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Henry George

and the

Economists



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HENRY GEORGE
AND THE
ECONOMISTS



C. B. FILLEBROWN
77 SUMMER STREET, BOSTON
1914

"I have long been interested in Henry George and the Single Tax, and I have come to the conclusion that one of the greatest obstacles in the path of this proposed reform is the Single Taxer who regards the Single Tax as a panacea, a scheme which, could it be adopted, would automatically solve the principal problems of humanity. This type of Single Taxer is generally a man of intolerantly dogmatic and doctrinaire spirit; and since the doctrinaire spirit is the very antithesis of the scientific and creative spirits, upon which we must rely for both national and international harmony, any reform which such a man supports runs the risk of encountering the skepticism of the wise. When there are fewer of these doctrinaires, no one will be more surprised than the Single Taxers themselves by the sudden accession to their ranks of hundreds who, long since convinced of the truth of nine-tenths of the Single Tax platform, have shrunk from wearing the label, "Single Taxer," lest the inference be drawn by the public that, because they believe in the Single Tax, they are no longer free to believe in anything else."

HAROLD C. GODDARD,
Professor of English Literature,
Swarthmore College.

HENRY GEORGE AND THE ECONOMISTS.

The mutual attitude of Single Taxers and Professors today may not be easy to define, but the topic would furnish to those concerned what Horace Greeley was wont to call "mighty interestin' readin'." Unquestionably there has been among the professional economists a tendency not so much to attack as perhaps to ignore the Single Taxers. Among the various causes for this attitude one might be assigned as a certain pronounced air of bumptiousness often observable on the part of single tax advocates. To this extent, without doubt, Single Taxers themselves will confess it to be their own fault if the professors are not enamoured of them. Jealous for their champion and sharing his sensitiveness to the indifference of the professors, Single Taxers have allowed themselves even in scattered times and places to generate and foster a spirit of animosity sufficient to keep the opposing lines well defined. It cannot be denied, as reports have shown, that Single Taxers frequently have not been over-considerate of the feelings of the professors. Indeed the professors seem to be given over by the average Single Taxer as a bad lot. On the other hand, who is there that can furnish any consequential list of professors who have attacked with any degree of malignity Henry George or his particular theory of taxation?

Militancy is not without distinguished apologists. There are people who believe that whatever is good in the world should be fought for. Peaceful people hold that in a fight, the thing fought for is apt to be lost sight of, and that the truth conquers in spite of the fighting. Some of us are happy in believing that militancy is on the wane, — less between the nations, less among the churches, less among men. Many war phases of a few centuries ago are extinct today. In most fields of reform, however, there are plenty of

fighters who can be trusted to live the gospel they profess. Indeed, reformers as a class esteem it the natural course to fight the common enemy, often to fight among themselves. Single Taxers are no exception. All their official organs and their advocates, with few exceptions, are heralded to "fight" for the cause, and they do it.

It would be interesting to know if there be any considerable number of the many public lecturers and speakers for the Single Tax who have not at some time spoken slightly of an economist or of his profession? It would be interesting to know what Single Tax organs have not frequently or infrequently spoken disparagingly of the professor of political economy? A list of them would be welcome to be framed in gold.

Scholastic discussions, unless carefully guarded, are likely to leave a bad taste in the mouth. By a hasty or inconsiderate word a battle of principles may degenerate at once into undignified personalities. For example in a notable foreign instance: a certain professor is confronted by the complimentary statement that "the teachings of modern economists begin and end nowhere"; that his own teachings "all through showed a decided intellectual incapacity to stand by any positive statement"; that his views "illustrate the folly of rushing into a controversy without preparation or knowledge"; and that "he must still be considered a tyro both in economics and ethics." Yet this delinquent economist "approved of taxation of land values twenty shillings in the pound" and gently remonstrated, "Is it really worth while to spend so much time and space in attacking those who want the same thing you want? Is not such conduct an example of the perversity and futility into which these men of one idea, whom the world bluntly calls cranks, so often fall?"

