

Land and Freedom

FORMERLY THE SINGLE TAX REVIEW

VOL. XXV

NOVEMBER—DECEMBER, 1925

No. 6

Current Comment

THOSE who doubt the progress of the Henry George movement must be blind to a number of significant happenings. Under the new public works law all idle land in the Cuban Republic will pay a tax. This is the first time in the history of the Republic, it is stated, that taxes have been assessed on idle land. Over 40,000 lots in the city of Havana will be affected as will thousands of acres throughout the country.

NEW ORLEANS has begun the most elaborate project yet planned by the city. It contemplates the development of the shores of Lake Pontchartrain and the reclamation of new lands from the lake, these lands to include public parks and parkways. The idea is to make the project pay for itself by the sale or lease of these lands to the public. No additional taxes will be needed. The cost of the enterprise will be \$27,000,000 and it is calculated that it will result in placing on the assessment rolls of the city property to the value of \$100,000,000.

THIS is an illustration of how such public improvements add to the value of land. Its lease rather than its sale would provide a continuing fund for the successful prosecution of the project without the issuance of bonds and without a penny of taxation. New Orleans is to be congratulated on going as far as she has. It is indicative of a growing tendency in our direction which should reassure our friends that the cause is making real progress in ways to which public attention is not sufficiently directed.

WHILE on this subject it is also interesting to note the extent to which systems of land tenure in Europe have been changed since the war. That these changes have not taken the right direction, that they are halting and insufficient, is true, but they are nevertheless very significant as indicating an awakening sense of the importance of the land question. Here are a few examples: In Latvia the people expropriated the landlords and took over the control of all waste mineral and forest lands and divided the cultivable lands into small privately owned farms. In Czecho Slovakia in 1918 much agricultural land was expropriated and apportioned to the peasants. We know something of what happened in Denmark from the careful study of the legislation in that country printed in LAND AND FREEDOM from Grace Isabel Colbron. In

Hungary 8,000 acres of arable land have been allotted to 250,000 cultivators. In Poland public bodies were ordered to take over all uncultivated lands and dispose of them by auction or contract. In Roumania a system of limited holdings was set up. In that country, as a result of this policy, land held by large landholders fell from 20,000,000 to 5,000,000 acres, and that of small owners increased from 30,000,000 to 45,000,000 acres. Sweden has also adopted a policy of limitation of large estates. All of which involves an overturn of centuries of laws and customs.

THE National Council of Congregational Churches at Washington which was addressed by President Coolidge and continued in convention for nine days, adopted a set of resolutions which aroused some very animated and even angry debate. Some Western papers printed headlines as follows: "Congregational Church Endorses Single Tax Plan," which would be highly important if true.

BUT we have to regret that no such definite action was taken. The resolutions embody endorsements of the minimum wage, arbitration in labor disputes, and the right of workers to organize. They also declare against child labor. But the resolutions which seem to have misled some of our Western contemporaries, were the following:

"A frank abandonment of all efforts to secure income, or any reward which does not come from a real service, and the recognition that all ownership is a social trust involving Christian administration for the good of all, and that the unlimited exercise of the right of private ownership is socially undesirable." Another resolution read thus: "That the farmer shall have access to the land he works on such terms as will ensure him personal freedom and economic encouragement."

THESE resolutions sponsored by the "progressive" element of the Council called forth violent opposition. Opponents said it was a creed "inspired by Karl Marx and Henry George." One delegate called out, "Are we living in Moscow or the civilized United States?" Roger W. Babson, well known writer and statistician, commented as follows (and we commend the courage of the state ment):

"I was greatly disturbed by an earlier speaker who said that if we adopted this creed we would offend some manufacturers and lose some funds," he said.

"It was the most unchristian and most un-congregational statement ever made in any congregational council. Whatever we do, we must do from the Christian point of view, and not out of regard for what some manufacturers who are donors, will say."

