

The American Century  
of  
John C. Lincoln

by RAYMOND MOLEY

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## Chapter XIII

### JUSTICE THROUGH LAND TAXATION

JESUS had the genius to see how the dreams of the ancient prophets—dreams that the earth could be a place where peace and righteousness and prosperity should reign—could be realized, and He devoted His life to the task of helping other men to see the same vision He saw and to join with Him in bringing it to pass. The vision could not be realized without some human organizations in which good reigned rather than evil. . . . Can we do better than to catch part of the vision He had and use our lives to help rid the world of evils and the wars and poverty and broken lives that result from evil.”

This is written in John C. Lincoln’s book, *Christ’s Object in Life*. It is a summary statement of his faith. It was also his abiding purpose to give in the spirit of that faith his zeal, energy, intelligence, and most of the material means which he had accumulated over a long and productive life.

There was nothing of the mystic in Lincoln. He was a very practical individual. He regularly attended and generously supported the churches of his choice. But he was far more interested in the application of the Christian faith to the actuali-

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ties of life, to social and political organization and public understanding that justice be embodied in law.

He was quite aware of the hard facts of life. He had lived with them many years. He understood men in their strength and weakness. But he believed that their lives could be enriched if they shared with him his belief in Christ's teaching. This he believed could be achieved by what he so often called the natural law as a rule to guide all human associations.

He wanted to apply the natural law to economic affairs. This he believed to be the way to equalize opportunities, eliminate involuntary poverty, and clear the way to social and political harmony and peace.

He could not believe in those principles of socialism which have allured so many seekers of justice. For he believed that the state had been a partner in imposing those inequitable laws which he regarded as violations of the natural law. Also he was a passionate individualist whose success had been possible because of the climate of freedom which prevailed in the United States in his time. Equality in goods imposed by a super-state seemed to him wholly inconsistent with existing inequitable laws which penalized the deserving and enriched the unworthy.

He knew the market place well and realized through experience that monopoly was a major evil, especially a monopolistic ownership of land.

These conclusions, his belief in the social implications in Christ's teachings, their application in the natural law, with freedom for individual enterprise and a realization that all forms of monopoly were inimical to equality of opportunity, he had found embodied in the teachings of the philosopher who next to Christ influenced him more than any other. That influence became an abiding reality seventy years before his

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death when he was working for Brush. It was in Cleveland at a meeting at which the speaker was Henry George.

George was then at the summit of his fame. His masterpiece, *Progress and Poverty*, had appeared ten years earlier, and its influence had penetrated many nations. Some estimate of George and his influence was conveyed by a notable American philosopher at the time of his death in 1897:

No man, no graduate of a higher educational institution has a right to consider himself educated unless he has some first-hand acquaintance with the theoretical contribution of this great thinker. We find in *Progress and Poverty* the analysis of the scientific with the sympathies and aspirations of a great lover of mankind.

Henry George, who became such an abiding influence in Lincoln's life and thought, was born in Philadelphia. He was not reared in poverty, but the circumstances of his respectable family could be described as austere. At the age of fifteen, in a period of severe hard times in the 1850s, he went to sea. The impressions gained in his travels deeply affected him, for he saw grim human conditions in Calcutta and dire unemployment in Australia. Meanwhile he learned the printer's trade and developed a talent for observation and reporting. Finally his travels brought him to San Francisco where he worked at odd jobs as a printer. Frequently in those years his personal situation was so acute that he virtually lived as a tramp. But despair, worries, and want were always mingled with high purpose, idealism, and plans for the future. Before long he drifted into editorial work and, with a bit of publishing on the side, he became a writer. It was a period in California's history when there was plenty of evidence of the inequities created by land ownership. Wealth was growing through land speculation, not only in the city itself but in the profits made

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from the land along the new railways. But there was also profound poverty on every side. George, who was moved by deep moral imperatives, became an ardent evangelist.

His talents opened the way to editorial positions which considerably improved his personal fortunes. Financially he did rather well and he became an individual of considerable influence in the city.

