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# HURT IN HER OWN HOUSE

BY  
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The Manhattan Single Tax Club was founded by Henry George and is the oldest Single Tax organization in the world. Our work is purely educational, non-political and non-partisan. We believe, when we have created sufficient Single Tax sentiment, our tax laws will be amended to conform to an advanced public conception of what taxation really is and how it should be applied.

We maintain a well equipped office that is always open. We keep a good stock of books and tracts. We distribute a vast amount of literature yearly, and are always on the alert for opportunities to explain what taxation really is and how it should be applied.

As correct thought must precede correct action, our concern is not how people vote, but how people think. Educational work is irresistible because it is unresisted. We aim to present taxation in a simple and practical manner to be easily understood by any thoughtful man, without the necessity of a thorough course in the Science of Political Economy; also to present it untrammelled by complex or abstruse reasoning, void of offense and unweighted by rabid or foolish utterances.

We respond freely to all requests for literature or lectures; we make no demands for money; if the local people can defray expenses, well and good; but if not we go just as cheerfully. This attitude enables us to light lamps in many dark places.

## Hurt in Her Own House

*"I do not propose either to purchase or to confiscate private property in land. The first would be unjust; the second, needless."*

Progress and Poverty (p. 403), HENRY GEORGE.

The thing that has hurt our cause more than anything else has been the practically irrelevant and misleading discussion of "Property in Land," for it gives rise to the fear that we are going to abolish tenure in fee-simple, and that therefore no man would be secure in permanent and peaceful possession of his land holdings and improvements.

If we are to bring the people of the United States to a favorable attitude towards the Single Tax, we should at least have sense enough to use language as generally understood, and present our cause in such a manner as not to fill our hearers with fear and misinformation as to what we really intend to do.

Private property in land simply means to people in general, permanent possession of something they have paid for.

The Single Tax will in no wise alter our system of land tenure, it will in no wise lessen security of possession. In fact, it will make more secure the ownership of improvements by lessening the costs of carrying, and it offers to owners of valuable vacant land every inducement to improve and get a return out of

the improvements by abolishing all taxes, fines and penalties now imposed on such improvements.

The Single Tax is in brief the system of taxation that imposes no penalties on production and offers no premiums to idleness. It respects the rights of private property and collects only for public use the values created by society through social presence and service.

The moral grounds for such a system lie in the obvious right of private property in things produced by men through individual effort, and the obvious right of public ownership in the values created by the community or the social organism.

It is more rational to base the claim to community ownership of land values on the fact that these values are due to public presence and service and are therefore a public creation, than it is to say we should take land values for public uses because God made the land, or because men have by nature an equal right to the use of the earth.

These reasons are too remote from the thoughts and actions that men in general are familiar with, and they also open up a field of argument and dispute as to the very existence of God in the first place, and the so-called natural rights of man in the second place.

Arguments of this nature are too metaphysical for the ordinary man to grasp and to relate to the question of taxation, even though they be to the minds of many fundamentally sound.

Single Taxers should recognize the fact that we have departed from the field of theory or speculative philosophy and have entered the practical field of human action, and to secure human action we must recognize mental attitudes and habits and avoid the folly of dashing our craft to pieces on the rocks of these attitudes and habits.

People from Europe came to United States because at home they were never secure in the ownership of the land they tilled. There they could be evicted at almost any time or their rent raised, but in America they heard they could get and hold in fee-simple a piece of land. Their improvements would be theirs and they would forever be free from eviction and exactions by super-lords.

But there are still those calling themselves Single Taxers who by their presentation of the Single Tax alarm and misinform the people as to what the Single Tax really is, and what its advocates actually intend to do.

Private property in land is purely a technical phrase. While one cent of rent goes to the

owner you technically have private property in land, and we have no means of knowing when the last cent of economic rent is collected. What magnificent stupidity to raise an unnecessary issue, the exact settlement of which must always remain in doubt.

We do know that when we collect enough economic rent to reduce the amount not collected to less than capital can earn at the margin of cultivation or the open market rate of interest, no land of value will be held for speculation, and this is the glorious effect of the Single Tax, the swinging open of the gate of opportunity.

Land is one thing, land value is something else.

It is not from private property in land we suffer, but from private property in land value. Abolish private property in land, and fail to institute the Single Tax, and we should not get rid of a single one of our economic troubles.

Monopoly of land arises not from our tenure in fee-simple but from our stupid tax system.

If we had a correct tax system, there would be no land question.

Private ownership of *land value* shuts the door of opportunity—not private property in *land*.

The real purpose of the Single Tax is to open the gate of opportunity, give full encouragement to industry and offer no reward to idleness.

Decrying private property in land only results in arraying the millions of people who own land against the Single Tax and causing them to lock the doors of their minds.

