

"THE SOUL OF THE SINGLE TAX MOVEMENT"

(For the Review)

By **ELIZA STOWE TWITCHELL**

"The Single Tax Movement in the United States," by Arthur Nichols Young, is an exhaustive history of the inception, trend and present status of the Single Tax in the United States—what its various organizations and some of its leaders have accomplished. This book has been ably reviewed, but neither the book nor its reviewers have fully accounted for the religious enthusiasm of early disciples, or the effect of this upon the movement.

Some historians have tried to account for the rise and influence of the Puritans by depicting only one side of their characters and principles—their intolerance, superstitions, narrow creeds; their stern inflexible martyrdom for what they deemed to be the natural right of men to worship God according to the dictates of their own conscience. If this were all—if there are no natural rights—how are we to explain their influence in shaping the character of New England for two hundred years? Do not the history of their early struggle, and the sight of their landmarks still inspire to liberty?

Dr. Young is correct in saying that the early emotional stage was heightened by the popular unrest of that time. There was a hunger to find a way out, a longing for light and knowledge, as well as an instinctive trust in the leadership of Father McGlynn and Henry George. Then, too, their abstract theories about "doing away with private property in land," and "making land owners bear the common burden," were taken far too literally. But had this been all, the Single Tax movement would long since have met a lingering death as emotion subsided. Either these people were deluded theorists, wild visionaries, and hero worshippers, or they did behold a truth that the leaders were able to make clear to only a few. Yet many who saw the light, but obscurely, believed in it, and quietly handed it on and on, and when the time is ripe for it, they will stand and declare themselves.

Was it for a little tax reform, or for the overthrow of privilege that Tom Johnson turned from the greedy pursuit of money-making to the thankless task of city building? Was it for three-cent car fares that he gave so freely of his means, his energies and the best of his life?

What kept Charles Bowdoin Fillebrown twelve years giving banquets to hundreds of guest at \$1.50 a plate, all at the expense of the Massachusetts Single Tax League, asking only that each guest, after partaking of the feast, would listen, weigh and ponder the subject as presented by the speaker of the evening?

Abstract theories about taxation will in time effect reforms, but to effect a revolution in the principle of taxation, men must be shown that this

principle broadens liberty, harmonizes with and defends the rights of man. The Single Tax principle not only does this, but it has a religious side as well, and this accounts for its emotional nature. It reveals the Fatherhood of God and the Brotherhood of Man. Thousands, who seeing the want and misery in the world had lost faith in God, yet, by an understanding of this phase of the subject, they not only regained their faith, but came to realize the civic responsibilities that must flow from believing these to be facts, and not mere abstractions.

Says Henry George: "It is not for an abstraction that men have toiled and died, that in every age witnesses for liberty have stood forth and martyrs of liberty have suffered." These vital themes—Liberty, Human Rights, Brotherhood—these were and still are the soul of the Single Tax movement. To leave them out of its history, aye! out of its propaganda, is to resuscitate a body without a soul.

True, this vision was so new that it required minds capable of the broadest generalization to grasp it; even then, the pictures must be held steadily before the reason, 'till the higher intuitive faculties, aided by reason, could pronounce them true, and not hallucinations. This once done, no amount of ridicule, abuse, weighty authority of the schools, or prevailing custom or opinion could weigh against their clear splendor and importance to mankind. Men stood ready to give all for them. Such is the power of truth. The clearness and completeness of the disciple's vision constituted his initiation, blessing him with courage to proclaim it at whatever cost.

But alas! words are such misleading things, that the wonder is we dare make use of so many. It was one thing to see the whole vision, quite another to show it to others, especially in an age hardly ripe for it. The proof of this is that after thirty years of propaganda, men of learning can say, as does Dr. Young, "I can see no difference between socializing the land and socializing its value." This statement alone proves that the writer has not yet grasped the soul of the Single Tax movement.

Neither is the fault wholly with men of learning, for did not Henry George himself say, "Who wants the orange after the juice is squeezed out?" and also, "To take away the land value is virtually to take away the land;" yet no one knew better than George, that even were the whole market value taken, the land would remain and be as valuable for farms, building sites and transportation as before, and title deeds more secure.*

Thomas G. Shearman, the eminent lawyer, said, "When taxation is levied exclusively upon ground rents, every man will have, for the first time in history, an absolute and indefeasible title to his property." Yet—both Henry George

*The illustration sought to make plain that no landlords would care to hold land as against the people's demand for its use, and that the payment of its value to the people would leave landholders in possession of a quite harmless privilege—EDITOR SINGLE TAX REVIEW.

and Father McGlynn attempted to put their vision into words by these statements, about common ownership in land, and some of their disciples still follow their example. It was the writings of George that made clear what thirty years ago was very confusing—the great difference between land and its value.

