

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World

SINGLE TAX IN A NUT SHELL

(For the Review)

By **BENJ. F. LINDAS**

(Concluded)

This reform would work injustice to nobody. The old homestead, with its sacred memory of the joys of childhood, would still descend from father to son. The well-tilled farm would still pass from father to children. There would be no destruction of title-deeds. The land that you now use would still be yours. There would be no difficulty in putting this reform into practice, for the machinery for the collection of this tax is already in existence. There would be no difficulty in discovering what the amount of the tax should be, the natural exchange between individuals would fix the price just as now. In the valuation of real property, there is no more certain value than the value of the land. Single Tax would not take from a single person what is actually due to him by reason of the labor of his hand and brain. It would take only that value which the activities of the community have made possible; a value which has arisen because of the community, and a value which is just about equal, all things considered, to what the community actually needs to pay the expenses of its government.

Single Tax, however, has positive as well as negative virtues. It would make impossible the private exploitation of those who labor. It would carry out this dictate of nature—that nature gives only to labor, and that the exertion of labor in production is the only title to exclusive possession. It would bring into use two-thirds of the surface of the earth now unused. It would make impossible the concentration of natural resources into the hands of private individuals. Even vast aggregations of capital, with millions of capital to back them up, could not long withstand a tax that assessed them

on their unused resources the same as the used, and that would tax the moisture out of their numerous water-logged corporations. They could not long withstand a tax that would bring into the public treasury all above a just return on the amount invested in actual capital. It would stop the concentration of land into the hands of a few owners. It would kill speculation in vacant land and the withholding of necessary city land from use. It may be true that as many lose as gain by speculation in land, yet it is the prospect of some gain from the gamble that is as strong an incentive for the withholding of land from use as if everyone could gain.

That Single Tax is not based on false logic, is apparent from the manner in which its philosophy is influencing the guiding spirits of the nations of the world. It is Single Tax teaching that formed the basis for the now famous Lloyd George Budget. It is the principle of Single Tax that underlies the reforms, both in city and nation, of the land laws of Germany. It is Single Tax that is gradually being introduced into the laws governing the water-power and irrigation projects of our own country, and the laws that are proposed to govern the distribution of the remaining public lands of the United States. It is the philosophy of the Single Tax that is prominent in the reconstruction policies of Mexico, and is, in fact, a principle of government that will soon color the policies of every progressive nation in the world. In a modified form it is already in use in Australia, New Zealand, and the cities and provinces of Western Canada, and according to *El Impuesto Unico*, of Argentina, it is sweeping across South America like a prairie fire.

Single Tax is a reform in which every one can join who believes in assisting his fellow-man, without any compromise of his individual views. Those who believe that the proper method for the salvation of the human race is by the teaching of morality, can yet give their assistance to Single Tax, for with men free, and opportunities for advancement open, there will be a richer and more fruitful field in which to sow the seed of their teaching. Those who believe in money reform, tariff reform, prohibition, or any other of the hundreds of ephemeral palliatives of the world of politics, can lend their support to their favorite measures, and yet assist in the establishment of Single Tax, confident of the fact that in a nation of actual freemen, alert, industrious, and enjoying the bounty provided for them by nature, they will find individuals better able to weigh and judge such questions on their merits.

The Socialists, too, can be Single Taxers, they can still cling to the theories that are dear to them, yet they cannot help but see that in a country based on Single Tax, with a fund at its disposal that such a system would provide, with people in a position to judge public affairs calmly, with the foundations of dangerous monopoly destroyed—that in a country of this kind they would have a better chance to secure the enactment of that part of their reform that is based upon logic and the wiser judgment of their fellow-men.

Single Tax, therefore, seems to me to be the basic reform of all; the shattering of the fetters of tradition; the destruction of every obstacle that stands between man and the earth upon which he must live; the release of the inert and unused forces of human labor; the death-knell of unnatural speculation, and, for the first time in the history of the world, the entering wedge of the irresistible power of actual freedom.

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We have now covered as carefully as space would permit, and in a general way, many reforms, in addition to Single Tax, that have been suggested as a cure for the internal and external evils that menace the future of this and other nations of the world.

