

The complete **editorial by HG defending “single tax limited men.”**

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During my absence in Europe an able and interesting series of articles by Thomas G. Shearman, meeting certain objections made against the single tax, has been published in THE STANDARD. These articles furnished what basis there was, beyond sheer misquotation and misrepresentation, for the notion that THE STANDARD had changed its course, and was endeavoring to lower the aims of the movement.

I have sufficiently spoken of this notion and the effort to diffuse it I wish now to speak of some questions brought up by these articles, and to some extent debated among our friends.

Among the letters received by THE STANDARD have been a number debating, and some of them with much ability, the question whether our aim should be to take all, or something less than full economic rent. But as there were some misapprehensions, and as the discussion was largely as to what I held, I have preferred not to give them place until I could say something myself.

Among these communications was one, under date of July 10, from the secretary of the Central single tax club of Cleveland, Ohio, inclosing the following resolutions passed by that club:

Whereas, The question having arisen among single taxers as to the advisability of permitting the holders of land titles to retain a percentage of the economic rent, not to exceed one-tenth, as compensation for collecting said economic rent; therefore be it Resolved, That we, the Central single tax club of Cleveland, Ohio, do most emphatically assert our adherence to the principle of taking the entire economic rent for public uses, and protest against anything having the appearance of a compromise with landlordism; and that a copy of these resolutions be sent to THE STANDARD for publication.

I, too, would like to take the entire economic rent. But I wish the Cleveland club had added another resolution explaining how they propose that it shall be done, for it is here that the difficulty comes.

But first as to Mr. Shearman:

Whatever percentage of economic rent he may think will suffice for the necessary expenses of government, he is as good a single tax man as those who wish to take it all, for he is for one single tax, or to speak more precisely, for levying all taxes on one single source of revenue — land value. If that does not constitute a single tax man, what does? In fact it was as a title for the first of his tracts we published, that the term “the single tax,” which has been since so generally accepted by our friends, was first used in connection with the movement. **It was I who first used the terms “single tax limited” and “single tax unlimited,” which have lately been so much employed.** I did so in a speech in New York, some time during last year, in referring to the

two sets of men who were working together harmoniously for the single tax — the one with the idea of substituting that means of raising revenue for those now employed, and the other with the idea of not stopping at that, but going further and taking as near as might be the whole value of land for the uses of the community. I spoke, if my memory serves true, of Thomas G. Shearman and John DeWitt Warner as representatives of the single tax men limited, and of myself as a single tax man unlimited. But I went on to say that for practical purposes there was no difference between us, and that the men who only proposed to substitute the single tax for existing taxes were capable of doing as good work for the cause in its present stage as we who, when the time came, proposed to go further.

I then heard no objection to this from the gentlemen who since they have become so suddenly stricken with yearnings for the company of socialists and anarchists have come to look on single tax men limited as protectors of landlords, and schemers to degrade the movement into a "soulless, conscienceless fiscal reform." Nor in speaking so was I departing in the slightest from my original position, or making any bid for an alliance with a political party. I was but repeating what I had said at the first, and had always said, that we must win and would win our decisive battle by the aid of men not at the time willing to go the whole length we wished to go.

In "Progress and Poverty," book VIII, chapter II, entitled "How equal rights to the land may be asserted and secured," I say:

"We have weighed every objection, and seen that neither on the ground of equity nor expediency is there anything to deter us from making land common property by confiscating rent.

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"Now, insomuch as the taxation of rent or land values must necessarily be increased just as we abolish other taxes, we may put the proposition into practical form by proposing— To abolish all taxation save that upon land values."

Is it not this that Mr. Shearman proposes to do?

So far from having lowered "the pure white banner of the movement" by gladly welcoming to the columns of THE STANDARD Mr. Shearman's able articles, or approving of the exclusion from its columns of ranting and misrepresenting attacks upon "Shearmanism," I would have been inconsistent with all I have ever written or declared if I had failed to greet and to treat the single tax men limited as honored co-workers. Nor in drawing the line, as I did, between the single tax men limited and the single tax men unlimited, was the thought in my mind that of differentiating the men I represented from those not willing to go so far. It was that of relieving such men from the idea that in working with us for the single tax they were committing themselves to our whole programme. My thought was not merely to assure such men of our understanding on this point, so that they might the more readily join us, and work with us, but to let others understand it. For there are large classes on whom the advocacy of men who do not go the whole way exerts more influence than that of men who do.

