

This is the fundamental idea of the plan pursued in New Zealand with such fine results, and this is the fundamental principle of the Single Tax. The working farmer has no more cause to fear it than the mechanic. It will lift the burden which they have borne so long upon their bowed shoulders, and it will tax back into the common treasury a value which the whole people creates and which a few monopolists at present enjoy.

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Case for the Single Tax. F. W. Garrison.

Briefly stated, the Single Tax is a method of raising money for the necessary expenses of government by taking the rent, or the annual yield of land-values, alone, abolishing all other forms of taxation, direct or indirect. It may be described as government without taxation, for, if the Georgian contention is true, the rent of land belongs not to the individual who would be required to surrender it, but to the community as a whole.

On what just basis can I claim exclusive right to a part of the limited surface of the earth? "No man made the land," said Mill. "It is the original inheritance of the whole species." No matter how far we delve into the past, we can find no just title to the private ownership of land. A Vermont judge, when asked to return a fugitive slave to the man who claimed ownership, replied, "Show me a bill of sale from the Almighty and I will deliver him." The same reasoning may be applied to land titles with equal force. Blackstone admits that "there is no foundation in nature, or in natural law, why a set of words upon parchment should convey the dominion of land." "Whilst another man has no land," says Emerson, "my title to mine, your title to yours, is at once vitiated." And Herbert Spencer maintains that land-titles all rest on force, fraud, or cunning. When Edward I sent his commission to inquire into the existing judicial franchises in 1278, Earl Warenne flung a rusty sword on the table and cried, "This, Sirs, is my warrant. By the sword our fathers won their lands when they came over with the Conqueror, and by the sword we will keep them."

Man is a land animal, and access to land is essential to human life. If the earth were to be divided among all men living to-day,

in shares of equal value, the next child born would have a just complaint against a bargain which ignored his inherent right to an equal share. Jefferson recognized the force of this argument when he declared that "the earth belongs in usufruct to the living." Land is the universal mother, capable of feeding, clothing, and sheltering all her children, but turned by perverse human laws into an unnatural parent, absurdly indulgent to some of her offspring and merciless to others. Land is the source of all wealth; from it human labor extracts "the sum of all things which tend to satisfy the physical, intellectual, and spiritual needs of mankind"; and being the reservoir of wealth, it must not be confounded with wealth, to which it bears the same relation that the fabled goose bore to its golden eggs. Concede the exclusive use of the land to a part of the human race, and the remainder can live only on the sufferance of the proprietors.

In the early home of the English race the free man was distinguished from the dependent by the ownership of land. But even under feudalism the possession of land was conditioned upon a return of some kind to the sovereign, as representative of the people. Personal property in England was not taxed until 1188, when Henry II levied the Saladin Tithe for a crusade fund. In the law of eminent domain we still acknowledge that the ownership of land should be conditional on the rights of society at large. Speaking in the House of Commons, Cobden described the transition by which the landlord managed to evade his just burdens. "For a period of one hundred and fifty years after the Conquest the whole revenue of the country was derived from the land"; but it was gradually shifted until, by 1845, land contributed but one twenty-fifth. "Thus," he declared, "the land, which anciently paid the whole of taxation, pays now only a fraction . . . notwithstanding the immense increase that has taken place in the value of rentals. The people fared better under the despotic monarchs than when the powers of the State had fallen into the hands of a landed oligarchy, who first exempted themselves from taxation, and next claimed compensation for themselves by a Corn Law for their heavy and peculiar burdens."

In the early days of settlement in the United States, when land was plenty, there was little or no poverty. Despite a lack of capital, subsistence was to be won from the earth, and it was

easy for the laborer, dissatisfied with his wages, to become his own employer. But this happy condition did not last. In 1873 an English observer echoed the warnings of Henry George. He called attention to the fact that the country was "flinging to the winds its splendid patrimony and recklessly selling and allotting to railway companies or land-jobbers what might be the national revenues of the future. What repentance awaits that country," he exclaimed, "for having given to some of the railways grants of 25,600 acres per mile of road, and for assigning to the Northern Pacific Company alone, 58,000,000 acres!" It is estimated that from 250,000,000 to 350,000,000 acres of the public domain have been "granted to the Pacific railways or illegally appropriated by persons and corporations in conspiracy with the agents of the government."

