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Third Edition (Paper)

Price 25c.

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for 1913

Price 20c.

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A. C. McClurg Co., Chicago

Cloth, Price 50c.

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C. B. FILLEBROWN

77 Summer Street Boston, Mass.

Thirty Years
OF
Henry George

WITH

Editorial Extract
from the Outlook
September 20, 1913

SECOND EDITION

C. B. FILLEBROWN

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Thirty Years of Henry George

IN 1879 Henry George in California wrote *Progress and Poverty* a book which met with wide sale and general review especially in the Australasian and Canadian dominions as well as in Scotland and England, with early translation into German. The principles of the single tax had been clearly stated as early as the latter part of the eighteenth century, but Mr. George was the man of all men up to his time to expound, exploit and advertise the doctrine in full and logical sequence. Practical agitation of this reform dates from the appearance of *Progress and Poverty*.

In 1882 Mr. George stumped Ireland, and again in 1884 made a three months' tour throughout Great Britain, speaking in the principal cities to large audiences, and making a strong impression. In 1890 there followed a nine months' trip to Australia and around the world.

From this seed appears to have sprung what may well be called the English movement for land taxation. It is particularly interesting to note that it was less than two years after Henry George's visit that New Zealand began to enact tax laws looking to the concentration of local taxes upon the land. In England, Germany, Australasia, and Canada, the last fifteen or twenty years have seen important changes in the methods of taxation, which single taxers may justly consider advances in their direction.

GREAT BRITAIN has been the last to move, and her first step was comparatively a short one. The Lloyd-George Budget of 1909,

which finally became a law in 1910, imposed four different taxes upon land, the first and most important of which was the so-called increment value duty. This imposes a tax of twenty per cent upon land increment arising after 1909, payable by the owner when land is sold, leased for more than fourteen years, or transferred at death. Land held by corporate bodies and not changing hands is to pay the tax every fifteen years. To carry the law into effect it was necessary, of course, to provide for a complete appraisal of all the land in Great Britain in order to determine its value, exclusive of improvements, in the year 1909. This work, which is estimated to cost \$10,000,000 and to require five years, is now under way, and it will result in a monumental survey comparable to Doomsday Book.

IN GERMANY the first of the recent experiments in taxing the increment of land was made in the model German colony of Kiaochau, established in China in 1897. The land and tax ordinance of 1898 imposed a tax of $33\frac{1}{3}$ per cent of any increment of value accruing thereafter to private purchasers of lands acquired from the government, a tax of 6 per cent on the value of land, exclusive of improvements, and a tax on land sales at auction. This ordinance suddenly and unexpectedly realized the German land reformers' program in a German colony under the direct control of the imperial government. It naturally aroused great interest, and soon led to attempts to tax the unearned increment in various German cities. Frankfort and Cologne took the lead in 1904 and 1905. Their example was rapidly followed by scores of other municipalities, including most of the large cities, until by 1910

the increment tax was in operation in 457 cities and towns and was yielding a substantial revenue. The rates of taxation ranged from 1 per cent to 25 per cent of the amount of the increment.

In 1911, the German Empire introduced an imperial tax upon the unearned increment. This law imposes a progressive tax, increasing according to the percentage which the increment bears to the original value of the land. The rate is 10 per cent of the increment when that amounts to 10 per cent of the original value, and increases 1 per cent for each additional 20 per cent of increment until it reaches 19 per cent on increments ranging from 170 per cent to 190 per cent. From that point it increases 1 per cent for every additional 10 per cent of increment, until it reaches 30 per cent on all increments of 290 per cent and over, with provision for certain deductions. The imperial tax is intended to unify the taxation of the unearned increment throughout the empire and will replace the local increment taxes. To compensate the cities for the revenue thus lost, the law provides that 40 per cent of the product of the imperial increment tax shall be apportioned to the local governments; while the states are given 10 per cent and the empire retains 50 per cent. Authority is granted, however, to impose additional rates for local purposes, so that some measure of local option is retained.

IN AUSTRALIA, Queensland has already adopted the exemption of all improvements and New South Wales, South Australia and every other state as well as the federal government, are moving steadily in the same direction.

NEW ZEALAND has had a graduated state land tax since 1891, which has already to a great extent accomplished its purpose of breaking up large estates. In 1896 local bodies were empowered to levy their rates on the unimproved value of land. By 1909 not less than eighty-five districts had adopted the method with satisfactory results.