After the Civil War land speculation broke out in full force. Great fortunes were growing. George gradually drew a number of conclusions. He realized that land speculation was providing vast increments for a few with little or no effort. Wealth and want were living side by side, and he concluded that the greater the accumulations of wealth the greater the depth of poverty. Then he wrote a small brochure *Our Land and Land Policy*, in which there appeared the basic conclusions later elaborated in *Progress and Poverty*. He found it possible to supplement what he learned from observation with extensive reading in the field of economics. He began a correspondence with certain classical economists, including John Stuart Mill.

In 1875 he lost his final editorial position in San Francisco and went East where he immediately began the research and writing which appeared in 1879 as *Progress and Poverty*.

The tremendous impact of this book on the generation that followed its publication was not due to the originality of the concepts which it presented. For the idea of heavier taxes on land was advocated a hundred years before by the French physiocrats. In one form or another it ran through the writings of many of the classical economists before George. His four Canons of Taxation were almost identical with those written by Adam Smith in his *Wealth of Nations* in 1776. But the eloquence of his style, the background from which he wrote,

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which was land exploitation in the California he knew so well, and, above all, the moral conviction of the man that he was truly expressing immutable and natural laws of justice made his contribution unique.

He rejected the collectivists' ideas of his time and stood firmly for individual enterprise unfettered by inequitable levies and monopoly. His Canons of Taxation were a plea for the encouragement of individual efforts free from the penalties imposed by traditional taxation. They were:

The best tax by which public revenue can be raised is evidently that which will closest conform to the following conditions:

1. That it bear as lightly as possible on production . . .
2. That it be easily and cheaply collected and fall as directly as possible on the ultimate payers . . .
3. That it be certain—so as to give the least opportunity for tyranny and corruption on the part of officials and the least temptation to law breaking and evasion on the part of the taxpayers.
4. That it bear equally, so as to give no one an advantage or put anyone at a disadvantage as compared with others.

These principles, it will readily be seen, have even more pertinence today than when they were written. For on every side we see the immense burden of taxation on production, the mammoth bureaucracy which is employed in collection, the alarming trend toward avoidance by the rich and evasion by the poor, the host of indirect taxes imposed by political expediency by Congress, the state legislatures, and the local authorities. There is evidence on every side that under our modern network of taxation speculators are enriched while producers are sorely penalized.

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George in his *Progress and Poverty* came to his conclusion that the central problem was land monopoly with singular coherence:

It is sufficiently evident that with regard to production, the tax upon the value of land is the best tax that can be imposed. Tax manufactures, and the effect is to check manufacturing; tax improvements, and the effect is to lessen improvement; tax commerce, and the effect is to prevent exchange; tax capital, and the effect is to drive it away. But the whole value of land may be taken in taxation, and the only effect will be to stimulate industry, to open new opportunities to capital, and to increase the production of wealth. . . .

The present method of taxation operates upon exchange like artificial deserts and mountains; it costs more to get goods through a custom house than it does to carry them around the world. It operates upon energy, and industry, and skill, and thrift, like a fine upon those qualities. If I have worked harder and built myself a good house while you have been contented to live in a hovel, the taxgatherer now comes annually to make me pay a penalty for my energy and industry, by taxing me more than you. If I have saved while you wasted, I am mulct, while you are exempt. If a man build a ship we make him pay for his temerity, as though he had done an injury to the state; if a railroad be opened, down comes the tax collector upon it, as though it were a public nuisance; if a manufactory be erected we levy upon it an annual sum which would go far toward making a handsome profit. . . . We punish with a tax the man who covers barren fields with ripening grain, we fine him who puts up machinery, and him who drains a swamp. How heavily these taxes burden production only those realize who have at-

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tempted to follow our system of taxation through its ramification. . . .