It is a great adventure when divine wisdom permits mortals to behold the light of a great truth never before given to the world. Sometimes it flashes out with great brilliancy, then dies for a hundred years, only to be born again in the brain of another mortal, and in an age more ready to receive it. But we mortals are not altogether to blame for our mortal mistakes. Rather, the marvel is we do as well as we do, that our courage and zeal continue in spite of misrepresentation and indifference. The general belief today is that everybody now knows all about the Single Tax: "That it's the George Idea about owning land in common." That settles it.

Dr. Young accepts, without question, the prevailing opinion that, unlike George, Shearman's work was purely fiscal, thus overlooking their unity of purpose, discovery and reliance on a law of nature.

SHEARMAN AND GEORGE CONTRASTED

George and Shearman, separately, studying the subject from two opposite points—one seeking the best method in taxation, the other the cause of poverty—arrived at the same remedy—"Tax land values."

Moreover, each declared his remedy impregnable, because it rested upon a law of nature. One called it "Nature's Tax," the other "Nature's Law of Justice."

Scholars should re-read diligently Chapter IX, in Shearman's *Natural Taxation*. He shows lucidly that his belief in the Single Tax does not rest upon any human hypothesis, but on a law of nature, working constantly and invariably. He says: "We may be sure there is a Science of Taxation, and that nature has much to say about it, if we would only listen to her voice."

Again, "Nature's tax, when paid to the State, is called a tax; when paid to private individuals is called ground rents."

"No sane man pays too much rent. He pays no more than some other man is willing to pay for the same privileges. He gains a certain profit out of that site that he could not gain elsewhere. He receives it, he pays for it, so it, in reality, is no tax at all."

Henry George taught the same, that every one would pay a tax (to the State through a landlord) in proportion to the civic privileges received, and when these sums were distributed in civic benefits, all would enjoy them equally. So it would be in reality, no tax whatever, but a pension for everybody, landlords included.

The closing chapters of Dr. Young's book are sad reading—a history of

seeming failures; of attempts to induce localities to try small doses of sugar-coated Single Tax, before knowing what was being taken.

J. J. Pastoriza, of Texas fame, has said: "I am firmly of the opinion that any propaganda short of a full preachment of its gospel is futile, leads away from the Single Tax, and makes its final achievement more difficult." Because this preachment was not full at some legislative hearings, it gave the opposition a chance to pettifog, and so belittle a great truth. Dr. Young gives the following argument used by the opposition at a hearing in New York:

"Before trying this experiment, we must know which sections of the City, which types of property, which economic classes would pay greater taxes and which smaller, were land to be taxed at a higher rate than buildings." When Newton saw the apple fall, had he waited to investigate all other kinds of apples, other trees, the weather, seasons, times past, present and future, it is doubtful if we would yet be able to believe that the law of gravitation can be known to exist upon planets where scholars have never set foot.

In view of the fact that the Single Tax movement, of late years, seems in danger of losing its soul by drifting away from its full gospel, and thus becoming a mere fiscal reform, the writer ventures to attempt its revelation by a brief word picture.

THE WHOLE VISION

Let an apple represent the value of the wealth that was produced in the United States last year. Cut a slice of one-fourth* off the top of the apple to represent the amount taken in taxation by government, (local, State and federal) from labor, capital and ground rents.

Now divide the remainder into three equal parts. Let one third represent the amount going in distribution to economic wages; the second portion that going as profits to capital, and the third, the value going in distribution as ground rents.

Labor and capital have produced the whole apple; but when its value is distributed and each finds his portion to be less than one-third, each feels he has been robbed. So he has, but the true robber is ground rents, or what is called "privilege."

Because the larger portion of ground rents go in distribution today to a few capitalists, privilege is confused with capital, and labor is continually striking at what it believes to be capital. But real capital—capital that owns no privilege, is receiving comparatively as small a portion of the apple today as labor. Could both know by whom they were being robbed, and how vast were the sums annually taken, they would laugh, or blush at their foolishness in regarding each other as enemies.

*Authorities do not agree that the amount taken in taxation constitutes as much as one-fourth, some placing it as low as one-tenth. This, however, leaves the argument here untouched—EDITOR SINGLE TAX REVIEW.