We have now reached a point where we should try to gather together the scattered threads of all the arguments, and, allowing for differences of opinions as to minor details, to see whether we can discover some common belief interwoven with all the ideas of the many conflicting schools of social reform, that might be called a fundamental theory of human progress.

In other words, what are the ideal conditions under which men will reach the greatest heights, mental, moral and physical, and under which States and nations will attain the greatest prosperity and be in a position to promote the happiness of those of whom they are composed? This great earth of ours is the grave of nations and civilizations as well as the final resting place of individuals. Why is it that after a few lengthy strides, a few mighty efforts, great and powerful nations sink into oblivion, spent and exhausted?

In spite of all the checks, however, civilization and human morals have slowly but surely advanced to higher goals. What is it that has caused this advance? What is it that has offered the greatest barrier to its continued advance? When we can answer these questions we will be reaching the real fundamental causes of human progress.

There is one prevalent theory in regard to human progress that will first have to be considered, and that is the theory that all individuals and all society are the result of evolutionary laws*, that strife in some form or other resulting in the survival of the fittest is the form of all human progress; that the lion with the greatest valor, the insects covered by nature with the best means for

*Of course what Mr. Lindas refers to is the use made of the evolutionary philosophy as applied to the animal world to justify conditions in which social injustice is minimized. A likeness is sought to be established between brute struggle for survival and the law of economic competition in society by those whose knowledge of Darwin is purely second-hand. This doctrinal perversion that clear-eyed seer and philosopher of evolution would have been the first to reject. In a similar way, certain German writers, defenders of the abhorrent doctrine of Teuton world domination, have sought to borrow support from the writings of Charles Darwin. In neither case can the testimony of this great thinker be legitimately cited.

—EDITOR SINGLE TAX REVIEW.

secreting themselves from their enemies, the birds with the brightest plumage, the reptiles with the deadliest stings, are the ones to survive. This, they say, is the correct theory of human progress, and that it holds true in human society as well as in the animal world; that the human beings fittest to survive remain to carry on the torch of civilization, and that the weaklings succumb. Reforms, human sympathy, forms of government, are considered as useless in combating this inexorable law. Governments themselves are looked upon as being merely the results of the working of the same law.

This, however, cannot be the correct theory. Every fact of civilized life disproves it. If this theory is correct, from the standpoint of biology only, there has been no human progress. But as a matter of fact we have civilization; we have human beings constantly developing their higher qualities; we have a gradual growing away from the bitterness of the animal struggle; we have an increase in all those things that go to make up a higher art of living; we do not destroy the physically and morally weak, but give them every means to recover the faculties they lack. Thus we see that civilization has advanced regardless of the fact that from the standpoint of these exaggerations of the evolutionary philosophy there could have been no advance.

The men of today, the educated, cultured, civilized men, cannot compare physically with the mighty warriors who followed Alexander on his conquests, or who clashed in the "lists" weighted with armor that a modern man can hardly lift; yet our civilization is higher and better for most of us. We have no men in these days whom we can match with the intellectual giants of thousands of years ago: the old Prophets, the gifted Homer, Aristotle, Euripides, Socrates, Plato, and a host of others, yet, bad as things are, there has been great individual and social progress. The intellectual progress that has been made we cannot attribute to the blind workings of evolutionary laws.

Let us consider the material side. In the field of labor and of purely mechanical achievement, what has been the greatest element in the wonderful increase of human productiveness? It has been the co-operation of labor. It has been the fact that millions of human beings, working together, have been able by their joint efforts to become more productive than they ever could have become by working alone. The strongest man, the man of the greatest skill, could, of himself, perform but a very limited amount of physical or mental work of an effective kind. But let him once properly associate with his fellows, and he can progress along these lines in a manner utterly beyond his reach when more isolated.

It is by means of co-operation, therefore, that human progress is maintained. The physical powers are to be used for non-progressive purposes—the furnishing of the necessities of existence; the mental powers being the "motor of progress," as Henry George calls it, and the mind the instrument by which the human race extends its knowledge, and gathers this knowledge

together to hand to those who are to follow, and who are to use these accumulations of the mental efforts of their predecessors as stepping stones to higher and better things.