Repentance has been late in coming, but it has taken a secure hold on the country at last, in the conservation movement, which aims to check the prodigal waste of the natural resources of the government. We have awakened to the folly of permitting the alienation of the rich mineral deposits, the valuable forests and water-power sites which still fall within the public domain.

Well may the conservationist ask himself if the bounties of nature were stored during the ages for the special benefit of the Morgans, Rockefellers, and Carnegies, their heirs and assigns. Does their insight and financial genius sufficiently compensate us for the surrender of such a disproportionate share of the common inheritance? And if not, do their princely charitable bequests square the account? When we look about us upon the accumulating misery which the most highly organized charity and the richest endowments have proved themselves powerless to stay, we can but ask ourselves if the doctors have correctly diagnosed the case. Charity is like a drug which, taken habitually, weakens the moral fibre. It warps the judgment of him who gives and him who receives. In the Middle Ages men bought indulgences from the Pope. To-day they buy them from their conscience with a dole to charity. It was the contemplation of such a state of things that led Maeterlinck to ask if, after all, charity were aught but the "insolent flame of permanent injustice."

That whatever a man creates by his own labor belongs exclusively to him, and cannot justly be claimed by any one else,

is regarded by Single-Taxers as a self-evident truth, and by its acceptance they become the champions of property in its true sense, and the implacable foes of privilege. They recognize three factors in the production of wealth: land, labor, and capital (or wealth set apart to aid in the production of more wealth); and between these three factors the product must be divided. The share of land is rent, that of labor, wages, and that of capital, interest. Confusion may arise from failure to make clear the meaning of the term rent. In common parlance no distinction is drawn between the sum paid for the use of land and that paid for the use of factories, houses, machinery, and so forth. The distinction is, however, all-important. The return received in the form of rent from all things created by labor is in reality either wages for the labor expended, or interest on the capital employed, and may be said to be earned. But the rent arising from land, known as economic rent, can be credited to no individual effort and is in fact the measure of social activity. It exists "wherever any particular portion of land affords superior opportunities, or advantages of fertility or situation, over that which is freely open for any one to use."

The flood of humanity which flows and ebbs daily through a great city's thoroughfares gives to those localities exceptional opportunities in the way of trade, and men are willing to pay large sums to do business there. Imagine every building swept away by some catastrophe; so long as the population remained alive, the rental value of the land would persist. In Baltimore and San Francisco, land-values rose after fire had done its worst. It is not due to the genius or industry of the Astors or the house of Bedford that land in the heart of New York and London sells at the rate of \$15,000,000 an acre. From their roots safely imbedded in the soil, they flourish like the lilies of the field, although they toil not. They need do no work nor risk a cent of capital; in other words, they need not contribute in any way to the production of wealth, and yet they have the power to use wealth in excessive abundance.

Greatly concentrated land-values are to be found in railway franchises and exclusive rights of way for telephone, telegraph, pipe-lines, and so forth, in docks, the control of water-power sites, oil, gas, and mineral deposits. The annual mineral output of the United States amounts to \$2,069,289,196 according to the

U. S. Geological Survey for 1908. Frederic C. Howe points out that a royalty of twenty-five per cent on this natural monopoly alone, would yield \$517,322,299, or almost as much as the sum collected through the customs and internal revenue. It is estimated that the ownership and control by the railways of the anthracite coal deposits in Pennsylvania makes it possible to take from the consumer from one to two hundred million dollars a year above a reasonable cost of producing the yearly output. The stupendous income from natural monopoly, now absorbed by private interests, can be easily imagined.

