

The Single Tax Review

VOL. XX

MARCH-APRIL, 1920

No. 2

Current Comment

IT is a real housing crisis that confronts Great Britain and its cities. Government aid to building is now suggested in addition to local schemes which might be called "Measures of relief for the landlord," and builders are to be granted money to enable them to meet the high cost of construction and the competition of subsidized homes built by the local authorities. There is no indication that the government has the faintest conception of the high cost of land as offering any obstacle to improved housing facilities. Less and less is heard of the taxation of land values, and these schemes of locally subsidized houses, and appropriations for the aid of private builders, serve only to encourage land profiteering. The landlord is thus enabled to demand even more remorseless terms.

AGAIN we would impress upon our readers that the Single Tax is not a reform in taxation, but an economic philosophy, the application of which spells freedom. It is therefore opposed to all infringements of freedom. It is opposed to Socialism, and Prohibition, and it has no word of sympathy for those who would interfere with the use of tobacco. It opposes and detests all attempts to suppress the Sunday amusements of the people. It is opposed to the socialistic projects of the present State and federal administrations. It would not attempt to regulate the morals of the people.

The Single Tax philosophy belongs as much to the ethical as to the economic sphere of society. As its appeal is to the natural law, its command to government is "Hands off; mind your own business." The business of government ends with the securing of justice to the citizen and the raising and expenditure of revenues in accordance with exact justice.

BECAUSE the Single Tax movement has been allowed to degenerate into a mere fiscal-tinkering movement, Socialism has out-distanced us. Because of this we did not know how to meet the new problems that arose. The war found us unprepared. Worse still, the after-the-war problems found us in a similar state of unpreparedness. Our philosophy, because it had been largely abandoned for innocuous measures of revenue reform that meant but little, offered no alternative to governmental policies that have swept so many of our statesmen and politicians off their feet.

HENRY GEORGE taught us a great economic philosophy. The name Single Tax has been unfortunate in concealing from the people what we stand for.

If our movement is but the replacing of one form of taxes by another, it has no answer to Socialism and Prohibition. It is disarmed before the fight has begun.

Of course, Single Taxers themselves know better. "Progress and Poverty" gives just about 15 pages to the subject of taxation out of a total of over 550 pages. It concerns itself not at all with the minutia of tax administration or technique, and but slightly with the problems of incidence. But forgetting Henry George, we became tax-reformers; the splendid vision faded with the years that were lost in tax-tinkering recommendations. We heard less of the large and splendid phrases heard in the early years of our agitation. No wonder Socialism grew and magnified itself, that government became socialistic, and that we stepped almost over night into an era of regulation, control, price-fixing, not merely as war measures which are necessary in such emergencies, but as permanent peacetime policies. And so we lost out—lost out to as incompetent and feeble a set of men and principles as ever controlled the destinies of a nation.

THE Single Tax movement began forty years ago with the publication of "Progress and Poverty." Its beginnings were more convincingly signalized by the mayoralty campaigns of 1886 and 1897, in the latter of which the great leader fell, and was borne to an honored grave amid the grief and love of a people he had so greatly served.

The years following have produced some fruits, but chiefly these have been rather in the changed attitude of public opinion to our question than by any actual triumph of our principles in practice. The positions of the political parties remain pretty much as they were; the conventional attitude of legislator and publicist is hardly much in advance of what it was in 1886.

Politically, if anything, we have gone back. For while the Single Tax stands for the right of property, the *sacred* right of property, with a demand that its inherent significance be stressed, the whole trend has been to violate this right by legislation and practices of taxation subversive of property rights. And whereas the Single Tax stands for individualism of a wholesome kind, the whole legislation of the last two decades has been of the most pronounced socialistic order.

So little have the methods of our propaganda influenced the legislation of the two parties! We have preached Single Tax purely as an academic question. The small results have at last made us realize what a serious mistake we have committed. There is but one explanation of the ineffectualness of our methods, and that is the methods themselves.

THE Authors' League has begun a fight on the inequalities of the Income Tax law. It holds that royalties from books are dividends, not incomes, and that authors should be free from the tax burdens that normal incomes bear, and subject only to the surtax on dividends. The League, of which Rex Beach is president, has among its members Gelett Burgess, George Creel, Arthur Guiterman, Henry Sydnor Harrison, Rupert Hughes, Channing Pollock, Leroy Scott, Jesse Lynch Williams and many others.