WHILE it is to be regretted that the Council did not endorse the Single Tax plan, as reported in Western newspapers, the resolutions quoted are at least a symptom that leaders of Christian denominations are more and more beginning to examine into the question of earned and unearned incomes. That they are ready to declare that "the farmer shall have access to the land he works on such terms as will ensure him personal freedom," shows they are hot on the trail that can lead only to one end. That is perhaps all we can ask or hope for at this time.

THE discussion on the prevalence of crime and the cures for it still continues. Hardly anybody treats of fundamentals. A definitely clear note is sounded, however, in a letter in the N. Y. *World* from Martin M'Mix, who says: "After making all due allowance for heredity and original sin, social injustice remains the prime originating cause of law-breaking. Laws permitting private appropriation of the means of production close the door of opportunity to millions who are compelled to compete with one another for a livelihood."

THE immense contrast between wealth and poverty, the sense of injustice that moves almost unconsciously in ill-regulated and unintelligent minds, are the primary causes of crime, of course. Mr. Norman Thomas, the Socialist candidate for mayor in the recent election, summed it up in a letter to the *World*: "In a city where two thirds of the people are forced to live in utterly unsuitable homes one woman can afford to have the staggering sum of \$683,000 locked up in jewels. For these gee-gaws, only to be distinguished from glass or paste imitation by the expert, somebody has spent what it would take the average decent worker of New York at the present rate of wages some three and a half centuries to earn. Is it any wonder that men grow up in our streets who would rather take a chance of theft of such luxuries than of making a living by hard work?"

IF this disparity in possessions were a *natural* disparity, if it followed the *equitable* laws of distribution, were rewards based on intellectual differences, or differences of actual earning power, then we could deal with the criminal as we now deal with him. But as the matter stands, and as conditions are, the criminal is the victim of society. Society must first free its own skirts before it can adequately appraise the delinquency of the individual. When itself is the Great Criminal it comes into court as a discredited witness against every thief, burglar and gunman in the community.

WE are choosing our words with care. We are sensible of the fact that many readers may shy at this candid judgment. But think a minute. The child born tonight in the slums of many of our great cities is born without a right to live. He must buy such right of some individual. Every inch of land is pre-empted. He must compete with others for the right to work. All the resources of the earth are in private hands. The great natural revenues that arise from the activities of society, the values swollen to enormous proportions, flow into private pockets. Land, the heritage of mankind, is treated as a commodity to be bought and sold and speculated in. The child born into the world is a trespasser on the earth, the land of which has been parcelled out to a few individuals and their descendants in fee simple forever.

UNTIL Society shows a disposition to question the existence of this wrong, until it shall penitently avow the initial crime that is provocative of much of the crime of which it complains, it cannot deal justly with the criminal. For it will not recognize the harvest of its own garnering. Millionaire and plutocrat, pauper and thief—Society makes them all. For the little that remains of hereditary inclination to vice and crime, is after all negligible. The offspring of the mutineers and murderers of the Bounty established on the island of Pitcairn a God-fearing, humane and civilized community which for successive generations was the wonder of visiting mariners. The island community was founded upon what Henry George declared the natural law of human progress—"association in equality." For civilized society obeys the same laws as the Pitcairn Island community, which was but the duplication in miniature of the greater world that lay beyond its pleasant hills and wide blue waters.

HENRY GEORGE meant equality of opportunity, not, of course, equality of fortune. Men will differ in their earning ability, though, as Mr. George has also pointed out, no such difference exists in reality as would be indicated by differences of possessions in modern society. It is easy enough, fatally easy, to indicate the vice of envy of those more fortunate as the motive leading to crimes against property. But a far stronger motive is the sense of injustice. If Society ignores the fundamental laws of social justice it breeds criminals and cannot justly complain. If it recognizes as lawful those methods which contravene fair dealing and the right of *meum* and *tuum*, it must encourage the same indifference to the moral code on the part of the individual. If it enacts laws destructive of the real rights of property it cannot ask of the individual any clearer conception of these rights. Granted that the criminal may not justify his conduct by a reference to what Society has done. Yet neither can Society grow righteously indignant at the criminal. For the latter, too, has an indictment ready—and terrible it is in its ac-

cusations which future generations will be better able to appraise in all their tragic significance!