If I may be permitted to offer advice to the Cleveland Single tax club, it would be to hold their own individual opinions, but to rescind their resolution at the next meeting. It is a mistake for

them to put anything in the way of any limited single tax man joining them. And if they can get any limited single tax man like Thomas G. Shearman it would, in my opinion, be a mistake for them to try to make a single tax man unlimited out of him, if they could. When one dog gets another to help him catch hares, he does not insist that he shall follow in his track. On the contrary the two dogs take somewhat different paths. And they catch more hares because of their divergence.

To insist, if that were possible, that all advocates of the single tax should see the truth at precisely the same angle and to precisely the same extent, and should present it in precisely the same way, would be very stupid. "So many men, so many minds." and the mind that may be impervious to one method of approach is often open to another. As St. Paul saw, mental digestions that may reject the strong meat of the word may receive the milk with avidity. When railroads were only being talked about, the man who would have said, "I am of course no such visionary as to imagine that carriages can ever be drawn at the rate of fifty miles an hour, and I pay no attention to the wild talk about the social, political and industrial changes to be wrought by this invention in which some imaginative people indulge; but I am convinced that goods and passengers can be carried at least twice as fast as by horses and at most at half the cost, and that a good profit can be made by investing in these steam roads," would with certain very important classes of people have had more influence than one who could have foreseen and pictured all the marvels the railway has wrought .

Dr. W. C. Wood of Gloversville, writing to THE STANDARD, says:

"I have heard it said of Beth Green that in establishing a hatchery in Connecticut he told the fishermen that he came to make fish cheap. Whereupon they hindered him all they could. This was a lesson to him, and when he commenced operations in New Jersey he told the fishermen there that he came to make fish plenty. He got all the help they could give him.

"And so, it seems to me, it is a better way to approach the farmer by showing him that the single tax will stop the robbery he suffers through direct and indirect taxation than by calling his attention to the fact that the single tax will destroy the selling value of his land.

"Let us conceal nothing, deny nothing, keep the whole scheme before the people, but present it in the manner best calculated to secure a hearing."

In the articles that have been printed in THE STANDARD from time to time since March last, Mr. Shearman has taken up, one after the other, the objections to the single tax which have been made on both sides of the Atlantic by men like Mr. Atkinson, Professor Harris and others, whose position as "statisticians," professors, etc., gives them weight with the general reader. He has admirably made the following points:

1. Instead of land values not being sufficient to permit the present expenses of government to be defrayed by the single tax, they are far more than sufficient, and that as shown by an analysis of the official figures for the city of Boston, the state of Connecticut and the united kingdoms of Great Britain and Ireland (cases quoted in support of the opposite view) the revenues now raised by taxation of all kinds could be defrayed by a tax on land values without taking more than two-thirds of the ground rent now appropriated by landowners.

2. That even in new and sparsely settled communities a tax on land values alone would suffice to defray all the expenses that ought to be charged on such communities.
3. That to abolish all taxes in favor of the single tax would not interfere with the security of possession or of improvements.
4. That so far from the single tax exempting the owners of railroads and similar public franchises from contributing their just share to the public revenues, it is the most efficient means of taxing such franchises up to their full value.
5. That the objection "which is urged with the greatest air of triumph by certain excellent college professors and others" that the single tax has been tried for ages in such countries as India, Egypt, etc.—"and just look at them"—is in utter ignorance both of the facts and the principle.

In all this, and especially in his marshaling of figures, Mr. Shearman has rendered most essential service by placing in the hands of our friends answers and arguments which few of them would have the time and opportunity to work out for themselves. Nor is its usefulness in the least lessened by the fact that his standpoint is that which he has always occupied -- that he proposes merely to substitute a tax on land values for all the other taxes now resorted to for public revenues.

This best describes Mr. Shearman's position — that he proposes to substitute the single tax for other taxes now levied; or to put it in the words which I used in "Progress and Poverty" he proposes "to abolish all taxation save that upon land values." He has proposed no limit to the tax on land values save that which he deems necessary to the collection of the tax itself, and which he vaguely puts at ten per cent, he does not propose to leave to land owners all above sixty-five per cent of the economic rent, he merely declares that statistics indicate that the present revenues of government could be obtained by a tax which would take not more than sixty-five per cent of economic rent. If more is required, then he expressly states, he would take more. And while he declares that he would demand "only so much of the ground rent as is needed by the state for public purposes," he sets no limit to the increase of the needs of the state, but on the contrary shows his appreciation of how these needs will increase with the opportunities for supplying them, by declaring that "the natural increase of taxation is always far more rapid than the increase of either population or wealth."