We confess that our sympathies for these writers, while measurably existent, are not acute. Legally we regard the contention as unsound. Some of these gentlemen know how they may be relieved permanently of these burdens without seeking relief in the subterfuge which tax legislation seems to afford them, but which the courts are certain to refuse them. Our old friend, Captain Rupert Hughes, is not without such knowledge, and we suspect Arthur Guiterman and Henry Sydnor Harrison are possessed of like information. But none of these has a word to offer for the relief of industry (all industry, including that of the pen) by the simple process of getting rid of all these taxes. Their attitude is as selfish as that of the labor organizations, to which the Authors' League can be likened in this respect to every other trades' union.

Of course, a tax on their incomes is unjustifiable as long as there is a source of public revenue almost untouched, attaching itself to land and due to the presence of population. A tax on the incomes of writers tends to reduce the literary output—which might on the whole be considered a not unmixed evil. It is, however, a violation of the right of property, and literary property is quite as sacred as any other kind. But all taxes violate the right of property, and authors are not entitled to any special favors at the hands of government. Henry George said: "I am not for labor—I am for men." So when these eminent literary craftsmen are brave enough to say, "We speak not alone for the craft, but for all labor," they will receive the consideration which in their present protest we scarcely feel they are entitled to command.

THE N. Y. *Globe*, of March 4, pointing out that the cost of living has increased more than four per cent. in the sixty days preceding the date of issue, and that the prices of commodities have increased 120 per cent. since the beginning of the war, says that President Wilson admitted that the government campaign to reduce the cost of living had failed, and that General Palmer made the same admission.

In a tone of hopeless resignation, the *Globe* asks: "Can government action bring down the cost of living?" and in conclusion it says: "We should recognize frankly that the great question remains unsolved; can we, without a fundamental change in the whole character of our government and its underlying theory, hope by official interference to relieve economic conditions which now weigh upon our people?"

Very simply indeed can the government do this thing. It need not change its "fundamental character." The

powers of the government are ample. All it needs to do is to remove the disabilities that rest upon industry. Did this ever occur to the *Globe*? It is right in regarding the various remedies that are offered as wholly ineffectual. But the real remedy is to unbind the patient, to take away the ligaments, and give him access to the air of freedom. It is not that he cannot move because no one is helping him, but because government is hindering him with laws which deprive him of his powers, and vest these powers in privilege. To change all this it is only necessary to change the fiscal incidence so that the earth will be open to use and industry be relieved of its present burdens.

THE *Times-Mirror*, of Los Angeles, Feb. 14, says editorially: "The argument against the Single Tax is as old as the decalogue. If the amendment were to carry, the tax on land would be so high that the renters would be driven off; the owner himself would not be able to earn enough himself to meet the taxes; and fertile California acres would turn back to the desert." Next!

GOD did not intend that all men should have equal opportunity. Some must be employers; all men cannot do brain work. Some men must do manual work." This is not the language of a school boy. Any intelligent school boy could do better than that. It is from a recent speech by United States Senator Myers, of Montana. The accident that has made Senator Myers a legislator and not a manual laborer is to be profoundly regretted.

THERE has met our eye, almost as we write, from a source on which we shall make further comment in a minute, the following, which we commend to Senator Myers and others who may share his views: "The natural inequality in the capacity and circumstances of men, the fact that generally each individual is distinguished by the possession of something of which others are destitute, is adapted to give every one a chance of receiving, and imparting, according to his wants and superfluity, and thus by free and fair exchange to equalize and raise the condition of all."

The contention, so rarely indicated, and made here for the first time, so far as we can recall, that the very inequalities of intellectual gifts, mental differences, varying talents and aptitudes lend themselves, by free exchange, to the establishment of equality, is a thought that perhaps Senator Myers is quite incapable of entertaining. But its insistence is of immense value.

AND what of the source from which we quote? It is from the *Quarterly Anti-Slavery Magazine*, and we refer to it because of something from the same source which is well worth quoting. The article is written by Dr. Chas. Follen, and the volume from which it is taken, old and worn, bears the date of October, 1836, nearly seventy-five years ago. And it is of interest to note that it was published just across the street from where we write, Nassau Street, number 143. Now in this same article by Charles

Follen (who was he?) is announced several years before Spencer began to write, the Spencerian law of equal freedom. Mr. Follen says:

"The internal history of every nation, every republic in particular, consists in the workings, the successful or unsuccessful conflicts, of the principles of Liberty and of Oppression. I mean by liberty the possession of all those inalienable equal rights which belong to each human being as a necessary moral attribute of human nature—the right of each individual to use all his faculties of mind and body in any way not inconsistent with the equal freedom of his fellow men, the right to share, as far as possible, equally in all the means of improvement which life affords; the right to form such social relations, civil and religious, as may best secure the progressive happiness of mankind.

