itself, that led him to abandon principle in favor of wealth-envy.

Our opponents, the great rich bankers and land speculators of California, persuaded the poor man that we were going to put all taxes on this poor man's lot, and to let the rich man's stocks and bonds, his inheritance, his wife's jewels, and all his income, escape taxation. The poor man swallowed this argument, and the "Great Adventure" did not carry California.

So, I no longer advocate the Single Tax. I advocate many taxes. I want to tax the rich man's stocks and bonds, also his income, and his inheritances, and his wife's jewels. In addition, I advocate a land tax, but one graduated like the income tax.

As a result of this kind of popularity-driven advocacy, we have greatly increased taxes on these other things, but have reduced the tax on land. The result is that rich people spend less money on job-creating wealth-producing investments that benefit all of us and spend more money buying up the land on which we live and work.

Even Winston Churchill, whom we have quoted extensively, later noted, "I have made speeches by the yard on the subject of land value taxation, and you know what a supporter I am of that policy." Nonetheless, when Churchill was Prime Minister, he balked at proposing land value tax for England, simply because it was no longer a popular cause. "Where are the crowds?" He asked. "Show me the crowds and I will march down Downing Street singing 'The Land Song.'"

## **Adherence to Truth**

The answer lies in never departing from the truth. There is often a strategic advantage in concentrating on that part of the truth that people can most readily accept, just as this paper began with observations that are easier to grasp before moving to deeper issues. The key is to never lapse into untruth. We are committed to advancing the truth as we see it, and to examining our own conclusions to make sure we do not stray from the truth. We ask you to join us.

bottom