As land-values fluctuate in precise agreement with social development, there are losses as well as gains to be taken into consideration. When Edward I massacred the inhabitants of Berwick, "the greatest merchant city of northern Britain sank from that time into a petty seaport." Every one is familiar with the ups and downs of special localities in our modern cities. But it remains true that, taking a community as a whole, so long as it is developing, and evolving a higher state of civilization, so long will the land continue to yield an increasing rent. We are not here concerned with the landlord as a laborer or capitalist. He may improve his land by building offices or factories upon it, and for their use receive what is commonly called rent, but only that part of the sum which represents desirability of situation is rent in the economic sense.

It may be urged that the returns which the landlord receives in the shape of rent are the reward of skill and foresight in investment, and that great rewards are only fair where the chances of failure are great. And we are often told that if society takes the increase of value on land, it ought to make good the decrease of value which is a kindred phenomenon. Single-Taxers believe that speculation in land is as inexcusable as speculation in air or light would be; and indeed it involves them both. Speculation will cease as soon as the landlord is obliged to turn over to the public treasury the full economic rent, a sum which will vary with the varying fortunes of the locality. At the same time he will reap the full reward of his industry and not be mulcted by taxation as at present. Withholding land from use, in anticipation of increased values, leads to the intolerable trinity of idle land, idle rich, and idle poor.

Every improvement made by a city in comfort or beauty is

reflected in higher rents. "There was a block of traffic in Oxford street," said Arnold Bennett. "To avoid the block people actually began to travel under the cellars and drains, and the result was a rise of rents in Shephrd's Bush!" Every tunnel under the Hudson River, every new bridge, and all added facilities of travel, serve but to increase the revenues of the suburban land-owners and the transportation companies. Indeed land-owners frequently receive damages for public works that increase the value of their property. Fortunately this custom is coming into disrepute as light is let in upon the land question.

Mill gave the name of "unearned increment" to the increase of value which normally accrues to the land in every growing community, as it is not earned by the landlords into whose pockets society permits it to be diverted. Manhattan Island was bought from the Indians for \$28, and the land of New York City is now valued at more than \$3,500,000,000. The phenomenal increase in land-values is daily reported in the columns of the newspapers. Mr. Joseph Fels, an ardent disciple of Henry George, offers a personal, if modest, example. A few years ago he bought eleven and one half acres of land in West Philadelphia for \$37,500. The city moved in that direction and three thousand houses were built in the vicinity. As a result, and without improving his property, Mr. Fels saw its value leap in successive stages to \$125,000. He does not, however, pretend that this growing value is justly his, or due to his skill or foresight. "The unearned increment," he says, "in justice and right, belongs not to me, but to the community. I have done nothing to make that value. My part has been to hold the land out of best use. Yet the profit is mine legally, and I have some consolation from the thought that I intend to expend it in such a way that conditions may be changed, to the end that neither I nor any other man shall have the power to make money out of the work and sweat of others. I shall do my part in this work by devoting money and efforts to disseminating the truth concerning what some of our opponents speak of slightingly as "the Single Tax," which some refer to lovingly as the economic philosophy of Henry George, and which I shall call plain justice."

John Moody gives the estimated wealth of the nation in 1907 as about \$120,000,000,000, and figures that about one half is what might be called created wealth. The balance he calls spon-

taneous wealth, or unearned increment. Here we have a social fund upon which no individual has a just claim, and amply sufficient for the needs of government. Why not use it for that purpose and remit the tribute exacted from labor and capital by taxation?

"Why tribute? Why should we pay tribute? If Cæsar can hide the sun from us with a blanket, or put the moon in his pocket, we will pay him tribute for light; else, sirs, no more tribute, pay you now."

What that tribute is becomes apparent whenever we trace the action of our tax laws. Having alienated the fund for government needs which nature provides, other sources of revenue had to be found and taxes levied that would raise the most money with the least outcry. Hence arose the indirect taxation which has found its fullest flower in that luxuriant but poisonous growth—the protective tariff. The Roman taxes were farmed out to syndicates which at least paid the expenses of collection out of their spoils. But the beneficiary of the protective system absorbs his tribute without expense, shifting the heavy burden of collection upon the government, which receives but a small part of the general contribution. And from the amount collected by the government must be deducted the actual cost of custom-houses and a huge force of clerks and spies withdrawn from productive employment, to say nothing of the moral cost of creating an artificial crime and fostering international jealousies.

