

## FOUR QUESTIONS

## Taxation of Stocks and Bonds, Big Incomes, Farms and Factories, and Bank Accounts

A correspondent asks: "How are you going to tax the man who owns millions of *nothing* but stocks, bonds and securities?" The inquirer mistakes the shadow for the substance when he speaks of such a man owning nothing but these things. The fact that he owns them shows that he owns something else. Stocks, bonds and securities don't represent nothing. It would be a double tax to impose additional burdens on the paper evidences of ownership of valuable interests. The single tax would fall on the value of a lot but the deed would be exempt from taxation.

## ANOTHER QUESTION.

"How are you going to tax the man who owns only his ten, twenty or fifty-thousand dollar salary and bank account?" High salaries obtained in return for services rendered to monopolistic interests would cease with the abolition of special privilege. Other salaries would be the earnings of those receiving them and we don't steal. Those receiving high salaries are often capable men who would be made useful to society under single tax conditions. They could not invest their money as now in such a manner as to shut labour out of the opportunities to produce wealth, and their talents would be devoted to the public good instead of private gain.

## THE FARMER'S FACTORY.

Our correspondent's third question anticipates our answer. He says: "A farm is a factory—absolutely—(we admit it). Why tax the farmer's factory and not the thousand and one other factories?" That's what we'd like to know. We have never been able to find out why farms or factories should be taxed. A farm is a manufactured article the same as a building or a ship. Under the single tax plan it will not be taxed any more than vacant land of equal value that is not used for farming purposes.

## THE BANK ACCOUNT.

As regards the man with the bank account, why should we wish to tax him if his bank account represents labour products to which he has honestly acquired a just title? This question is a legitimate offspring of the theory that men should be taxed according to their ability to pay, the notion of those who fail to perceive that the value of the service which the public gives to each individual is fairly measured by land values. The question is also suggested by the fact that men having large bank accounts are so often men who have special privileges. There is a feeling that it would be unfair to allow such special privileges to escape taxation, and indeed it would be. But inquiry will show that the most important of these privileges rest in the ownership of certain kinds of land, and that the men of money whom the questioner probably has in mind, are in fact great landlords. The securities that he mentions represent landed privileges. Great fortunes consist of nothing else but evidences of title to these. Wealth wastes and deteriorates so rapidly that we speak of land alone as "real property." When

## THE MONOPOLISTIC PRIVILEGE

to appropriate ground rent is taxed, the great source of unearned incomes—monopoly of civilisation and the powers of co-operation—will be practically abolished, and bondholders and men of money will be only those who earn what they have. This means that they will have produced an equivalent and the world will be no poorer because they have it.—Reprinted from the SINGLE TAX, Denver, Colorado, August 8th, 1914.)

## FREE TRADE AND LAND VALUES

(FROM AN ADDRESS BY MR. E. W. FOXALL, IN SYDNEY, N.S.W., ON MAY 11TH.)

Cheap land would stimulate production and increase wealth. But an increase in the production of wealth would be but a delusive reform if a band of highwaymen were permitted and encouraged by law to take away all the increase from the producers by means of unjust taxation. It would be of little use to give a man land for nothing if you still allowed the protectionist highwaymen to prevent him from freely exchanging his surplus for other things which he requires. Give a man a cabbage patch, or a wheat-field, or a vineyard, for nothing, and then take away all his cabbages, or wheat, or grapes, by tariffs on everything else he wants to keep him alive, and how much better off will he be than if he had had to pay something for his land, and had been taxed correspondingly less?

It does not matter how lightly you tax the people by protectionist tariffs, if the landowners can take away all the benefit. And it doesn't matter to the bulk of the people how much you weaken the power of the land monopolists if you leave the power of the tariff-mongers intact. Land value taxation, therefore, to be a true economic reform, must always be associated with free trade. A protective tariff is by its very nature capable of nullifying all the good effects which a land tax might achieve.

Further, it is necessary for single taxers to remember that a cheapening of land means a reduction in the value of the assets of banks and insurance companies in which a good many single taxers are interested. In fact, society is now so complex that a great number of people, who have no idea of it, are living upon the results of the operation of unjust special legislative privileges, which would disappear with the adoption of the Georgian policy. Yet at the first indication of danger to a bank or an institution in which they have money, many single taxers would support schemes for bolstering up the very system they denounce.

## Confiscation

The right to life carries with it the right to land; for man is a land animal. He cannot live without land. If, then, all men, by reason of their existence, have equal rights to life, it follows that they have equal rights to land. The question for human society to decide then, whether by its parliaments or by any other means, is the simple one of—how may equal rights to land be secured? That is the question which Henry George has answered in a phrase so clear and unmistakable that it has to be misrepresented to be opposed, viz.: "By the abolition of all taxation save that upon land values."

This is called by some people "confiscation." Why? Not that I object to the term. If taxation of land values is confiscation of land values, is not taxation of boots and shirts confiscation of boots and shirts?

When Mark Twain was acting as second to M. Gambetta in his duel with M. Fourtou (as reported in "A Tramp Abroad"), he says that he submitted to M. Fourtou's second a pair of Colt's Navy revolvers as the weapons to be used. "Good gracious!" said the other second, "do you know what would be the result of a contest with these things?"

"What, for instance?" asked Mark.

"Why, bloodshed!" exclaimed the other.

"Exactly," said Mark, quietly; "but if it's a fair question, what was your side proposing to shed?"

I apply this to the charge of confiscation levelled against single-taxers, and say, "Certainly, we propose to confiscate land values. But what do you propose to confiscate?"