Says Henry George: "Now, as in a separated state, the whole powers of man are required to maintain existence, and mental power is set free for higher uses only by the association of men in communities, which permits the division of labor and all the economies which come with the co-operation of increased members. Association is the first essential of progress. Improvement becomes possible as men come together in peaceful association, and the wider and the closer the association, the greater the possibilities of improvement, and the wasteful expenditure of mental power in conflict becomes greater or less, as the moral law which accords to each an equality of rights is ignored or is recognized. Equality or justice is the second essential of progress. Thus association in equality is the law of progress. Association frees mental power for expenditure in improvement, and equality, or justice or freedom, for the terms signify the same thing, the recognition of the moral law—prevents the dissipation of this power in fruitless struggles."

This law of human progress is recognized by all reformers, whether moral reformers, anarchists, Single Taxers or Socialists. They all agree that co-operation is the method by which the human race can make real, worth-while advances. Also, they all agree that any conditions of human affairs that keep men struggling for a mere animal existence, are in direct opposition to this law of human progress, which, to be effective, must have freedom of the mind for higher things. They differ as to the cause of these conditions that militate against the freeing of the individual from the thrall of repressive circumstance, and they differ as to the necessary steps that must be taken to secure for him this necessary mental freedom.

I believe in the Single Tax as the method by which we can secure the proper co-operation of society, because I think the freedom of the land is the first step towards the removal of the obstacles that prevent the freer association of the people, and the first step necessary to free man from the burden of poverty that turns all his mental energies into a mere struggle for existence.

I cannot see how any reform can succeed that permits to individuals unrestrained control over the soil of the earth. To permit this unrestrained privilege is to give to private individuals control over the lives of those who live upon the soil, and means slavery in some form or other. Slavery in any form means that we have no co-operation in freedom and justice.

I believe Single Tax is in accordance with the law of human progress because it is a complete reform and one that would render all other reforms easy or unnecessary. The shrewdest and most unscrupulous representative of "big business" could not long maintain a hold over the people if the resources of the earth were once opened to their use.

I believe in Single Tax as a real aid in human progress because it strikes at the root of all the social evils. The tenure of land has been the root of all the social evils. The tenure of land has been the root cause of nearly every great disaster that has interrupted the progress of the human race. The rights of property that arise with reference to things of human production are transferred to land. While population is scarce, this condition of affairs is not understood in its true significance, but as population becomes dense and rent arises, the producer is in this way gradually stripped of the greater part of all that he produces. The only title to absolute ownership of anything is the act of production, and no one produced the land.

Examine the history of any of the old nations that are dead and gone and you will find the people divided into an aristocracy based on ownership or control of the soil, and an unruly mob deprived of their birthright, actual or nominal slaves, gradually spreading dissatisfaction and sedition, until the witches' cauldron of human resentment overflows, and buries under its fiery deluge the very ones whose disregard for the rights of man had kindled the flame.

It was the cornering of the natural resources that like a cancer ate the vitals of the mighty Roman Empire. It has been land monopoly that turned the fair Emerald Isle into a desolate nation of starving people. It is the deprivation of the people of England and Scotland of the common land of their own nation that has stunted and dwarfed the sturdy English yeomen who were at one time the admiration of the world. It is the land question that furnishes the chief resistance and that bolsters up the edifice of every monopoly. It is the one, ever present question, that like Banquo's ghost, will not down.

It is for these reasons that I look upon Single Tax as the one simple, feasible means of securing the actual co-operation of the producers of the country and for blazing the way for greater human progress than we have ever dreamed.

"The law of human progress, what it is but the moral law? Just as social adjustment promotes justice, just as they acknowledge the equality of right between man and man, just as they insure to each the perfect liberty which is bounded only by the equal liberty of every other, must civilization advance. Just as they fail in this must civilization come to a halt or recede. Political economy or social science cannot teach any lessons that are not embraced in the simple truths that were taught to poor fisherman and Jewish peasants by One who eighteen hundred years ago was crucified—the simple truths which, beneath the warpings of selfishness and distortion of superstition seem to underlie every religion that has ever striven to formulate the spiritual yearnings of man."

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We have now discussed Single Tax as a philosophy of life, as a means of social reform, as a method for bringing the daily activities of the community

in accordance with the natural laws of economics—in other words, Single Tax unlimited.