On the land problem he saw in his day, George was capable of highly literary exposition:

Take now . . . some hard-headed businessman, who has no theories, but knows how to make money. Say to him: "There is a little village; in ten years it will be a great city—in ten years the railroad will have taken the place of the stage-coach, the electric light of the candle; it will abound with all the machinery and improvements that so enormously multiply the effective power of labor. Will, in ten years, interest be any higher?"

He will tell you, "No!"

"Will the wages of common labor be any higher; will it be easier for a man who has nothing but his labor to make an independent living?"

He will tell you, "No!"

"What then will be higher?"

"Rent; the value of land. Go, get yourself a piece of ground and hold possession."

And if, under such circumstances, you take his advice, you need do nothing more. You may sit down and smoke your pipe; you may lie around like the lazzaroni of Naples or the Leperos of Mexico; you may go up in a balloon, or down in a hole in the ground; and without doing one stroke of work, without adding one iota to the wealth of the community, in ten years you will be rich! In the new city you may have a luxurious mansion; but among its public buildings will be an almshouse.

George proposed the following reform:

I do not propose either to purchase or to confiscate private property in land. The first would be unjust; the

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second, needless. Let the individuals who now hold it still retain, if they want to, possession of *their* land. Let them buy and sell, and bequeath and divide it. We may safely leave them the shell, if we take the kernel . . . *It is not necessary to confiscate land; it is only necessary to confiscate rent.*

*Progress and Poverty* achieved immediate success. Its practical effects were tangible and of a far-reaching nature. Thoughts that Henry George had written stimulated, over an extended period of time, considerable reform of property taxes both here and abroad. The Irish fell upon his ideas, for English agrarian policy spread inflammatory resentment and revolt among their people and their political leaders. In 1881 *The New York Irish World* sent George to Ireland where his speeches were enthusiastically received.

His impact was no less significant on British thinking, for he aroused it to a greater sense of social conscience concerning the economic shortcoming of the British system. Four times during the 1880s he toured the British Isles. There he was hailed as a great social and economic reformer. *Progress and Poverty* and its author's agitation were instrumental in bringing about Lloyd George's land tax in 1909.

The encompassing land reform which George sought found its fullest application in New Zealand and Denmark, and, to a lesser degree, in Australia and Germany.

Henry George's ideas enjoyed popularity but less success in the United States. Yet he tirelessly advanced his creed through articles and speeches. In 1886 he finished another volume, *Protection or Free Trade*, which was to be widely read and inserted into the Congressional Record in six parts by one of his disciples—Tom Johnson—and five other Representatives.

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That same year he ran unsuccessfully against the Tammany candidate for Mayor of New York. But behind him in the final count was the Republican candidate, Theodore Roosevelt. For ten years following this disappointment George continued his economic evangelism, touring the United States, crossing oceans to shores as distant as Australia, and writing incessantly.

In my judgment George brought home, with perhaps the most easily understood illustration, the concept of social value which inspired the whole Progressive movement in the United States in the generation which began near the dawn of the twentieth century. For anyone can see that the individual who holds a piece of land with no effort to improve it and who has small taxes to pay cannot help but be enriched by those whose industry enriches the entire community. He toils not and neither does he spin, but his land increases in value.

But the subjects George considered in his many speeches and his writings touched almost all of the corrective influences which were the result of the Progressive movement. The restriction of monopoly, more democratic political machinery, municipal reform, the elimination of privilege in railroads, the regulation of public utilities, and the improvement of labor laws and working conditions—all were in one way or another accelerated by George.

It may well be argued that the phrase "single tax," which became identified with his name, has had much to do with the neglect of George in a more recent generation. For with the growing responsibilities of government the concept of collecting all public revenues from land is subject to question and has, in fact, been derided by many responsible economists. For modern civilization offers many other instances in which

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social acceptance, and thus social value, provides an unearned increment to those in legally strategic positions. They too should bear a heavier share of taxation in line with George's Four Canons.

Most of those who adhere to the broad concepts of George's philosophy prefer the expression "land value taxation." This would move toward capturing much more of the rental income of land by assessments which bear equally on improved and unimproved land and which would remove some of the burden of taxes from improvements.