But in speaking of the margin which he thinks it necessary to leave in order to insure the collection of the tax on land values, Mr. Shearman declares that even under the single tax unlimited this would be "sufficient to induce men to enter into the business of land holding." And in his final article, "A mere fiscal reform," replying to certain criticisms of Mr. Pentecost in the Twentieth Century, occurs this paragraph:

"Some will say that no landlords ought to be allowed at all. But such persons forget that neither rent nor landlords can ever be abolished, without establishing absolute communism. Rent is produced by natural laws which cannot be repealed. Every one who gets a share of it is a landlord. Every tenant who has "as good natured landlord," is himself a landlord, because he puts into his own pocket some portion of the natural rent which an ill-natured landlord would extract

from him. If the state tries to be the sole landlord it will fail, because state officers have not omniscient wisdom, and individuals will keep in their pockets a large share of the real rent. But, the state can leave the collection of rent to private landlords and can then extract a regular proportion of that rent from them. The wisest of men cannot extract a drop of milk from hay. But a very simple man can let his cows extract milk from hay and then he can milk them easily enough. The farmer must leave some milk for the calves, or he will soon have no cows. And the state must leave some rent for its servants, the landlords, or it will have no efficient tax collectors. "Go to the ant, thou sluggard; consider his ways and be wise." Ants keep their cows the tiny aphides. The aphids suck milk from leaves; and the ant stands by, patiently, until it sees that the aphid is full; and then it quietly sucks most of the milk from the aphid. But the ant is wise enough to leave to the aphid enough milk to live upon."

It is much more than doubtful whether those who regard the single tax as a proposition for robbery will feel at all grateful to Mr. Shearman for his suggestion that landlords must be kept in existence in order to be milked. On the contrary they are more likely to consider his proposition, which, he explains in another paragraph, is to leave them enough to live upon if they are active, busy men, only the adding of insult to injury.

But on the other hand the idea of leaving any vestige of landlordism is repugnant to men who are aiming at the utter abolition of the wrong which allows one man to step between another and the bounty of his Creator and exact a tribute from his toil for the use of the natural elements to which our first and highest perceptions tell us that all men have equal rights. It is against this idea, I fancy, that the resolutions of the Cleveland club are intended to protest.

Anything like a careful reading of Mr. Shearman's articles will, however, show that the idea conveyed by this paragraph to the minds of those who have been accustomed to use the term landlordism as expressive of that system which has everywhere enslaved and robbed the masses of men, is not the idea that was in Mr. Shearman's mind. As is evident even in this paragraph, and as other passages in these articles clearly show, Mr. Shearman has slipped into the use of the words landlord, landowner, and landholder, as if they were synonymous with each other and, indeed, with the term land user. Taken literally and on its face, this paragraph would seem to indicate that Mr. Shearman supposes that in order that the community should obtain its proper and natural revenue, economic rent, every land user must have a landlord whose function it shall be to extract economic rent from him, in order that in its turn the community may tax it from the landlord.

Mr. Shearman could never seriously have thought this, for no one can know better than even under present conditions, a very large proportion of land users are at the same time land owners, having no landlord between them and the state. And no one can know better than he that the effect of an increase of the taxation of land values would be to reduce the selling price of land, and so to increase the proportion of those who owned or held directly of the state the land they used. Any considerable increase of taxation on land values, even to sixty-five per cent of economic rent, accompanied, as it would be sure to be, with the expectation of further increase, would so greatly reduce the selling value of land that but very few landlords pure and simple could long remain, since people who wished to make permanent use of land would find it easy to buy the land outright, or obtain it without payment in the abandonment of land by speculative

holders that would follow such an installment of the single tax.

What Mr. Shearman is thinking of is not landlords, in the strict sense of the term, but land owners, the term he uses in the same connection in other parts of the same article, and even land users, as is evident from this sentence in a previous article:

“Land is never, except perhaps during war, to be taxed literally up to its full annual value. A margin is always to be left, sufficient to make it an object for some person to collect from the land itself, or from its occupants, the natural rent, and to pay the tax to the state. No one proposes to make this margin less than ten per cent.”