We have now to discuss Single Tax as a tax reform merely, as a method for securing the revenue for the expenses of the community.

There are quite a number of people who believe in Single Tax as a fiscal measure, yet who hesitate to support it when it goes to the full extent of confiscating the entire rental value of the land.

Are the unlimited Single Taxers justified in supporting this preliminary measure? Will it tend to weaken their propaganda for the full and complete reform?

Let us try to discover now, whether Single Tax is an improvement over the usual methods resorted to by cities and states for the securing of their revenue.

The principle method today in the cities and states of the United States, for securing revenue, is the general property tax. This tax is a tax on personal property, tangible and intangible, a tax on business in the form of licenses and permits, a tax on "real estate," which includes land and the improvements on the land. In some places there is an inheritance tax, in some an income tax, in most places taxes designed to reach corporations and banks, by means of taxes on net earnings, bank deposits, on the number of passengers carried by street railways, etc. Let us consider these separately.

A tax on personal property is a tax that is not and cannot be enforced. It is ineffectual and absurd. You cannot reach the valuable personal property because it is intangible and easily hidden. You can reach the means of support of the worker and the stock of the small store-keeper—this personal property is visible and cannot be hidden. No one pays a personal property tax but the poor man or the honest man. It is an inducement to perjury. It is an interference with the personal rights of the individual. If rigorously enforced it checks production, for it adds to the cost of goods in the course of manufacture. It has been abolished in practically every country in the world except in this enlightened and progressive country of America.

Allied to the personal property tax in its injustice is the license or business tax. This is a tax assessed against a man for transacting business, for investing and spending his money, for attempting to be progressive, for performing a necessary public service. In the District of Columbia there are about one hundred business taxes, in other places even more. The business tax is a discrimination against the small struggling, business man. If you are a lawyer, a wealthy stock broker, or engaged in some lucrative office practice, you pay nothing, or little in proportion to your earnings; if you happen to be some insignificant merchant you pay to the full extent of the exactions or you go to jail or out of business.

That portion of the real estate tax that is assessed against the value of the

land is just and proper. It takes, of course, a part of the value that the community has made. That part of the tax, however, that falls on improvements, is in the same category as the personal property tax. Improvements are but personal property affixed to the land. Every objection that can be urged against personal property tax movable, can be urged against it when immovable. It cannot be, and is not justly enforced. The value of a poor man's dwelling is a matter of common knowledge and is assessed at full value, the value of a rich man's mansion cannot be ascertained without the most rigorous investigation, which is never undertaken, with the result that in almost every case the improvements of this kind are grossly underassessed. When this tax is enforced, like the personal property tax, it interferes with the production of the article taxed. It means less houses, and less work for the men engaged in the construction of houses. It means higher rents and a congested population. It means higher rents, because every tax on improvements, falling on all improvements, adds to the cost of the building and has to be paid for in a rent high enough to pay interest on the increased cost. It means less houses, for every increased burden on production means less production, and every burden removed from land, means less land available for use.

Single Tax on land values would secure the same amount of revenue, and escape all the objections that have been urged against the present system of taxation. This tax would be certain. Land is always visible, and the value of land is a matter of common knowledge. It would lessen the cost of the collection of the tax and the uncertainty that attends the collection of every other kind of tax. It would be just because it would simply compel every one to pay for the benefits he had received from the community instead of for the benefits he had rendered to the community by his industry and thrift. It would discourage land speculation, induce the construction of homes, lower rents, and cause cities to grow naturally and sanely. It would be an incentive to improvement, because every tax removed from industry would cheapen the products of that industry, and every tax placed on land would cheapen the cost of the land.

This is not all. Single Tax would mean great administrative reforms in the collection of taxes. A tax on land values being based on the benefits received, would have to be so adjusted that only the benefits would be taxed. Therefore, frequent assessments would have to be made so that sections of rising values could be made to bear the increased tax, and sections of falling value relieved of excessive tax.

