

The Philosophy of Freedom

An Open Forum for Single Taxers

An anticipated last week in our Henry George Edition The Independent will hereafter devote pages to the single tax doctrine. At the present time we have on hand plenty of well written articles to last several months yet. Most of these being of an educational nature and not polemical like a news item will not lose their flavor by being held over.

On June 11 The Independent will give part of its space to well written criticisms of the single tax as presented in the Henry George Edition. And from the official justification for a tax levy—which is defensible ground.—The Independent throws out this suggestion. Substantially all our taxes, excepting a few in the land schedule, are ad valorem, or assessed upon the basis of the value. As a rule neither lands nor commodities are taxed—but their values are. The burden, however, falls upon man to pay the taxes levied upon the value of his lands or commodities—and to pay in one particular thing, coined money. The question arises, Does inequitable taxation arise so much because the tax is computed upon the value of this thing or that, as it does because the taxpayer is compelled to first procure a particular thing which has exclusive power to cancel the tax levy? There is room for argument here.—De France.

Some Objections Answered

One of the most common objections against the single tax is, that the landlord would shift it to the tenant who, in the end, would be worse off than he was before to the extent of the increased tax. Probably the most convincing answer to this objection is, that if such be the fact, why should landlords oppose it as they do? They wouldn't lose anything, so what difference would it make to them?

But the truth of the matter is just the reverse. The tax on ground rent cannot be shifted. All political economists of any standing acknowledge that fact. To say that the tax can be shifted, is to admit that tenants can pay more rent than they are now paying. If they were now in a position to pay more rent, you may rest assured that landlords would have found it out long ago and raised their rent without waiting for an increase in taxes.

Another common objection is that the single tax would be insufficient to defray all government expenses. In his work on "Natural Taxation" Thomas G. Shearman has conclusively demonstrated that more than enough revenue can be raised under the single tax to pay all expenses of government. As an example, recent statistics show that the ground rents of Boston are \$42,000,000, while the total revenue collected is about \$18,000,000. Of this amount landlords now pay about \$8,480,000 on their land and about \$9,486,000 more are collected on improvements and personal property. Based on the statistics of 1890 Mr. Shearman proved that all expenses of government—federal, state and local—would not exceed 4 1/2 per cent of the land values or ground rents of the United States.

Because farmers occupy more land than the inhabitants of cities, they erroneously suppose they will have to pay higher taxes, and are, therefore, opposed to the single tax. Let the farmer figure out how much his farm would be worth after he had deducted the value of all his buildings, fences, stock, machinery, crops, drains, personal property and all other improvements. In short after everything except the land had been completely devastated by fire or cyclone, would he object to paying taxes on the value that was left after all these other values had been diminished? The only value left would be the bare land value and the taxes on that would be very little and in many cases nothing at all. It seems difficult for farmers to realize of how much they are being robbed in the taxes they pay of all lands. In listing tariff taxes of 45 per cent on wire for their fences, 120 per cent on horse clothing, 60 per cent on window glass, rubber boots and blankets, about 100 per cent on each of knives, 25 per cent on shirts from 75 per cent to 100 per cent, and so on all along the line.

Under the single tax all these taxes would be abolished, including internal revenue taxes, license taxes, poll taxes, etc.

We want the single tax because we think it is the most just and equitable tax that can be devised. We want it because we hold that land values are public property. It represents the

amount that men are willing to pay for the exclusive possession of certain locations. We all have an equal natural right to any portion of the earth's surface, but inasmuch as everybody cannot occupy the same location at the same time, justice demands that the one who acquires possession shall pay to all the others whom he excludes, i. e., the community, the annual value of the privilege, and he would be guaranteed possession so long as he continued to pay the tax.

The single tax is not a fail. It is already in force, but with a multiplicity of other taxes. A small portion of it is paid to the state, but the great bulk of it goes to land owners, necessitating the taxation of labor products to make up the amount necessary for public expenses.