This makes it perfectly clear what is in Mr. Shearman's mind. Neither landlords nor land owners, in the strict use of the term, can collect rent from land. Only the land user can do that. Without use the most productive land in the world could yield neither rent nor anything else. Mr. Shearman's illustration is only intelligible, and consistent with what he has said elsewhere in the same articles, when "land users" is read into the term "landlords." Then it is perfectly correct. The leaves are natural opportunities; the aphids are the users of natural opportunities, and the ant is the community. It is as true of a community as it is of an individual landowner that there is no way of getting rent from land save by permitting its use. And it is also true that to those who use land there must be enough left of the produce of their labor to enable them to live, and that to secure the efficient use of land this must be left and more. But it is not true, I take it, that what must thus be left to the land user is necessarily any part of economic rent. What, to my mind, must be left is wages, the produce of the use minus economic rent—the payment to the community for the special privilege accorded in the use of land having special advantages and which others also would like to use.

In the present situation there is no practical difference between those of us who wish finally to take the last penny of economic rent and Mr. Shearman, and we can well say with the Farmer's Voice, "May his tribe increase" — a benediction, by the bye, which in the present stage of economic thought among farmers, an organ of theirs would be hardly likely to apply to one who put obtrusively to the front that aspect of our aim which is expressed by "the abolition of private property in land." Since, obviously, we cannot take all rent at one step, we will all agree that we must get to the point of taking sixty-five per cent before we can get to the point of taking one hundred. And even supposing that that is all that Mr. Shearman proposes, sixty-five per cent is a pretty good installment to begin with, and if we can get people up to the point of demanding that, we shall be a good deal more than half way towards our goal.

But even the theoretical difference is very small. The only restriction that Mr. Shearman would really place upon the taking of the largest amount of economic rent is that it shall not be taken for the mere sake of taking, but that it shall be taken for the needs of the state, that is, because the state can make good use of it. And one has but to look at our streets, our roads, our wharves and docks, and to consider in how many ways the community might use larger revenues for the benefit of all, to realize that no matter how large economic rent may be, there will never be any necessity of leaving it to private individuals because no good public use can be found for it. The

only theoretical point worth discussing is as to how near the taking of the whole of economic rent it would be possible in practice to come.

This is a point as to which I am not and never have been clear. Nor do I think that any one at present can say with anything like precision how near we may be able, when we get so far as to attempt it, to take the whole of economic rent for public purposes. This uncertainty arises not merely from the fact that we have not had experience to guide us, but also from the fact that the conditions of society and habits of thought must be greatly changed in the greater freedom and better material conditions that must result from more moderate applications of the single tax principle. I am convinced that with public attention concentrated on one single source, of public revenues, and with the public intelligence and public conscience accustomed to look on the payments required from that, not as an exaction from the individual, but as something due in justice from him to the community, we could come much closer to taking the whole of economic rent than might at present seem possible. Yet I regard it as certain that it must always be impossible to take economic rent exactly, or to take it all, without at the same time taking something more and trenching on what in justice ought to be left to the individual. If the members of the Cleveland club will attempt to formulate any plan for taking full economic rent, no more, no less, they will find that they can no more do it than they can draw a theoretically true circle, or make a line that will fulfill the geometrical definition. Theoretical perfection pertains to nothing human. The best we can do in practice is to approach the ideal. And the best the members of the Cleveland club or any one else could do in this regard would be to formulate some plan that should take about the whole of economic rent — that is to say, which should compensate for taking something too much from some individuals by taking something too little from others.

But would they consider that the taking of too much from some individuals would be fairly compensated for in this way? Would they not, rather, when they came to think of it, regard such compensation very much as they would regard the cutting out of a coat or a pair of boots, on the principle that undue tightness in some places should be compensated for by undue looseness in others — or the administration of justice on the theory that the conviction of innocent men compensated for the escape of guilty men? Would they not in this case, just as they would in the case of a coat or a pair of boots, or the administration of justice, prefer that the errors should be on the safe side? And would they not deem the safe side, the side of the individual? Is it not better that the state should, on the whole, get something less than its exact due than that individuals should be compelled to pay more than they ought to be called on to pay? If so, we must in any case leave a margin.

This I have always seen. What that margin should be I have never attempted to formulate, and have never put it at ten per cent or at any other per cent, What I have always stated as our aim was that we should take the whole of economic rent "as near as might be."

