

# The Nature of Justice

by ETHEL LYMAN STANNARD

THIS effort is prompted not only by the tax dilemma confronting us, but by the growing concern of our ablest youths who, in contrast to campus excesses, complain that mass schooling ignores their burning question, "what is the nature of justice; the remedy for society's evils?"

Let me add a related question and undertake a response. Can political freedom and private enterprise endure? Can law and order be recovered through basic economic justice? Or have private greed and public apathy floundered so long upon the surface of our woes that western civilization has already entered a decline before it is 200 years old?

The nature of the entrenched roots of economic imbalance which, with the 1929 crash, spawned welfare-statism, are not yet clearly and widely understood, and they are aggressively at work.

I am reminded that Thomas Macaulay once warned that "the American ship of state is all sail and no anchor" — being a noble superstructure of political freedom, buffeted against the reefs of landed privilege. Macaulay was aware of the enormous areas usurped by Spanish, Dutch and English rulers and the lavish grants to court and colony favorites, and he anticipated the ruthless grabbing that characterized our frontier era of "robber barons." He knew that without equality of access to the earth and its bounty "equality of opportunity" is but an empty phrase, and we have so far scarcely half achieved this basic equality.

There is a lingering obscurity about the related cause and result of flagrant land speculation which triggers the periods of inflation and depression that still haunt our economy, pacified

(as presently) by private and public deficit spending and over-extended credit, that can precipitate disaster.

No one who remembers 1929 could wish for a return of that depression which brought them to grief and many feel that a federal Santa Claus in the form of welfare-statism is the lesser of two evils.

If we would corner the culprit perhaps we had best take a straight look at the roots of our economy — at the factors of production: land, labor and capital. Capital is produced wealth in the course of exchange or assisting in further production. Total production of wealth, or its exchange value, is distributed back to the producing factors; and as the share to land soars the share to labor and/or capital must decrease, generally see-sawing in the train of flagrant land speculation — the clue to boom and bust. But the process is obscured by the fact that big capitalists who are often big land holders, can offset their loss as producers and hold out until most capital can no longer produce at prices labor can pay.

Then come the bankruptcies, unemployment and breadlines — and the threat of government intervention. Finally, when the jig is up, speculative land prices are dropped enough to start the same process all over again, with the landed gentry still in the driver's seat and the rest of the "sovereign people" floundering as usual on the surface of the woes that they stubbornly fail to think through.

It would seem wise to consider the self-evident and widely recognized fact that the return to land is *privately unearned* increment since it derives presence, enterprise and public services provided by the people jointly.

Then why not shift the chief burden

of property taxation from *privately produced* improvements and goods to *publicly produced* land values? This would be just reimbursement to society for benefit received and would encourage the best use of land. It would strike at the root cause of urban decay, suburban sprawl and rural depletion and also promote industry and employment by freeing them from the punitive taxation with which they are now unjustly hobbled. Finally it would greatly reduce the need for state aid and federal subsidy, thereby easing the burden of taxation on every level of government.

I recall a Connecticut town meeting where one citizen opposed appointment of a redevelopment commission because it did not offer assurance that it would undertake honest, exhaustive examination of our property tax policy instead of seeking federal subsidies. She explained that slumlords and holders of likely development sites need placating only because they are smart enough to do exactly what our unjust tax policy deliberately encourages — hold on for excessive speculation in land prices. Examples were cited of a neighboring town having paid \$750,000 for property assessed at \$90,000, and the state's payment of \$1 million for 250 acres of a 705-acre tract of land assessed in its en-

tirety for only \$207,750. Such legalized villainy is commonplace, and nationwide.

It is difficult to believe that alert politicians, leaders of education, industry, labor and the other fields of national life are unable to grasp these widely observable facts and their potent implications for our national well-being. Such persistent indifference to the elemental facts of economic life does not contribute to sound progress.

No society is great or safe that is content to flounder in surface pacification. To ignore the root iniquity of landed privilege is to spawn the lawlessness of despair with which we are presently confronted.

Nor should we be heedless of the staggering public debts which confront us with the need of drastic retrenchment. We seem finally aroused on that score; and doubtless millions of our indebtedness is due to land speculation, incident to highway and open space costs.

Perhaps there is a ray of hope in the urgency of our youths for straight answers to their burning questions — for the whole of human history bears witness that justice (tempered with compassion) is the natural law of enduring civilization. This law cannot be broken, but we can, if we persist, break ourselves against it.

Manny (Emanuel) Choper, formerly of Syracuse, now director of the HGS extension in Albany, is watching with interest the current mayoral campaign. One of the candidates, Albert S. Hartheimer, an architect, has declared himself in favor of taxing the speculator and untaxing the homeowner. He envisages a sign on the turnpike announcing, "No taxes on improvements—build in Albany." Homeowners will improve their property, he thinks, if they are assured of a just tax policy. He wants to encourage builders to construct town houses on the many vacant lots downtown and around the city.

"When houses in the city are permitted to decay and do not pay taxes," says Mr. Hartheimer, "the taxes they do not pay become an additional tax which must be paid by the rest of the taxpayers who ironically do improve their property." Claiming that vacant lots are now taxed at from 1 to 10 percent of their assessed value, he outlined a revision of tax revenue laws "so simple and so easy that it defies imagination." He says out of 15,000 acres of land in Albany, 10,000 have buildings and 5,000 are vacant. He would raise the assessment on vacant land comparable to that on buildings, to provide revenue for carrying on the suggested programs.