

James R. Brown on Confiscation

JAMES R. BROWN, president of the Manhattan Single Tax Club, in reply to Lee Day Woodworth, real estate dealer of this city, who makes the charge of confiscation against the Single Tax, deals with the subject in this trenchant fashion:

The general present meaning of this word is to take, without payment, private property from a citizen. I am agreed with you as to "confiscation"; it is wrong, utterly wrong, to take from any citizen his private property, wrong for the State to do it as well as wrong for an individual to do it.

It is because I am against confiscation that I am a Single Taxer. The present method ruthlessly and recklessly confiscates private property. That is the major charge in our indictment against present methods of taxation. Now it is not wrong for a citizen to take his own property, said property being a product of labor and capital to which there is a valid title that rests on production. Nor can it be an act of confiscation for the State to take its own property to which it has a moral and defensible title resting upon production.

There are two kinds of property, private property consisting of labor and capital products, and public property or land value consisting of the result of social presence and activity. Now when you raise the cry, stop thief! one must establish the fact of theft by the fact of private property. No man can be robbed of a watch who does not own a watch. No man can be robbed of value or property he did not produce or hold under title from the producer.

When society taxes or takes property from a citizen merely because he has produced property, it is simply stealing by due process of law, because it takes that which society did not produce and to which it has no moral title. On the other hand, land value is solely the creation of society. When society collects land values it but takes its own, but if it fails to collect it to the last cent for social uses, it robs society of its own property, allowing it to go to private individuals who have rendered no service and delivered no goods, thus becoming a premium on idleness. Because in the past we have been ignorant and foolish enough to allow a publicly-created value to go into private pockets, and as a result of this folly have been driven to take private property for public use, is no reason we should continue to do so.

Under the Single Tax a citizen is more secure in the enjoyment of his rights in private property than he is now; he simply cannot collect payment for idleness or gather where he has not sown, but to the last cent all that he produces will be his to use, enjoy or bequeath.

The muddle your mind is in arises from your failure to perceive the difference between land values and labor values, and to appreciate what taxation really is. Taxation is payment for public services, such as roads, streets, police, lights, schools, fire department, etc. Taxation is payment for what society does for the citizen, and the value of what he does for himself is not and cannot be the measure of the value of the services society renders to him.

Under the Single Tax a man's possession of his land would be undisturbed as now if he pays his taxes, and his taxes will be an honest charge for what the town does for him, and not a system of fines and penalties levied on industry. If a man paints, improves or builds a house, he pays for these things or services to the painter or builder; then why should he be called upon to pay again for them to the town that did not build, improve or paint? Now the value of the streets, roads, sewers, fire department and schools is only expressed in the value of land, not in the value of the buildings or improvements. In other words, land value is really not the value of the land, but the value of public services and advantages.

Wise real estate men are Single Taxers, for the real estate business is the bringing of owner and buyer or prospective user together, and the Single Tax would stimulate mightily real estate activities. Idle land produces nothing, not even commissions to real estate agents, and our present system of taxation is nothing less than a payment to owners to hold land out of use, and a penalty if they put it to use. Under the Single Tax, we simply offer the golden fruit of labor to the industrious and say to the idler, he that will not work, neither shall he eat.

Resolutions of the National Single Tax League

ADOPTED AUGUST 18, 1918

(1) Land is the source from which man produces capital and meets all his material needs. The right to use land is essential for the use of water, light and air. The right to use suitably located land is essential for a home, for the conduct of a business and for the activity of man. Land is the basic necessity of human life. On the wisdom and justice of the terms of land ownership, the stability of society depends. The land question is accordingly the basic social question.

(2) Private ownership of land at present includes two features— one essential and good, the other unessential and bad.

(3) The good feature in private ownership of land is the right to use land and enjoy in security the fruits of one's labor. The bad feature is the right with impunity and even with profit to prevent the use of valuable land; a right which gives power to name the terms on which land may be used, the terms upon which capital and labor may function; a right which gives power to absorb by ever increasing exactions and without service in return the social value of all invention, discovery and civic advance; a right which gives power through arbitrary control of the surface of the earth to control the lives and fortunes of men.

(4) The bad feature in private ownership of land is the one essential stronghold of landed autocracy, ancient and modern; between it and democracy there can be no peace; so long as it lasts men cannot be free; so disastrous has been its effect, to such an extent has it overborne the good feature in land ownership that the resulting discontent mistakenly threatens the whole system of private ownership of land.

(5) The harm experienced under private ownership of land is, however, not inherent in private ownership; it is due solely to the one bad feature in private ownership—a feature which has far too long found support because of its supposed inseparability from the good feature.

(6) Existing tax laws require a land owner to pay more taxes if he uses his land than if he does not. They also permit him to absorb site value, which is the value which the development of society causes to accrue to land. The result of these two conditions is an effective premium upon withholding valuable land from use. Thus is produced and maintained the bad feature in private ownership of land.

(7) All about us are the inevitable consequences of this policy: agri-

culture a needlessly precarious occupation, farm tenancy and absentee ownership widespread and on the increase, bad housing, living expenses harder and harder to meet, the price of land rising and taxes upon its use increasing—conditions formidably obstructive to the production of food and other war necessities.

(8) War time, when economic order and national efficiency are at their very highest importance is the time of all times least suitable for clinging to such evils, and is the time when their abandonment is not only imperative but should prove most readily feasible.

(9) The bad feature in private ownership of land has no better claim to perpetuation than that other and kindred institution of mediocrity, the divine right of kings.

THEREFORE BE IT

RESOLVED, That we, The National Committee of the National Single Tax League of the United States—most of us land owners, as it happens—urge upon all who wish to see the resources of our country made fully effective for the national defence, the need of changing our revenue system so as to make production rather than the predacious manipulation of land the favored interest of government.