Under the single tax the entire ground rent or such portion of it as is needed, would be appropriated by government, and all other taxes abolished. This would result in the destruction of land monopoly, for no one could afford to hold valuable land idle and pay its rental value to the community; consequently, millions of acres of all kinds of valuable land would be thrown open to development, and capital and labor would find unlimited opportunities for highly remunerative employment; wages would rise, involuntary poverty, and the crime and misery that spring from them would disappear and an era of prosperity would begin such as the world has never yet witnessed. The wealth that men might accumulate by honest effort would be limited only by their ability to produce, and the only persons who would not profit are those who live off other people's labor. Charity would be unnecessary, for with the knowledge that there was work for all, no one would recognize its necessity.

While the single tax is coming as surely as the spring follows the winter, it is not coming with a rush. There will be ample time to adjust ourselves to the welcome change. Personally, I believe it will come as naturally and easily as a duck takes to water, and I am strongly inclined to the belief that it will be introduced through local option in taxation. Many states are now actively agitating for this measure, which allows each county in a state to raise its local revenue in any way it chooses, either by taxing improvements, personal property, or land values. The single tax will be adopted first by one county and its benefits will be so apparent that other counties will be obliged to adopt it in self-defense; and so, in that way it will extend from state to state, until it becomes universal.

The single tax will accomplish in a natural, orderly and eminently practicable manner all that is desired by socialists. It will establish industrial freedom, abolish involuntary poverty, and secure to all unlimited opportunities for employment.

When we say that every man will secure the full product of his labor, we mean that he will get all that his services are worth in the open market, under free competition—a condition which has not existed for years, if it can be said ever to have existed at all. The competition that socialists want to abolish is not competition at all. It is spurious and one-sided, with all the advantage on the side of the employers of labor.

Socialists would abolish rent! They might as well try to abolish the moon, for economic rent will persist so long as two men want to use the same piece of land at the same time. We believe the single tax is the first step in the solution of social problems, because it straightens out the land question which is, and of necessity must be, the most important in any community. There are other problems, but that press for solution, but in tax payment they should be nothingness in comparison with the land question. Many of them would settle themselves after the adoption of the single tax.

Is it not true that every man has a right to be heard in government, everything that increases the production of wealth in short every advance in civilization that tends to make any community a more desirable place of residence for business? The effect of increasing land values is to take the means from the poor and to give them to the rich, but without that under the present system of land tenure nearly all this increase is captured by the owners of the soil.

Can it be shown, therefore, that as long as the single tax exists that it adds a comparatively few to a comparatively large number of land values the

constantly increasing advantages of civilization, how the masses of the people who own no land can ever hope to share in these advantages until land values are made public property? E. B. SWINNEY, Brooklyn, N. Y.

How the Farmer Would Fare

I note from the columns of The Public and my attention has further been called by W. H. Roebuck, secretary of the Toronto Single Tax Association, to the fact that your issue of May 14 is to be entirely a single tax issue.

In this connection I beg leave to ask the privilege of laying before the rural readers particularly of your journal a few facts in connection with the effects that might be anticipated were the single tax adopted in country districts.

At first sight a farmer will invariably conclude that the agitator for the single tax is trying to work off some new kind of a swindle, and in order to prove to his mind clearly and convincingly that he is now being systematically swindled, we have but to emphasize the fact that the tax bears only on land values.

In Canada the major portion of the land values are owned by loan corporations and land companies, the farmers being mortgaged in many cases for as high as 75 per cent of the value of their property. Briefly put, a tax on land value would mean that if a farmer occupied a piece of land worth, say \$5,000 with a mortgage upon it for \$3,000, the loan company or holder of the mortgage would be called upon to pay taxes on the \$3,000; the farmer paying only on the value of the land to which he can claim title. This is manifestly fair to both parties, as the holder of the mortgage is the possessor of natural opportunity to the extent of the land values represented by his mortgage and should be taxed on such natural opportunity.

The shifting, or rather replacing of taxation on land values only, in the country districts where it rightfully belongs would have effects more far-reaching than the most ardent advocate of this reform is competent to set forth either from the public platform or through the press, great as the power for influencing the public mind through both these mediums is recognized to be.