A tax on land values being assessed against the actual values of the land would mean the doing away of such puzzling provisions as two-thirds assessment, three-quarter assessment, or any proportional assessment. It would mean that all deeds should state the full consideration, not only as an aid to the assessors in the ascertaining of

value, but as a necessary protection to the people who may wish to invest in the real property of a city or town. In addition, it would mean that enough assessors would have to be provided to properly canvass the city, and it would mean the abolition of such a farce as is now in existence in Washington, where three men, acting as one, are supposed to personally view and assess in one year 140,000 pieces of real estate. It would mean, that being a tax easily understood by the people, they would demand some means of knowing whether they were taxed the same as their neighbors, and would result in such improved methods as the publication of annual assessment sheets and land value maps.

In other words, it would mean the scientific collection of revenue, the end of discrimination and favoritism. It would mean the end of assessing vast tracts of land as agricultural land while it is being sold to unthinking residents at city prices.

This tax is not an experiment. The advantages claimed for it have actually resulted where it has been tried for any length of time.

The Board of Trade of Lethbridge, Canada, sends out this report:

“Lethbridge has adopted the Single Tax system. All revenue is obtained from taxation of land value only. This means that the workingman's home is not taxed, neither are business blocks or the residences of the wealthier people. The building and machinery of industries are exempted from taxation. In fact, business of all kinds is exempted, land values forming the sole basis of assessment.”

In Edmonton, the capital city of Alberta, the year following the adoption of Single Tax the value of building operations increased 300%. In Houston, Texas, under a partial application of the Single Tax system by Commissioner Pastoriza, a wave of prosperity followed that had never before been equalled.

It is not in the smaller cities only that Single Tax can be effectively used, for recently Sydney, New South Wales, with a population of 700,000, has adopted it.

There can be no harm, I think, in advocating Single Tax as a tax reform, where the time is not ripe for advocating the extreme measure. Single Tax advocacy of any kind will cause people to become more and more familiar with it; will arouse a curiosity as to just what it means; will make itself the source of discussion, will direct attention to the difference between property in land and property in things created by labor, and will cause an awakening of interest that is bound to react in favor of what Single Tax will ultimately stand for.

Single Tax limited will tend to remedy, somewhat at least, conditions in cities and towns. It will disclose the real opponents of the movement, and when these have once been smoked into the open, tax reform will have clearer

sailing. It will direct attention to the fact that their is such a thing as the community value of land. It will educate the people to the fact that congestion, city slums and unsanitary buildings and homes, are the results of land gambling, and when these facts once become clear, the agitation will never cease until more and more of the landowners' graft is absorbed by the people: until ground rent becomes the common property of all, and until every natural opportunity can be used but for one purpose, and that to supply the people with the necessaries of life, without waiting for the permission of any private individual, and without having to pay as toll the greater part of what labor has produced.

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TAXATION OF PUBLIC SERVICE FRANCHISES — A VITAL PART OF SINGLE TAX.

(*For the Review*)

By **JAMES W. BUCKLIN**

In the Nov—Dec. number of *THE REVIEW*, vol. 16, page 341, under the title of "Taxing Public Utility Corporations," George White urges that such corporations should either not be taxed, or if "some kind of tax" is levied on them it should be "a tax upon gross receipts." He also says "any taxation of public utility companies must be considered as finally payable by patrons." I am informed that other prominent Single Taxers are in accord with his views.

So far as Single Tax authority goes, our national platform adopted in Chicago in 1893, Henry George's works, Thomas G. Shearman's "Natural Taxation," and most if not all other Single Tax authorities are in direct conflict with Mr. White's proposition. Let us however examine the subject itself and see if his position is tenable; but before considering other public utility taxes let us briefly consider the taxation of gross receipts.

Gross receipts of public service corporations come from both the wealth (tangible property), and from the land and franchises of the company, and even Mr. White admits that a tax on the tangible property is unjust. A tax on gross receipts is more unjust and indefensible than even the general property tax, because it would exempt all unused land and franchises from all tax. In fact there is no ethical basis whatever for a tax on gross receipts. Is there any ethical basis for any tax on public service corporations, and if so what is it?

The property of public service corporations consists of land, franchises and "tangible property." What is a public service franchise? It is a special right or privilege to use land as a highway. It is a landed right, and the income therefrom is rent, arising, increasing, decreasing and disappearing,