Not only are flagrant examples of offensive insinuation frequent, but there is a supercilious, patronizing style of writing that

violates good taste, instances of which might easily be multiplied. For example, notwithstanding the declaration of a professor that, if government had started with Single Tax, we should have had from the first a practically burdenless tax, and that the landowner today is paying to a private individual all that he would pay to the government beside direct, indirect and monopoly taxes, which the Single Tax would abolish, yet, because it is thought that this professor "falls down" before "full Single Tax," he is reminded, after a honeyed compliment to "most of his University brethren," that he is better posted than they, that he "owes it to those who look to one in his position for a clear exposition of the principles of political economy, to revise his argument." Is this species of veiled affront likely to win the leading economists, their brethren and their following to our reform?

This backward survey may well begin with the notable gathering of economists and Single Taxers at the Conference of the American Social Science Association, Saratoga, New York, September 5, 1890. Though not without its note of discord, this was a distinguished occasion, bringing together a company of truly representative men, many of them today men of distinction. The Conference was devoted entirely to a discussion of the Single Tax. Beside Mr. George, Messrs. S. B. Clarke, Louis F. Post, William Lloyd Garrison, and James R. Carret spoke in support of his views. Professors J. B. Clark and E. R. A. Seligman, both now of Columbia University, Dr. William T. Harris, United States Commissioner of Education, President E. Benjamin Andrews then of Brown University, Professor Thomas Davidson of New York, and Professor E. J. James then of the University of Pennsylvania took opposite grounds. Mr. George was accorded every courtesy of debate by the Professors. Regarding the general harmony of this occasion, the Secretary testifies that

in the records of the Conference "no word was expunged nor was there any but the most cordial feeling toward Mr. George." Professor Seligman, while indulging a dignified resentment at Mr. George's insinuation of hypocrisy in the ranks of the professors, said in their defense:

"It is grossly unjust to ascribe to the Professors of Political Economy a truckling or even an unconscious subservience to the powers that be. All history disproves this. . . No one is more desirous of attaining social peace, no one has today a deeper sympathy with the unhappy lot of the toilers, no one is more anxious to seek out the true harmony of social interests, than the student of political economy. If we thought that you had solved the problem, we would enthrone you high on our council seats, we would reverently bend the knee and acknowledge in you a master, a prophet."

The next important public utterance of Mr. George after the Saratoga conference was "The Perplexed Philosopher," wherein he arraigned Mr. Spencer in unsparing terms for recantation of what he considered fundamental truths. In 1859, Mr. Spencer had announced that private property in land was wrong. In 1832 he announced that private property in land was not wrong. Mr. George vigorously assailed the soundness and the motive of this change of views. As between condemnation and argument in this critique the former would seem at first glance to preponderate. It was a grievance to Mr. George that Mr. Spencer chose to ignore the former's book and his work, not so much as deigning to read "Progress and Poverty," referring to it as "A work which I closed after a few minutes on finding how

visionary were its qualities." Also, Mr. Spencer believed in materialism and evolution; Mr. George did not. Mr. George had once met and abruptly parted from Mr. Spencer at a private dinner. Indeed, as a resultant of mutual mental hostility these two gentlemen were so little enamored of one another that one could hardly expect to find in "The Perplexed Philosopher" a sympathetic review of Herbert Spencer.

The beginning of the controversy between George and Spencer may be traced back to January, 1883, when the Edinburgh Review, in an article entitled "The Nationalization of Land" gave a fair review of "Progress and Poverty," in which were coupled the names of George and Spencer, both as associated with Communism. The latter, having little or no knowledge of the former's ideas, shrank like a sensitive plant from being classed with him, just as hosts of sensible people will tell you today that they can affiliate with the Single Tax but not with the fads and fancies of many Single Taxers. Mr. Spencer was also sensitive that the reviewers should have neglected his synthetic pretensions until their attention was called to his "Social Statics," a book thirty years old, and even then only in connection with the book of another man. Mr. Spencer stated his position in a letter to the St. James Gazette of London, which called forth replies and rejoinders from Huxley, Tyndall, John Morley, John Laidley and others. Thus was opened up a controversy which from the first exhibited in ample proportions the free solution of testiness. Finally, in "The Perplexed Philosopher," Mr. George went out of his way, as it were, to make analytical disposal of Mr. Spencer's pet synthetic labors of a lifetime, his evolution and his materialism. The following isolated passages show the animus with which he proceeded to treat the alleged recantation:

"I do not regard this as contro-

versy. It is rather exposure. In turning his back on all he has said before, Mr. Spencer has not argued, and no explanation is possible that does not impute motives. . . . Instead of manfully defending the truth he had uttered, or straightforwardly recanting it, Mr. Spencer sought to shelter himself behind ifs and buts, perhappes and it-may-bes, and the implication of untruths. . . . Mr. Spencer has had much to say of the unfairness of his critics, but this reply is not merely unfair; it is dishonest, and that in a way that makes flat falsehood seem manly. . . . This letter (Mr. Spencer's) is merely an attempt to avoid responsibility and to placate by subterfuge the powerful landed interests now aroused to anger. . . . Social Statics has been disemboweled, stuffed, mummified, and then set up in the gardens of the Spencerian philosophy, where it may be viewed with entire complacency by Sir John and his Grace. . . . Mr. Spencer is thus untruthful in regard to what he has taught in Social Statics, he is equally untruthful in regard to his suppression of that book. . . . This treatment of land, or the surface of the earth, as but one of the natural media, is in the highest degree unphilosophic, and could be adopted only for the purpose of confusion. . . . By aid of double-barreled ethics and philosophic legerdemain, Mr. Spencer evidently hopes to keep some reputation for consistency and yet uphold private property in land. . . . They have their choice between intellectual incapacity and intellectual dishonesty. . . . He, Mr. Spencer, stands ready to sacrifice to his new

masters not only his moral honesty, but, even what the morally depraved often cling to,—the pretence of intellectual honesty. . . . In this Chapter, "Justice on the Right to Land," he (Mr. Spencer) proves himself alike a traitor to all that he once held and to all that he now holds—a conscious and deliberate traitor, who assumes the place of the philosopher, the office of the judge, only to darken truth and to deny justice; to sell out the right of the wronged and to prostitute his powers in the defense of the wronger. . . . Is it a wonder that intellectually, as morally, this chapter is beneath contempt? . . . That part of our examination which crosses what is now his distinctive philosophy shows him to be as a philosopher ridiculous, as a man contemptible—a fawning Vicar of Bray, clothing in pompous phraseology and arrogant assumption logical confusions so absurd as to be comical."

Reviewing the whole controversy today, it is not easy to see how the rules of polemics justified the severe language of Mr. George in which he made his isolated arraignment of the great apostle of evolution. Today a student of Spencer would be amazed to find his revision in 1882 of his views of 1850 made the target for such unmeasured censure and detraction. And what is this offence of Mr. Spencer's that so smells to Heaven? Simply this, and nothing more:—In "Social Statics" he said that private property in land was wrong; in "Justice," forty years later, he said that private property in land was not wrong. The initial error was in the lack of a clear definition of the point at issue. The tenet of the wrong of private property in land is in itself generally conceded to be false and untenable. But George and

Spencer appear to have conceived themselves constrained to this belief by the false logic of an inverted argument, to wit:

Since all have a common right to the rent of land, the product of their collective labor and expenditure, therefore all must have a common right to the land itself, the gift of nature.

Had the issue been framed in two propositions, instead of one, as follows:

- (1). All have an equal right to the surface of the earth in its original state, because it is a gift of nature.
- (2). All have a common or joint right to the artificial rent of land, because it is a common creation,

there might never have arisen the barren and profitless discussion that is now being considered here, for then the two protagonists might conceivably come to an agreement that the second of these propositions is sound, while the first is crude and false.

In order to show that Mr. Spencer was culpable in this recantation it is needful for Mr. George to establish the position that Spencer was right in saying in 1850 that "the right of mankind at large to the earth's surface is still valid; all deeds, customs and laws notwithstanding." This leads to a survey and criticism of George's argument of 1891 as compared with Spencer's on the same point in 1850.

Henry George wrote in "Our Land and Land Policy" in 1872, as follows:

"It by no means follows that there should be no such thing as property in land, but merely that there should be no monopolization — no standing between the man who is willing to work and the field which nature offers for his labor. For

while it is true that the land of a country is the free gift of the Creator to all the people of that country, to the enjoyment of which each has an equal natural right, it is also true that the recognition of private ownership of land is necessary to its proper use — is, in fact, a condition of civilization."

This statement of George can suffer no contradiction. Its truth is grounded in reason, science and fact. Conceding individual title to land, he demanded the socialization of rent by taxation. Title to the land itself, stable tenure, estate in land, ownership of land in severalty, whether its value is one dollar or a million dollars, is necessary to security of improvements. Title to the annual value of land — ground rent — is not necessary to the security of improvements, which would be equally secure whether one-quarter or three-quarters of ground rent be taken in taxation. Neither in private more than in public ownership of land is there any moral or economic wrong.