The first and greatest boon to the wealth producer would be the panic which would take place in real estate circles, as such a tax would touch them where they are tender, viz: in the pocket, and it would no more be a profitable investment to buy vacant or wild land in the hope of farming the farmer. Land, when the taxation has been placed upon the real owners, and not the mortgage-ridden farmers, would immediately drop in price. And at the same time that the land dropped in price, it is well to call attention to the fact that it would remain as productive as before, producing as many bushels of grain to the acre. Also, there would be the same number of mechanics and artisans of all classes to be supplied with food-stuffs keeping the market for farm products high. It must surely appear clear to anyone who will look at it for a moment that if land becomes cheap and easy of access while the products thereof remain even at current rates, or go higher, which there is reason to believe they will, the condition of life in the country must become ideal.

Under existing conditions, the more aggressive and thrifty the citizens of any district are the higher go the prices of unused land in the neighborhood, while the workers pay taxation on their land values, the land values of the mortgage corporations and every improvement they make.

Of course, as time goes on, the vacant lands continue to increase in value, requiring the sons of each succeeding generation to assume a greater obligation for the use of the same area of land, and the tendency of course is to move along the lines of least resistance, so that those of the rising generations with any ambition leave home rather than go into a deeper slavery than that under which they have seen their mother and father toil and become wanderers, selling their labor in competition with the slaves that can be imported from landless countries of the world.

Applying the principle of the single tax on land values to the country and to the city will make the word "landlord" an obsolete term as it should be, for as has been said "A lot of land is of no more use to so many men as being a boarding house."

Were the principle applied both in the city and country, rents in the city would fall as there is no possible way of compelling tenants to pay high prices if vacant lots can be procured

for the cost price—stripped of speculative values. The saving in money would place millions of people in a position to buy and eat of the best, whereas they now live at as low a standard as is possible in order to keep their condition to continue their earnings as workers. Land being cheap in the country, many who now crowd to the city would remain contentedly on their old homestead and the opportunity of manufacturing of furniture, ironing, etc., being relieved of the competition would receive still higher prices. It would be in a position to pay higher prices for produce.

The world is not too poor to be productive to support all that it wants, it, and never will be, the only thing wanted is freedom to apply to the natural resources of the earth by private monopoly of land. A millennium will not be far off in its nature.

In conclusion, permit me to say to young man or woman who are in the battles of life should be themselves educated until they have thoroughly read Henry George's work, "Progress and Poverty" by GEO. CARTWRIGHT, 271 Lisgar st., Toronto, Canada.

OWNERSHIP AND VALUE

Mr. Rann elucidates a point regarding Ground Rent

Editor Independent: I finish the following editorial paragraph in issue of May 7:

"Ground rent is a value created by the community, so is the value of everything else. What if the 'community' or people, there would be no value. If the community has the right to the common property of ground, why not of every other thing that the community creates?"

This question is fair and fundamental. But I beg to suggest that single taxers will differ in answers, because some think they like other people, sometimes arrive at a correct conclusion without understanding every step of the process that led them there. It may be of course, that I am one of the few, but I offer the following in my opinion is worth:

It is perfectly true that if the community is entitled to land values because it created them; it is also entitled to all other values which it creates. But the fact that it creates these values is not the real ground upon which it should claim to own them. Let me explain:

1. It must be self-evident that a rightful owner of any kind of property is the rightful owner of its value. For property without value is mere nothing—a nullity.

2. But one man may benefit by the property in a thing, that is, the value of it, and another may have possession of it. It is a common experience. Every lease is proof of it. Every livery stable and warehouse testifies to it.

3. The value is inherent in the property. The use is inherent in possession. This is in the nature of things.

4. Land is by nature public property. It was the common land which was looked to for the payment of the expenses of the war of the Revolution. Every land title originates in a grant from the state or federal government. This grant is a contract between the state vs. Peck, 6 Cranch, U. S. Reports. The state gives the right of possession to a man and his heirs, but should the grantee do on the land. Justly, they ought to pay for the cost of making the possession possible. They ought to pay all public improvements which add value to the property. The ultimate product of the law. It is also common knowledge that the use belongs to the individual property and value belongs to the community.

5. But whatever the land produces from the labor of the individual belongs to him. His labor is the product of his labor and his value belongs also to him. His labor and use belongs with the land, and he willingly parts with the land.

To my mind, the question, to be solved, is not a legal one, because the law is the product of your government.

The argument that the value belongs to the community creates a value. The value of land is a public because the land is public. That is the only way.

The argument that the value can easily be switched to the broader, simpler and more the best for the community. But that is a different question.

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