As we advance in the application of the single tax, speculative land values will rapidly disappear, and land will become less and less valuable to the mere owner, while remaining just as valuable

to the user. Mere landlords will thus steadily tend to disappear, and land users will tend to become owners. Or rather they will tend to become nominal owners, for while they will retain that security of possession and that power of transferring possession that now attaches to ownership, the state, in taking a larger and larger proportion of the value, will in greater and greater degree make the whole people the real owners. But we shall steadily and rapidly approach the point when there will be no landlords in the strict sense — that is to say, no landowners drawing rent from land users for the use of land alone. Landlords we will continue to have in the colloquial sense, and must continue to have them so long as there are people who travel and who wish to stay in hotels for longer or shorter times, so long as there are some people so situated that they prefer to hire rooms by the week or month or houses by the year, or to use buildings or other improvements that they do not care to, or are not able to, buy outright. These “landlords,” as they are called — though economically they are both land owners and capitalists at the same time — will in their charge for the use of the buildings or other improvements, also collect from these transient land users a rent for the use of valuable land, and this the community will take from them again its “nearly as may be,” in the tax on land values. These are the landlords that Mr. Shearman doubtless had in his mind when he spoke of the necessity of landlords to the collection of rent by the state.

Now, when we get within appreciable distance of the point of taking all economic rent, how are we to continue? This, though now purely a theoretical question, will then become a practical question, for if we strive to go to the point of theoretical perfection — that of taking the whole economic rent, the selling value of land would disappear, and we should no longer have the same basis for making the assessment of land that we had so long as that remains. Three courses would be open to us:

1. We might simply shift our assessment from the selling value of land to the using value of land, which would remain though the selling value by reason of the single tax should disappear.
2. We might assume on the part of the community the formal ownership of land, and let it out from time to time to the highest bidder.
3. We might stop short of attempting to take the full value, and leave such a small margin to the owner or holder as would give a selling value by which to assess.

Taking everything together and judging as well as one can judge at this distance from conditions that will prevail when this question becomes a practical one, it seems to me that the last course would be the best. It has many advantages, and the only objection that I can see to it is that in this way we could not collect the full amount of economic rent. But this disadvantage also attaches to other plans. It must, in fact, in greater or less degree attach to any plan that will not be open to the opposite, and, as it seems to me, more serious danger, of taking more than economic rent.

The first plan is by no means impracticable. For it is the estimate of the use value or expected use

value of land that always determines its selling value. But to ascertain the use value of land under conditions in which selling value has disappeared and the only letting or transfer of the possession of land is with improvements, would necessitate the fixing on each piece of ground of a judicial assessment of rent with little to guide it but public opinion. We should not only lose that quick appreciation of values which comes with the enlistment of individual interests, but though public opinion might be greatly improved in this respect, it seems to me that the natural disposition to be on the safe side with regard to the individual, and to be slow about increasing rents where there is no tangible change in values, would result in leaving a considerable uncollected margin — probably as much, and possibly more, than it would be necessary to leave under the third plan.

As to the second plan, there are very serious objections in my mind to the formal assumption of ownership of land not needed for community uses, and to the letting out of land by lease. But without entering into those which relate to the increased complexity of administration and dangers of collusion and corruption, this mode of treating land would certainly engender speculation. The shrewd or fortunate bidder would make money by getting land at a rent that during the term of the lease would be less than the economic rent, and the too sanguine or less fortunate bidder would lose. But on the whole, would not the margin be against the community, and the failure to get the whole of economic rent be likely to be at least as great as though the third plan were adopted?

But this question of how we can come nearest to taking the whole of economic rent is not merely at present only a theoretical question — it is a question on which we will all have more light as we advance further on our road. That road stretches before us for a long distance clear and plain. Whatever we may deem it best to do when we have carried the single tax to the point when with the next step selling values will vanish, what we have now to do is to get the single tax instituted — to abolish all taxation save that upon land values. There is enough work in this to call forth all our energies.

And it is well also to remember that the great benefit of shifting taxation on land values, and appropriating at least all but a small fraction of economic rent, is not so much in the great fund which it will give for public uses without hampering industry or taking from any one what his labor or his thrift entitles him to have. It is in setting free productive forces and securing equitable distribution, by destroying land speculation and monopoly; by opening to labor its natural and necessary field and by removing the restrictions now imposed on production and exchange. No little margin that we may have to leave to landholders by reason of the impossibility of attaining theoretical perfection through human laws and agencies can prevent us from securing these advantages.