"And I mean by Oppression any infringement, any undeserved and unnecessary abridgement of those natural rights, whether it be imposed on a portion of men, or a single individual, either by the cunning of the few, or the violence of the many." What can be better than that? It is the Spencerian law of equal freedom; it is the expression of Henry George's doctrine of economic and social emancipation!

MR. FRANK A. VANDERLIP has at times an almost uncanny proficiency in touching the heart of the world's problems. The late managers of the *Public* were profoundly disappointed in the fact that SINGLE TAX readers of that publication seemed cold to their enthusiastic espousal of Mr. Wilson's plan of a world's league. Mr. Vanderlip states the reason for this indifference when he says—and it could not be better said: "The trouble with those advocating the League of Nations was that they thought that the troubles of the world were political, whereas they are economic." Would not Henry George have said that precise thing?

Losing an Opportunity

ONE might assume that the universal housing shortage, which is arousing the ire of classes in the community, that have hitherto viewed social injustice with complacency, would present an ideal opportunity for active work by believers in the Single Tax policy. Such an assumption would find little support in the facts. We have heard of few evidences of their putting forth their remedy, although it would seem to be a peculiarly appropriate proposal at a time like the present. The attitude of public officials and private citizens at this juncture is a splendid illustration of the affinity of the human mind for error. Their reasoning is somewhat as follows: The high rents are due to profiteering landlords; therefore let us restrict rents. Little attention is paid to the objection that legal and artificial restriction of price of anything invariably fails of its purpose. It was successful to the extent that it prevented the sale of sugar at any price, and it was not until the embargo was lifted that sugar began to appear on the market. People apparently preferred to pay an excribi-

tant price to doing without it.

Sugar can be dispensed with, but housing cannot, and it may be safely predicted that people who cannot find roofs to shelter their families, will conspire with landlords to violate the law, and will pay bonuses for apartments if they must, so as not to violate the provisions of the law regarding maximum increase of rents permitted. One would think that our experience with the Usury Law, which has never been effective in keeping down the real price of money, would teach people how little dependence could be placed on such restrictive legislation.

In addition to being ineffective, it will probably result in checking the investment of new capital in housing ventures.

Some members of the New York Legislature, only in the Assembly, however, have shown signs of common sense. Assemblymen Jesse and McCue have introduced bills proposing to exempt new buildings from real estate taxes, in one case for five and in the other case for seven years. These gentlemen recognize that investment of capital can be encouraged, but cannot be forced, and that it is only by the construction of new buildings that we can hope ultimately to restore the equilibrium between supply and demand.

A hearing was held in Albany on March 23rd, which brought depositions of landlords and tenants together, and threatened at some points in the proceedings to wind up into a riot. It may be said that while no valuable suggestion was made, one result was accomplished. The legislators were impressed with the gravity of the situation, and if they only knew what to do, they would apparently act. The one ray of light thrown upon the situation was flashed by Assemblyman McCue. The *N. Y. Times* refers to his contribution in the following terms: "The only speaker to satisfy both sides was Assemblyman Martin G. McCue of New York City, who was greeted with applause when he proposed a plan to stimulate building, embodied in a bill which bears his name, under which all real estate improved with dwellings before May 1, 1921, would be immune from taxation for seven years."

Single Taxers will smile at the criticism of this innocuous measure, as being an installment of Single Tax, yet that is the only argument that has been advanced against it; yet it seems powerful enough to scare senators from fathering either bill in the Senate. If the legislature should continue in session another thirty days, it seems possible that some action along this line may be taken.

We may be favored with an illustration of the historical fact, that only under extreme pressure and after all other measures have been tried and failed, does mankind move along the right lines.

Single Taxers have been preaching for years the injustice and stupidity of our treatment of the land problem. The existing situation demonstrates it more clearly than ever before. Of course the victims most severely hurt are the homeless poor, who buy their shelter, month by month.