THE NATURE OF GROUND RENT OR PRIVILEGE

Wherever labor and capital are producing wealth with ease, and in great abundance, aided by quasi-public utilities—there arises a value over and above the joint products of labor and capital—a value of privilege. Where industrial and commercial privileges are great, land values (ground rents) are high, where small, there are little or no land values, or would be none, were it not for land speculation.

The whole question of taxation; of poverty; of a privileged and an unprivileged class; of a just or an unjust distribution of wealth can be narrowed down to this—to whom does this one-third portion of the apple belong? Everybody knows now that land values are produced by all collectively, that they are a social product, and therefore, by right, belong jointly to all the people—landlords included. Were landlords to retain enough ground rents to pay them amply for the labor of collecting, and pass the remainder on to government—to the people—the producers of wealth would receive in distribution the whole apple, and there would be no tax burdens whatever. The land would not be owned in common, but land values would be enjoyed in common. Ground rents, which, as Shearman says, “are no taxes at all,” would pay amply for all governmental expenses.

That value, which, by a law of nature, is created by all, would be distributed to all, and the law of justice—equal rights and equal privileges—would soon produce a civilization of continuing peace and prosperity.

Landlords forget that they are laborers and capitalists, as well as landlords, and as such, they are being robbed by the one-fourth slice off the top of the apple. Were they relieved of all taxes except those on ground rents, even though these were doubled, many landlords would pay less taxes than now; most would pay no more, and privilege would be distributed equally, instead of going, as now, to a few, who use it to purchase more capital, own more industries and control governments, thus making the production of wealth and its unequal distribution of much more importance than the production of free men and free opportunities to labor and capital.

But this is by no means the whole vision. It cannot be told. The picture is too bright to be believed. It must be felt by each reader's sense of justice. This picture fails to show how, by this method, wealth would be enormously increased; how wages would rise and profits be multiplied.

Superstitions about the protective tariff and ignorance that our present system of taxation is not only wrong in method but wrong in principle; these alone—superstition and ignorance—are preventing the overthrow of a system of taxation that today burdens every wheel of industry, and taxes the many to enrich a few.

In every branch the work of science has been to overthrow superstition and dispel ignorance by positive knowledge. Inasmuch as the Science of Political Economy deals with the most vital problems of our day, its positive knowledge must bring to mankind the greatest of blessings. Its truths lead

away from lawless anarchy, poverty and war, to the sure and certain knowledge of how to expand and cultivate our community of interests, so that soon, very soon, there must dawn a new age of lasting peace and universal prosperity.

One object of this paper is to dispel the prevailing opinion that the Single Tax is merely a treatment of the land question. On the contrary it deals with the laws of rent and wages; reveals the distinction between capital and privilege, and shows how the latter can be diverted from its present monopolistic channel, to its natural flowing for the enrichment of all.

The word picture aims to show the Single Tax as a whole, because, not until it is thus broadly seen and understood,—not until some glimpse is caught of its soul—the harmony of its co-operative Fraternity, the beauty of its Justice and inspiration of its Liberty can one live to work for its achievement.

However, let no one infer from this, that its end can be attained at once. Practically, it can come only by degrees, by gradually lessening all taxes upon labor and capital and correspondingly increasing them upon ground-rent privilege.

TAXING PUBLIC UTILITY CORPORATIONS

(For the Review)

By **GEORGE WHITE**

The subject of more thorough taxation of public utility corporations is an issue in New Jersey and other States this year, and proposals for heavier taxation of such corporations are not only receiving much popular support, but also are pushed to the front by many radicals who feel at liberty to be even in advance of public opinion. Among these are prominent advocates of the concentration of taxation upon land values, to the exclusion of taxes upon forms of personal property or products of labor—able and intelligent men, who have studied political economy and have sound ideas on the incidence of taxation. It may be considered certain, public utilities will be owned and operated by public authorities, and taxation of them will necessarily be abandoned, but in the meantime there should be clear thinking on the subject of the terms on which these corporations are or may be allowed to exist and do business, and some consideration of the facts may be thought timely.

The primary and natural attitude of the people toward public utility corporations would seem to be one which would seek to give them, as nearly as may be, the opportunity of serving the people as well at as low a cost as would be the case if the service were publicly owned and operated. To place in the way of this any obstacle would appear unwise, and to lay upon these corporations any burden unnecessarily would, to an extent, defeat the objects desired. The quality or extent of service, and the charge or rate for it, must be affected more or less seriously by every restriction require-