The well-to-do make a great outcry over double taxation, and rightly, but few concern themselves with the multiple taxation of the poor. For it is upon the poor that the bulk of taxation falls, the rich having ways of shifting a large part of the burden upon those beneath. A tax has been likened to a hot copper which is quickly passed from one hand to another until it reaches the last man in the line, who gets burned. Thomas G. Shearman estimated that "taxes are so arranged as to take from the poorer classes 75 to 80 per cent of their annual earnings while exacting from the rich only 3 to 10 per cent." When Mr. Rockefeller gives \$10,000,000 to Chicago University he is the ostensible donor; the real contributors are the unknown thousands who must pay tribute to Mr. Rockefeller on account of his monopolies as gigantic landlord and tariff beneficiary. "As the laws are to-day," says Lawson Purdy, "no wealthy man, who has legal

advice, need pay any direct taxes on personal property." Those who cannot hide or afford expert service must pay.

Glance at the problems which keep pace with the growth of material prosperity, the familiar picture of concentrated wealth and abject poverty side by side. We cannot see the palaces of the rich without being conscious of the neighboring slums, where human beings live crowded together in miserable hovels, unable even to enjoy the light and air to which no man as yet claims exclusive title, and which are supplied by nature in boundless profusion. What does the slum landlord give his tenants in return for the rent he exacts for squalid buildings in surroundings that breed disease and death? He gives the privilege of occupying a site made valuable by the pressing needs of society, and increased in value artificially by land held idle for speculative gains. But if the social value were reclaimed for public purposes, idle land would be forced into use and the owners of tenements would have to offer better homes. Competition would keep rents within bounds, and laborers, released from taxation, would have more to spend on the decencies and comforts of life. And the landlord, no longer taxed on every improvement, would have some incentive to add to the attractiveness of his property.

If, by taking economic rent for public purposes, we release idle land, and at the same time encourage industry by the removal of taxes, we are respecting the rights of property with scrupulous nicety; and we shall create a demand for labor which will solve the menacing problem of unemployment. The vice and crime which spring from slums as naturally as disease, and are in fact disease, will be checked at their source. Remove from the breasts of the criminals, who prey upon society, the ever-present feeling that society is arrayed against them, and that laws are made and administered for the rich, and who can say what forces of regeneration will spring into action?

Nor is there any other solution than freedom from taxation for the bitter and wasteful struggle between labor and capital. Their needs are in fact the same, for capital has no other office than to facilitate labor in the production of added wealth. The issue is confused because the capitalist is often a monopolist as well. The common enemy of both capital and labor is monopoly, and when it is abolished, each will receive its reward in interest and wages. The increased demand for labor will make wages

higher, and labor unions will be unnecessary; and the fear of deadly competition being removed, the immigration problem will cease to be a problem at all, and workers from other lands will be welcomed to aid in the production of wealth the natural limits of which have never been described.

The abolition of tariffs and the recognition of the right to the use of the earth which all its inhabitants possess, will at last lay the spectre of war, and lead to the abandonment of an armed peace which is only less crushing and brutalizing than war itself. It will be no small gain to be rid of the military class with its "natural drift toward lawlessness and violence." The drones created and maintained by the army and navy establishment and the bureaucracy of tax departments will be freed for productive labor. In fact, there is no social question occupying men's minds and absorbing their energies that will not be modified by the liberation of the land. Political corruption, which usually starts from the headquarters of monopoly, will cease from lack of temptation.