There is a persistent though not inexcusable tendency among economists to confuse the Single Tax and land nationalization. Professor Seligman, in the eighth edition of his "Essays in Taxation," thinks himself justified in laying before his 200,000 students and emulators in the United States colleges and universities the following disposal of the Single Tax belief:

"Land is the creation of God. . . . Therefore no one has a right to own land. . . . When the change advocated is a direct reversal of the progress of centuries, and a reversion to primitive conditions away from which all history has travelled, the necessity for its absolute proof becomes far stronger. The nationalization of land is a demand which

in order to win general acceptance must be based on theories independent of the doctrine of equal right."

And lo! from whom does such a rapier thrust come, but from a gracious professor to whom Single Taxers are gratefully indebted for courtesies and hospitalities, who has journeyed to promote its discussions and who at Saratoga forestalled by a generation the Single Taxers themselves in the inestimable service of blocking out a keystone to the Single Tax arch demonstrating fully a proposition previously recognized, but not effectively utilized, viz: that the new purchaser of land, buying as he does free of tax, escapes all tax burden. Following is his statement made at Saratoga, which has yet to be improved upon:

"It is apparent that the value of the land will fall in exact proportion to the increase of the tax, until when the tax equals the entire rent the value of the land will be zero. During these successive stages, however, the new purchasers lose nothing. The diminished rent will still yield them the same rate of interest as before, because of the diminished capital value on which the interest is computed."

Professor Ely of the University of Wisconsin also has been favoring English farmers with his views in the following language:

"I have no sympathy whatever with the Single Taxer in this country or any other country. . . . No civilization has been built up in modern times upon anything else than the private ownership of the land; and if you remove that, as the Single Taxer proposes to do, it seems to me that you would remove the solid, substantial foundation of modern civilization."

But what has this to do with the Single Tax? It was George's special triumph over Spencer, that while himself distinctly conceding the legal ownership, individual tenure of or estate in the land itself, the very thing that forced from Spencer his recantation, he corrected and advanced the issue from the common right to the use of the earth, to the joint right to the enjoyment of rent, making clear the distinction that land is one thing and the rent of land another and different thing — that to take in taxation the rent of land it is not necessary to take the land itself. The nationalization of land, with its incidental enlargement of government functions, formed no part of George's program. We appeal to the brotherhood of economists at the present stage of the art of taxation to forgive us for expostulating lustily against such a travesty of the Single Tax as that it implies the abolition of the institution of private property in land.

Is it, on the other hand, complimentary to the keepers of the Single Tax ark, and the variegated expositors of its doctrine that after thirty years of discussion and disputation nearly every "objector" down to this very day is spending the half of his ammunition upon deserted earthworks, viz.: that the Single Tax means the overthrow of the institution of private property in land, and that Henry George stood for the nationalization of land. If Henry George had gone so far even as to have put himself under the dominance of a "steering committee" chosen from his enemies the professors, he could hardly have fared worse than he has done at the hands of his friends. Listen to the remarks of a well-known disciple at a Henry George Memorial Meeting, the like of which subtly do incalculable damage to any great cause, because subject to misunderstanding:

"I believe we are in a revolutionary movement. If I did not

think so I wouldn't be interested in it. We are in a movement which aims to let the poor and the disinherited own the earth, and that movement is sweeping over the entire civilized world."

If the speaker had said private ownership of land itself is right but private appropriation of the rent of land is wrong, there would have been no poison to his arrow.

If it be granted, however, as many of his professed followers maintain, that Henry George did really believe that individual permanent title, tenure or estate in land, is wrong, then when Spencer in 1882 recanted the first six Sections of his original Social Statics (1850) the championship of this barren doctrine was left practically to Henry George alone, as no other economist of note can be now recalled to share the honors with him.

After all, have we not haggled long enough about what Mr. George said, or meant? What is wanted is a science of obtaining the normal revenue of a community. The immense forward strides in the development of economic science in general ought to make it possible to determine the truth regarding his system even independent of what he said forty years ago. *If this reconciliation is not possible*, why not discharge the Single Tax at once of this incubus and handicap of "common" property in land, wash off the slate, and strike out de novo, for a science of natural revenue if needs be, sans Spencer, sans George, sans theories, sans speculations?

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