Henry George, the speaker at the meeting in 1889 which initiated John C. Lincoln's lifetime interest, had been brought to Cleveland by Tom L. Johnson, who was at that time a builder and owner of street railway systems as well as a steel manufacturer and capitalist. Johnson had been converted to the ideas of George some time before, and later he became the economist's foremost disciple.

As Lincoln later recalled, the meeting was attended by about five hundred people. But he also recalled that at that time he "had no idea what George was talking about." In the years immediately after, while Lincoln was working for Short, he had several contacts with Johnson, mainly because Short was interested in selling streetcars to the Johnson interests. There was no sale of streetcars, but later, when Johnson became Mayor of Cleveland from 1901 to 1910, Lincoln learned much more of George's ideas through Johnson's remarkable influence on the life of the city and his practical application of George's ideas.

Lincoln secured a copy of George's famous book, *Progress and Poverty*, and systematically read it at least three times. His earlier reading and thinking about social reform had made

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him acquainted with the principles of socialism, but his own common sense and experience, together with George's cogent argument against that sort of reform, convinced him that George had the better answer. Later he read other books by George.

When Lincoln was in Europe in 1913 he discussed not only engineering but economic problems. He visited many of the leading land reformers of that time. In England he was especially impressed with John Paul, who was a leader in the Single Tax movement.

In the years following that visit to Europe Lincoln came to know many of the Georgist leaders in the United States. He never met but knew about Robert Schalkenbach, a master printer in New York who established a foundation which bears his name and which is dedicated to the dissemination of George's ideas. Lincoln knew Francis Neilson, an Englishman who was head of the British League for the Taxation of Land Values and who visited the United States. Joseph Fels, a Philadelphia soap manufacturer, was also a Georgist at that time, and up to his death in 1914, was active in the movement. He left a considerable fortune to the cause.

A Commonwealth Land Party in 1924 nominated John C. Lincoln as its candidate for Vice-President on a ticket headed by William J. Wallace of New Jersey. The only purpose of that party was the promulgation of the Georgist philosophy, and Lincoln later doubted its effectiveness. Years later he said, "It was a crazy thing to do." He noted that his campaign cost him \$2,000.

In the first two decades of the twentieth century, Single Tax movements grew in many countries. In the United States there were hundreds of devoted adherents. Clubs and schools

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were organized in several cities. But, for many reasons, the Georgist movement declined. When the great depression came in 1929, George was almost a forgotten man.

However, in 1932 Oscar H. Geiger established the Henry George School of Social Science in New York, hoping thereby to promote through educational methods more public interest in George and his ideas. The school, in the years that followed, acquired from several believers in George substantial sums for operation and endowment. Lincoln became interested in the school in 1936 and became a large contributor to its support.

After the publication of his book on Christ, Lincoln wrote a number of small treatises on land value taxation, which were distributed through the Henry George School. They were entitled, "Should Land Have Selling Value?", "Scientific Taxation," and "The Natural Source of Revenue for the Government." A final and longer one, "Stop Legal Stealing," was published a year before his death. In various forms and with apt illustrations these essays are outspoken statements of the iniquity of land monopoly, land speculation with great unearned profits, and, in a somewhat modified form, the concept of Henry George that the income from land be taken by the community which created it.

As we shall see in the next chapter, the basic argument of Henry George, as well as the contentions of Lincoln over the years, is more than justified by circumstances prevalent now. The Federal, state, and local governments contribute vast sums for urban renewal and redevelopment for housing, highway construction, and even farm subsidies, collected from the taxpayers through the income tax and other forms of levies which greatly enrich those who own land in fortunate situations. These values, created by society, become private profits, mostly unearned. As this inequity is more generally

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realized and remedied, the principles so earnestly expressed and supported by John C. Lincoln may indeed attain reality in the social and legal order. Lincoln often said that it might be years before the truth would prevail. This was to remain his faith, unshaken to the end.