The remedy is not a visionary one. Forty years ago John Macdonell, in his book on the Land Question, said: "We vex the poor with indirect taxes, we squeeze the rich, we ransack heaven and earth to find some new impost palatable or tolerable, and all the time, these hardships going on, neglected or misapplied there have lain at our feet a multitude of resources ample enough for all just common wants, growing as they grow, and so marked out that we may say they form Nature's budget. . . . To no transcendental motives does the project appeal. It demands no miraculous draught of administrative talents or public virtues. It is simple and intelligible. It is nothing but giving the body politic the blood which it has secreted."

It is not uncommon to hear persons who admit the force of the abstract argument declare that private monopoly in land has been sanctioned so long by custom that to abolish it would lead to unwarranted confiscation. They point to the fact that many innocent persons have invested in land at the high prices which a monopoly system creates, and they demand compensation for the vested interest attacked. The same arguments that served in the agitation over slavery are heard again, and England's compensation of slave-owners is held up for our admiration. The fact is that in the case of land monopoly, as in that of

slavery, there are conflicting demands to be settled. Nobody suggested that the slaves be compensated for their loss of wages, and no one today suggests that the people whose substance has flowed so long into the landlord's coffers be compensated for their arrears of tribute. But may they not as justly seek compensation as those whom it is proposed to deprive of their monopoly?

The abolition of any legalized wrong involves hardship to those who are profiting by it, and the longer it is postponed, the greater the penalty which justice exacts. To take the people's money to purchase for them something which in nature belongs to them is too absurd, and it is safe to say that it will not be attempted in this instance. The process doubtless will be to concentrate taxation gradually on land-values, relieving industry at the same time. This method, involving delay, does not mete out full justice, but it is at least in line with human progress. "Compromise is man's law, to do right is God's."

To those who have seen a vision of better times to come, any step in the right direction, however feeble, however hesitating, brings courage and hope. Such is the legislation embodied in the Lloyd George Budget of 1909, with its tax of a half-penny in the pound on the value of land (with some exceptions), and twenty per cent on the unearned increment. The amount of justice done is slight, but the recognition of the principle is of supreme importance, and the popular education accomplished by the political campaign has been far-reaching in its results. The potential power in the movement to free the land was thoroughly apprehended by the great land-owning class, and hence the desperate resistance made by the House of Lords (or the House of Landlords, as it has been aptly termed). The lords failed to heed Cobden's warning to land-owners against forcing the subject of taxation upon the attention of the middle or industrial classes. "Great as I believe the grievance of the protective system," he said, "mighty as I consider the fraud and injustice of the Corn Laws, I verily believe you will find as black a record against the land-owners as even the Corn Law itself. I warn them against ripping up the subject of taxation."

Whether or not it is a characteristic of human nature, it is an undoubted fact that laws are commonly made in the interests of the law-makers. Sometimes this is done crudely and openly, for the personal gain of a legislator, as in the case of much tariff

legislation; more frequently it is accomplished by general legislation, unconsciously dictated by class interest. The three hundred and sixty peers who voted to reject the Lloyd George Budget own almost one seventh of the land surface of the United Kingdom, an area equal in extent to sixteen English counties.

Progress and Poverty was published in 1879. The author claimed no originality for the doctrines he expounded regarding the rights of land-ownership; but in exploding the commonly accepted Malthusian theory, that population tends to increase faster than the means of subsistence, he removed forever the stigma which rested upon political economy. The "dismal science" was a figment of the Malthusian imagination. With the realization that a livelihood is within the reach of all who are given access to their birthright, that poverty and all its attendant evils are the results of bad laws, and not decreed by an inscrutable Providence, arose a new hope for social regeneration. We need not fear the shock of a too sudden arrival of the millenium. To a friendly critic, who accused Henry George of too expansive an optimism, he replied, "You say you do not see in the Single Tax a panacea for poverty. Nor yet do I. The panacea for poverty is freedom. What I see in the Single Tax is the means of securing that industrial freedom which will make possible other triumphs of freedom."