This we urge with special confidence upon all who believe that privileges which weaken our country are at least as suitable for sacrifice to the winning of the war as are the lives of our sons.

RESOLVED, That we urge attention to the following facts: site value is a vast fund. It is created by the public. It can be turned to public use by suitably taxing it. The revenue from site value taxation would not only be ample in ordinary times, but in war times would, as existing taxes cannot, mobilize the whole economic power of the country.

RESOLVED, That although, in the present state of public thought regarding revenue, taxes other than the tax on site value are to be expected, such taxes should, nevertheless, in the interest of all that the country is fighting for, be replaced as soon as possible by the site value tax. We therefore urge all Americans to join in a movement to make site value the sole basis of revenue taxes; and thus to liberate from all taxes food, clothing and shelter; live stock and farm improvements; buildings, ships and machinery; trade, transportation, manufacturing and agriculture; thrift, skill and efficiency; and all useful activity. The success of this movement would mean the solution of both the revenue question and the land question.

RESOLVED, That it is specially important that the individual States turn to site value since the holding of valuable land out of use is a favored, exempted interest under the federal income tax, as it is under any income tax.

RESOLVED, That the obstacles to the adoption of the proposed Single Tax upon site value must prove short-lived once the universality of its benefits is understood.

RESOLVED, That we urge consideration of our opinions as to certain specific efforts of the proposed Single Tax:

The Single Tax, by entirely untaxing the use of land, would add a large new value to land ownership; by entirely untaxing improvements, it would make the taxes lower than now upon nearly all farms and to a wide extent upon other improved real estate as well. By destroying the speculative demand for land (to accomplish which it must be suitably extensive and thorough in application), it would reduce the price of land and reduce the total carrying charge (interest and taxes combined) upon all land bought after the change. It would, nevertheless, by making suitable use the only way to meet even this low carrying charge, eliminate the speculative motive for holding favorably located land out of use. It would thus permit the market supply of land, urban and rural, to keep pace with the demand and would thus reduce to a minimum the cost of land ownership.

The taxes paid by each taxpayer would then come back to him, with an accuracy not now approached or even attempted, in communal advantages actually placed at his command. No individual could escape paying his just share; his payment would decrease if the site value of his land should fall, and would increase if the site value of his land should rise. Non-landowners, so far as any such remain, would pay their tax as now through their rent. Their rents would, however, be lower than now.

The Single Tax would operate powerfully to smooth the way for other reforms, and to widen the participation in their value when

secured, to increase the production of wealth and reduce poverty to a minimum, and to make us a nation of land owners and home owners—impregnable in defence.

Like an income tax or an inheritance tax the Single Tax would lay heavy charges only upon broad shoulders. Unlike them it would not violate an individual's just right to his earnings and savings even if they are large. Unlike them it would not subsidize the bad feature in land ownership.

The Single Tax would be the fairest and most productive of all possible systems of revenue, as well as the simplest, the least costly to collect, and the least inquisitorial.

The Single Tax would abridge nothing in land ownership but its abuse. By securing revenue and protecting industry by a plan more effective than tariffs, the Single Tax would remove the demand for economic barriers between us and those with whom our citizens wish to trade.

The Single Tax would open ample opportunities within our own borders for capital and thus reduce the incentive to economic imperialism.

The Single Tax would make useful industry and the secure enjoyment of just property rights the prior concern of government, rather than the maintenance of the evil feature in land ownership, and would thus correct the basic error in the social structure which has culminated, after centuries of troubled existence, in this most disastrous of wars.

The Single Tax would aid us, not only in winning the war, and in meeting the problems of reconstruction, but also, by undermining the causes of war, would aid us immeasurably in making this war the last of wars.

CORRESPONDENCE

THINKS WE HAVE SLIPPED A COG

EDITOR SINGLE TAX REVIEW:

You surely have slipped a cog in your *Political Economy* in relation to Free Trade. There is something seriously the matter when people so much as contemplate "war after the war," for that surely cannot be Peace.

The question of Free Trade is not a question merely allied to Protection; it is a vital principle that is contravened by Protection. This is what Henry George so clearly shows. The question is "Free Trade vs. Restricted Trade." Protection, Tariff for Revenue, National Boycott, all obstruct trade. Therefore a person cannot be a Free Trader and still desire restrictions to trade.

This is somewhat similar to the question as to whether a person who believes in "Single" Tax can believe in two or more taxes. "Single" Tax means "one" tax as surely as "single" apple means "one" apple. Likewise with Free Trade. The relation is all too obvious for argument.

Here is a nut to crack along this line. (Excuse me from solving this.) *Collier's Weekly*, May 6, 1916, published an interview with Newton D. Baker, by Fred C. Kelly. The following occurs therein:

"Baker sometimes makes a paradoxical statement of certain ideas, thus:

'I believe in free trade and I believe in the idea of Single Tax. Yet I am neither a free trader nor a Single Taxer.'"

That appears, as it were, to be going some.

Still, holding to a name and repudiating the principle seems to be a trait of human nature. At first I was surprised at this among Single Taxers. I ignorantly supposed that a Single Taxer was one who believes in a "Single" Tax on rent. I have found out that there are two kinds of Single Taxers; those who believe in "Single" Tax, and those who don't.

And now in the last few months I find that there are two kinds of Free Traders; those who believe in "Free" Trade, and those who don't.

I said that at first I was surprised at these things. But as I have looked back over history I find that it is a trait of human fallibility. It is peculiarly exemplified in the history of the Christian Church on earth, a study to which I have given considerable attention. All Christians profess to believe in the Bible, as Single Taxers somewhat similarly swear by "Progress and Poverty." But Protestants and Catholics look at the Bible from entirely different standpoints. This difference of standpoint has divided the Church into a great many