Taxing Wealth, Poverty or Privilege?

THE slogan of an organization working for the reform of American municipal, state and national systems of taxation is: "Why Tax Wealth"? Since in its generally accepted meaning wealth is an abundance of useful things, of which everyone desires as much as they can possibly obtain, the obvious answer is that its production should be encouraged, and that in so far as taxes on productive industry increase costs of manufacture, or taxes on moneyed capital tend to discourage its accumulation or investment, they operate to diminish the total output of labor and its ally, capital, and to that extent injuriously affect the common welfare. As all taxes, however levied, must ultimately be paid in labor products or services, the use of money obscuring the fact that when a check is drawn in payment of a tax the taxing power is given a title to a portion of the created wealth, it is manifest that the total tax burden on a community represents just so much human effort diverted from its natural channels into other courses. Of these many are absolutely necessary; often highly desirable, while some may fairly be classed as of doubtful value to the taxpayers. In any case the essential fact remains that taxation, as now generally imposed, takes from the annual wealth production a share estimated at more than 10 per cent. of its total.

Conceding the necessity for taxes, at least until that happy time predicted by the idealists who foresee an ultimate social order in which the expenses of governments shall be met by voluntary contributions of the citizens best able to pay, and admitting the soundness of objections to the policy of taxing wealth, there will inevitably be asked the further question "Why Tax Poverty?"

In this retort to the query as to taxing wealth, it may be inferred that those asking it assume that if taxation is lifted from the rich (those possessing large amounts of property) the burden will necessarily fall upon the much larger number who have few possessions. As a matter of fact, there is in the United States no clear line that can be drawn between riches and poverty. There is a small number of persons who own great fortunes; a somewhat larger number who have little or no property of any kind, and the great majority that, while not rich, would scorn classification as poor. The alternative, therefore, is not that of taxing wealth or poverty, but of so adjusting tax methods that each citizen shall contribute to the various public expenditures in proportion to the benefits of government received. As now imposed, practically all taxes add to the cost of goods or services, and are thus passed on to the great body of consumers. Taxes on banking and other capital are charged over in the shape of higher interest

rates, resulting in higher priced dwelling and other rentals.

Various industrial and commercial associations are engaged in making surveys of the existing tax situation, with a view to urging the enactment of legislation designed to remedy some of the most glaring defects. It might be profitable for them to consider whether the solution may not be found in taking for public revenues, accretions of those values attaching to land which are due to the business activities of the people as a whole, and thus relieving industry and consumption of their present tax burdens.

Making Consumption Equal Production

THE action of the principal textile industries of New England, in reducing the wages of their operatives 10 per cent. because of insufficient markets for their products at prices based upon previous wage schedules, shows that despite conditions that should be favorable for industrial expansion, American manufacturers are faced with the problem of finding adequate markets for their surplus output. The productive powers of most lines of manufacturing industry have been so largely developed during the past decade that if operated to their full capacity the mills and factories can produce far more goods than the domestic market can under present conditions absorb. Part of this excess production will find an outlet in the export trade, but even in what are termed the "world markets," the capacity to buy is limited by the ability of foreign consumers to pay for imported goods, and while better organization of international selling agencies may increase exports, there is still the difficulty of paying for the exported articles except in products that will compete with those of domestic production. This latter condition involves problems of lower foreign wage scales, and the "dumping" of exports at prices below those charged in domestic consumption, showing that a solution of the "overproduction" problem cannot be found in an increased export trade.

Neither would it appear that a general policy of wage reductions in the United States would effect a permanent remedy for unsatisfactory trade conditions. With each reduction in wages must necessarily come reduced purchasing power on the part of millions of factory operatives, who already complain that because of the higher prices of staple farm products, and the maintenance of war-period dwelling rents, the high cost of living equals the higher wages they have been receiving. Under the trade-union rules that govern so many workers longer factory hours would seem to be impracticable, as their suggestion will meet with the objection that since many industries now are working on part time only, a longer working day would merely result in fewer work days each week. The fundamental of the problem is: how to increase domestic consumption, and the field is one to which the thought