Seeing the cause of so much human misery, and believing that they are possessed of a remedy, Single-Taxers are naturally optimistic. And their optimism is strengthened when they look back over the record of a single generation. South Australia was the first to respond to the new idea, and in 1886 adopted a land-value tax which was later extended to municipalities. In Queensland the exemption of improvements from taxation was begun in 1891, and has been gradually extended, until in 1905 a Conservative government made the exemption complete. More than ten per cent of the annual value of land now goes to the community. New Zealand began to tax unimproved land-values at the same time, and nearly one half of the total taxes now come from this source. In 1896 New South Wales followed suit, and, with the coöperation of the land-owners in some instances, has gone further than any other state, at least twenty per cent of the annual land-values being taken for public uses. Western Australia imposes a tax on land-values for state pur-

poses, besides giving rural districts power to exempt improvements. Tasmania has had a tax on the unimproved capital value of land for many years. Victoria is the only Australian state which has held back, and it has suffered in consequence, losing population to states where industry is more justly rewarded. None of the 90,500 square miles of Papua (a dependency of the Commonwealth) can be alienated, land being held on lease with periodical reassessment.

In the German Empire, Prussia was the first to give its municipalities the power to tax land-values, and most of the other states have followed suit, and the power has been widely used. There are fifteen hundred villages supported from the produce of communal lands, without taxation, and in some of them the inhabitants actually receive a dividend. The German dependency of Kiauchou in China is under the partial sway of the Single Tax, and the minister for the Colonies hopes to extend the system to all the other German colonies. Two Swiss cantons tax land-values for state and municipal purposes, and one of them has no other taxes. Orson, in Sweden, has no taxation, and yet provides a street railway free for all, a library, and public schools, and pays its own taxes to the central government. The money comes from a communal forest which encircles the town.

The United States has been slow to adopt the ideas which its citizens have done so much to popularize throughout the world. *Progress and Poverty* has been translated into all the European languages. Not long before his death Tolstoi wrote, "The injustice of the seizure of the land as property has long ago been recognized by thinking people, but only since the teaching of Henry George has it become clear by what means this injustice can be abolished. At the present time the abolition of property in land everywhere demands its solution as insistently as, fifty years ago, the problem of slavery demanded solution in Russia and in America. The supposed rights in landed property are the foundation not only of economic misery, but also of political disorder, and, above all, of the moral depravity of the people."

In May, 1913, an international Single-Tax Congress was held at Ronda, Spain, at which were present delegates from the chief European countries as well as from the Spanish-American states, where the movement has entered the field of practical politics.

But nowhere are experiments along single tax lines more striking than in Western Canada, where the taxation of land-values is firmly established and rapidly extending. A large number of municipalities depend entirely upon this form of taxation for local revenues and the provincial governments are moving in the same direction. Under this policy the growth and prosperity of such cities as Vancouver, Edmonton, and Victoria have challenged world-wide attention and are attracting a yearly emigration from the United States of between 100,000 and 200,000 of our most industrious and wide-awake citizens. An increasing pressure is thus exerted from across the Canadian border. The Minnesota report on taxation, issued in 1912, predicts that "within the next ten or twenty years the Single-Tax principle will be adopted by every taxing district in Western Canada."

The Canadian practice has been to reduce the tax-rate on personal property and improvements from year to year, increasing proportionately the rate on unimproved land-values; and the Tax Commissioner of Houston, Texas, has followed this example, without waiting for specific legal authorization. But the first state in the Union to adopt legislation of this character was Pennsylvania. The new statute, passed in May, 1913, obliges cities of the second class (Pittsburg and Scranton) to reduce the rate on buildings to ninety per cent of that on land and to continue by reductions of ten per cent every three years until a fifty per cent reduction is reached. A similar bill for New York City is pending before the legislature. It proposes to reduce the rate on buildings to one half the rate on land within five consecutive years.

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Land Tax in Germany.

Germany has been experimenting with a tax on land values, and the result is interesting. According to our ex-consul at Berlin, William C. Dreher, in his article in *The Review of Reviews* for April, nearly three hundred towns and villages have adopted the system. An example of the working of the law is instanced from the city of Spandau, where it was established four years ago. One owner of extensive suburban lands