OF THE NINE CANADIAN PROVINCES, three have taken important steps toward the single tax. In British Columbia provincial revenue is still derived from poll, property, and income taxes, but since 1891 municipalities have been permitted to exempt improvements from taxation in part or in whole. Since 1892, indeed, municipalities have not been permitted to assess improvements at more than fifty per cent of their actual value. Under the authority thus granted all the important urban and many rural municipalities now exempt improvements entirely, thus raising practically all local revenue from land. The Government through its Finance Minister, Hon. Price Ellison, now formally announces its purpose to adopt the single tax for all provincial revenues. He says: "Our aim is to reach a point where direct taxation will be eliminated and our revenues will be obtained from the natural resources of the province. This I regard as a sound policy."

IN THE PROVINCE OF ALBERTA there were established in 1912 fifty-two municipalities, which are required to levy their taxes on land values only. The same is true of seventy-four villages, also of forty-four out of forty-six towns. In 1912 the province enacted laws, practically without opposition, requiring, with

two exceptions, all towns, all rural municipalities and all villages to raise their local revenues from taxes assessed upon land according to its actual cash value. The five cities of Alberta have special charters granting wide discretion. Edmonton has exempted all improvements since 1904, and the others are following suit.

IN SASKATCHEWAN about twenty villages confine taxation to land alone. This province has just passed a new act requiring all rural municipalities to raise their revenue from taxation of land values exclusively, and imposing a graduated surtax beginning in 1914 upon unoccupied lands. Its main feature is the imposition of a tax of \$40 per section of 640 acres upon land of any owner or occupant exceeding 640 acres which has less than one half of its area under cultivation.

IN ONTARIO three hundred municipalities have petitioned for power to reduce taxes on improvements. By twenty-three to one, the Toronto City Council, in January, 1913, submitted to the citizens the question of exempting buildings, whereupon the citizens voted in the affirmative four to one.

While further advance of the movement in the United States is handicapped in most states by legislative constitutional restrictions, it is probably true that a larger percentage of ground rent is reclaimed by the community through taxation in the states of Massachusetts and New York than in any other territory in the world. Barring Pennsylvania's enactment that in 1925 the rate on improvements for Pittsburgh and Scranton shall have been reduced by one-half, legislative progress has been lacking, but a good deal of headway has been made

along administrative lines. Yet in contrast with these gradual patient British and colonial attainments, the record of the United States for actual achievement is a comparative blank. This condition in the birthplace and home of the great expounder himself is not easy to account for, except in so far as constitutional requirements of uniformity prevent experiment. In England the fact that the land question has long been far more acute than it is in the United States has had much to do with the more rapid progress of the single tax. The concentration of land ownership in England is unparalleled in the United States. The irritating spectacle of enormous entailed estates, with large areas held for game preserves, and the practical exemption of land from all local taxation, has fermented a state of public opinion favorable to single tax ideas. In the British colonies, the movement for the single tax may be explained in part by reference to the peculiar texture of the colonial mind. The colonists are extremely hospitable to new considerations and receptive to new conclusions, if only they appear to be sound. Charged with building new dominions, they unconsciously join hands for the realization of what seem to them the best things in government and state.

More important, however, than any other factor in the practical results of the two cases is the difference between the English and the American methods of procedure. In the British Empire the voters begin at once to discuss among themselves and within themselves the advantages of the land tax, and straightway, by the very cohesion of a common thought, they set about to get it with, as it were, one heart and voice, by enactment of land laws. In this

country the voters are of a different type; they are mostly too busy to concern themselves with making even their own laws. Consequently the cause has been consigned to scattered organizations, which have proceeded to discuss the theoretical possibilities and impossibilities and probabilities of every phase of the land tax question, combined with other questions more or less related, to the end of the catalog. To a world hungering to know of the doctrine of Henry George a great and efficient lecture bureau bearing his name offers, in a prospectus of forty-one lectures with eight topics that are pure single tax and ninety-two that are not, a composite menu of such conflicting merit, taste and relevancy that most of the inquiring guests leave the table with small desire to come again. Mr. Thomas G. Shearman lamented that "in all times it has been the misfortune of reforms that some of their advocates have made it impossible for others to do any effective work for them, for considerable periods. . . . At this time the professed friends of every reform in which I am much interested have insisted upon mixing it with retrograde movements or have adopted a policy of bitterness and vituperation or have thrown it entirely overboard."