There is nothing socialistic, anarchistic or communistic about the Single Tax. It is the one suggested social reform that does not violate the right of private property, nor interfere with private production. It recognizes the dual status of man, gives perfect liberty to the individual and also recognizes the need of social services and provides the normal and natural revenue for such services.

Socialists tell us that inasmuch as we wish to collect the annual value of land for community use, because the annual value of land is a social creation, therefore we should also collect labor values because all value is a social creation. This is a specious plea, but made without full recognition of the vast difference in genesis and nature between the annual value that attaches to land and the value that attaches to labor products.

Land value is the value of the labor of society collectively.

Labor value is the value of the labor and production of the individual.

That which society creates obviously belongs to the community. That which the individual creates obviously belongs to the individual.

Land value is something apart and distinct from land itself. Some land has no annual value at all and other land has immense yearly value, which is wholly dependent upon the presence and services of society.

Labor value is the value of something produced. Land value is the value of an opportunity to produce something. Land is fixed in quantity, cannot be moved, diminished nor increased, and there is no production cost in land—the value that attaches to land is a reflected value and measures the value of the advantages and services the individual receives from society. It increases with the increase of advantage or service rendered by society and decreases when these advantages and services decrease.

The value that attaches to labor products decreases as our knowledge of the arts of production increase and move in a directly opposite ratio to land values, and from the same cause.

As knowledge of the arts of production increase, land value increases.

Improvements in the art of government send land values up. The lack of well ordered government sends labor values up.

The fundamental error of treating these two values as identical is clearly evident.

The incidence of taxation as related to these two values shows very plainly the vast difference in genesis and nature of these values. The more you tax the annual value of land, the lower the selling price of land becomes. While on the other hand the more you tax labor values the higher the selling price of labor products.

The less you tax the annual value of land, the higher is the selling price and more inaccessible to labor and capital becomes land. The less you tax labor values the cheaper and more accessible becomes products.

Only the correct exercise of the great power of taxation can maintain equity in our social life and enable the trinity of rights, mine, thine and ours, to co-exist.

The great world question today is Taxation. Europe is staggering under a terrible burden of war debts and her unwise systems of taxation, strangling production through the taxation of labor products, make it daily more

difficult to pay. They are killing the goose that lays the golden egg, and raising the cost of living.

Instead of adopting a just and rational system of taxation that would encourage production, and in the near future so increase the production of wealth that the debt burden would soon be a relatively light burden, all the countries of Europe have the same injurious system of raising public revenue that is in vogue in United States; mainly fines and burdens placed upon industry and premiums offered to idleness. No wonder Europe is so pitifully poor, and that many of us besides our farmers also feel our backs breaking with tax burdens.

The only change proposed by the Single Tax is one of Taxation. The following example clearly sets forth the change:

Two lots next to each other—one vacant, the other with a house that costs \$20,000 on it, each lot assessed at \$4,000., tax rate 3%.

Under present system we tax the vacant lot 3% on \$4,000 = \$120. The improved lot, house \$20,000, lot \$4,000, assessed value \$24,000, tax rate 3% = \$720.

As taxation is payment to the town for what the town does for the citizen, and as these citizens receive the same service from

the town, that is, same street, sewers, lights, police, fire department, schools, etc., it is amazing that we should charge one man \$120 and another \$720 for exactly the same service.

True, one does not use the opportunity furnished him by the town, but that is his fault, and is no reason why he should not pay the full annual value for the service he receives. Can anyone buy an auto or suit of clothes on the terms of our tax department?

The more you use it, the more you pay, the less you use, the less you pay. This is the fundamental error running through our whole system of taxation.

Under the Single Tax, these men would pay no tax on improvements, but would pay the full annual value of the land, which is the true measure of the value of the services and advantages each receive from the town, the vacant lot just as much as the occupied one, and would be as follows:

Each lot now pays 3% on \$4,000	
lot value .....	\$120
Amount of social service received	
but now not paid for.....	200
Amount to be paid by each.....	\$320

The \$200 not paid forms the basis of capitalization in a 5% money market of the \$4,000 selling value of the lot.

This equal treatment is just and fair. It will relieve the improver of \$400 of unjust taxes and will restore to him the right of possession of \$8,000 of private property, as \$400 is the annual earning of \$8,000.

Now, inasmuch as the city at present receives \$840 from these two pieces of property and under the Single Tax, accepting present assessed value as basis of computation of economic rent, the town would receive \$640, where will the difference of \$200 come from?

It would come from the thousands of vacant lots that now pay a very small part of the cost of the public service they receive, and as a rule are assessed away below the market value. The great gulf that lies between the assessed value of vacant lots and the selling price is a most astonishing fact when one tries to buy for use.

Our present tax system violates the rights of private property and also violates the right of public ownership in publicly created values.

And we don't expect to make this change all at once, but step by step, in harmony with nature's processes of change.