This hectic discussion which, it must be admitted, does not enlist a mind of the serious English type, has been perpetual in club, in league, on lecture platform, by spokesmen and organs, until the conclusion seems unavoidable that in American centres the more numerous the militant single taxers, the less progress toward the single tax. The record to date in our own country, adjoining the very domains of greatest advance, presents an unenviable contrast. Thus, at the end of a quarter of a cen-

tury succeeding the George revival that followed his candidacy for mayor of New York in 1886, there is no organized body of people in the United States pledged to the propagation of his doctrine as he taught it. So far as these sporadic methods have prevailed, some have been a positive hindrance and detriment because they have accomplished nothing upon their own desultory lines, but—what is of infinitely greater import—they have by keeping the cause in discredit with the mass of thoughtful people, estopped anything akin to the English movement. Perhaps one of the greatest impediments to the popular consideration of the single tax is the misconception that it involves the abolition of the institution of private property in land. In this connection it is significant to observe that in none of the "achievements" above noted has the economic argument for the proposed tax reform been tainted with any suggestion for the destruction of the private ownership of land.

If any one thing is prominently in evidence, it is that the formal combination of the single tax with political action and methods has been uniformly disastrous to the single tax. When *Progress and Poverty* was scarcely three years old its author, under the auspices of Patrick Ford and the *Irish World*, was drafted into the service of the Irish National Land League to share with Parnell and Davitt and Dillon and O'Kelly their platform, arrest and jail, in an Irish maelstrom that ended in Fenian outrages, with later an inside view of two Irish bastilles, until Henry George wrote, "The whole situation is very bad and perplexing. The Land League on both sides of the water seems to me to be smashed." Meantime the "remedy"

of Henry George as applied in Book VIII of *Progress and Poverty* had not been at all in issue. Henry George was called to Ireland not to preach union upon his own peculiar doctrine, but to boom conflicting views of nationalization by purchase, abolition without compensation, etc. "With all leaders save Davitt and Brennan hostile to him in principle, Henry George felt increasingly lonely in the Irish movement." Not a point was scored then or since for the single tax, in respect to which the Irish movement to date has been a retrogression rather than an advance.

In this case of Ireland, Mr. George and his *Progress and Poverty* were widely advertised, but this advantage, such as it was, was far more than offset by a lowered moral plane, especially when a fresh single tax "flag for all nations" was bedraggled in the mire. It is difficult to see how this Irish experience could have otherwise than marred the prestige of *Progress and Poverty* and its author, who was at this time "next to Gladstone the most talked of man in England," and at this sober distance we may be excused for sympathizing with his venerable parents, whom he was called to mourn at this time. "They had died when their son Henry was getting, so far as they could see, as much blame as praise from the world." The peril of the single tax in England today, as it was in Ireland, lies in trying prematurely to make it a political issue, instead of letting it win its own way.

The supreme political event in Mr. George's life was of course his first candidacy for mayor of New York. The labor unions united upon him, not as a single tax candidate on a single tax platform, but in the hope that his fame

might win out for them. Roosevelt had 60,000 votes and George had 68,000, while Hewitt obtained 90,000 and was elected. The failure to receive a majority of votes did not represent all of Mr. George's loss. He lost infinitely more through campaign misrepresentation, vituperation and distortion of his doctrine by ignorant but well meaning friends as well as by foes. It must be a bold historian who would venture to say that Henry George and his cause stood any higher with the world after than before this bitter campaign.

Again, the following year found him the hopeful candidate of the United Labor party for Secretary of State, in confusion and conflict, especially with socialist persons and parties. The Republican and Democratic candidates without particular canvass received 459,000 and 480,000 respectively. Mr. George with a thorough canvass received 72,000 votes for the state and 38,000 for the city of New York as against 68,000 only a year before. This inflation and collapse, in one short year, of a political party movement, did not look like victory for a great economic truth, and yet the confident assertion was made that the "hand of the Lord" was in it. No one recalled that the Lord was not in the whirlwind or in the earthquake or in the fire but was in a still small voice;—no one protested that in order to usher in a heavenly reform it was not necessary first to "raise hell."

The Delaware Campaign begun in 1895, in which Philadelphians with the cooperation of Mr. George, Mr. Garrison and the leading speakers of the cause, aided by liberal contributions in money, essayed for more than two years to carry that state by election for the

single tax proved a disappointment and has had no effect upon subsequent legislation. The year 1897 found Mr. George again a candidate for mayor of New York, but upon a platform in which his own peculiar doctrine was not given the recognition of even a single plank. Henry George's campaign was ended by his death, to which his friends saw he was foredoomed, while the most confident predictions of the great prophet as well as of many a minor prophet still lacked fulfilment, and indeed remain lamentably unrealized to this day.

In the last two years political methods have once more been invoked in connection with the expenditure of a couple of hundred thousand dollars of most generous money and much vigorous and unselfish effort by speakers and organizers to carry elections in Missouri, Washington, Oregon and other parts of the country. With what result?—that to-day in those regions the press is closed and the farmers' minds are closed, and that both will be so much the harder to open in future. Can any Englishman be blamed for concluding that if Canada had been subjected for the last twenty years to the mode of procedure which has prevailed in the "States," she would not now stand as she does at the head of the single tax column?

We have thus passed in brief review a series of vigorous American political movements extending over thirty hopeful years, and yet to-day while gratifying economic harvests are being reaped upon British soils that have been patiently and yet quietly tilled, not an achievement is registered for the American method which so far has consisted mainly in lining men up on every other issue except the specific teaching of Henry George.

In conclusion, it cannot be gainsaid that the political method as a means of putting the single tax on the statute books has been abundantly tried and found wanting, and the reasons for its failure are not far to seek. Voters cannot be persuaded to decree an important legislative innovation which they do not fully understand and concerning which it is easy for the opposition in the heat of a campaign, to deceive or confuse the mind. Moreover, the inevitable mingling of extraneous issues and personal interests with the economic point which is sought to be enforced, is certain so to obscure the single tax in any political contest that it can but fail to obtain the consideration necessary to a fair verdict at the polls.

So much for what ought not to have been done; and now, what is it that ought to be done? In answer, it may be said, that the sum total of experience in the thirty years under review enforces the conviction that persistent education of the masses and the classes — by word of mouth and still more effectively by the printing press — upon the pure issue of the single tax as the normal and just basis for obtaining public revenue, is the true means and method of advancing this or any other great reform. To sow the clean seed broadcast and to give time and opportunity for its unforced growth in receptive minds, this is the one irresistible, because unresisted, modus operandi — this is the surest as well as the shortest path to the triumph of that economic justice which will solve our economic problems.

FROM THE OUTLOOK

Sept. 20, 1913

EXTRACT FROM EDITORIAL

The Single Tax

"It is hardly an exaggeration to say that twenty-five years ago the term 'single taxer' was as odious and terrifying in the rich states of the North Atlantic seaboard as the term 'abolitionist' was fifty years ago in the states of the South Atlantic seaboard. The term 'single tax' was invented by Thomas G. Shearman, a distinguished New York lawyer who was an eminent authority on taxation. Henry George adopted it to describe the method devised by him of taxing land values so that the unearned increment, as he called it, shall go to the community which creates it and not merely to the individuals who now reap the benefit.

The single tax theory was first propounded by Mr. George in 1871 in a book called 'Our Land Policy,' but it received its most famous exposition in 'Progress and Poverty' which Mr. George published in 1879. In 1882 Mr. George stumped Ireland, and again in 1884 he made a three months' tour throughout Great Britain, speaking in the principal cities to large audiences and making a strong impression. In 1890 he spent nine months in a trip to Australia and a tour around the world.

What has been the progress of Mr. George's taxation doctrine during the thirty-four years since the publication of 'Progress and Poverty?'

This question is worth answering because interest in the problem of land taxes is steadily growing. In even so conservative a state as New York, a state in which the land-owning interests are strong and influential, there is a definite movement in favor of increasing the taxes on land and decreasing them proportionately on improvements. In New Jersey also, a rich and conservative state, the mother of corporations, the two prominent candidates for the governorship within the Progressive party are both appealing for support on the ground that they advocate the taking of the burden of taxation from improvements and transferring it to land values.

Before we endeavor to answer this question it must be pointed out that there is a very widespread error in the public mind regarding the single tax. Many people, perhaps most people who have not looked into the matter, consider that the single tax means the abolition of private property in land. To impose a single tax on land values or ground rent means nothing of the kind, although it is true that Henry George did not believe in private monopoly of land as at present existing and proposed to use the single tax as a method of abolishing it.

It is obvious that ground rent or the unearned increment can be taxed at any rate per cent chosen by the taxing authority. Of course if the state takes twenty, fifty, or ninety per cent, the individual has only the balance. Mr. Fillebrown in Massachusetts and Messrs. Colby and Osborne, the gubernatorial candidates in New Jersey, believe that the single tax can be

applied to real estate values in the cities of Boston and Newark in such a way as practically to take taxation entirely from improvements, thus fostering and developing improvements, and yet leaving a reasonable share of the increasing ground rent or land value or unearned increment to the private owners.

We believe it will surprise some of our readers, as it has surprised us, to learn what the progress of the single tax has been in the various parts of the world in the last few years. We are enabled to give this record through information collected, condensed, and arranged by Mr. C. B. Fillebrown, one of the best-known and best-informed authorities on the so-called single tax."



HENRY GEORGE
AND THE ECONOMISTS

THIRTY YEARS OF
HENRY GEORGE

NOT A SINGLE TAX
By Charles T. Root

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