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FAVORS THE SINGLE TAX  
Hon. C. F. Adams Thinks It Just

It Would Make Taxation Absolutely Fair  
Should Be Tried by Local Option Law  
Industries Would Be Relieved and Revived by It

Hon. Charles Francis Adams has come out in favor of the single tax if applied under the local option plan. He has written a letter to the president of the Massachusetts Single Tax League, which is as follows:

I am happy to comply with your request for a formal statement of my views upon the subject of the single tax. In so doing I do not propose to touch at all upon the large general considerations affecting the single tax, either pro or con. I might say a good deal in regard to one strong argument in its favor. I refer to the moral side of the question. But I shall refrain from more than a slight reference to it. On this moral side, which to my mind is the most important side of all, there can, so far as I see, be but one way of looking at the thing. The single tax would be an enormous improvement over the existing system, or over any other system which I think could be devised. It would reduce taxation to a basis of absolute certainty and fairness, rendering evasion impossible. A complete stop would thus be put to the whole system of cheating, and consequent unjust transfer of a burden from those who have no conscience to those who have a conscience --- from those who can escape the law to those who cannot escape the law — which is the unanswerable argument against the continuance of the present system; a system which puts a confessed, because quite undeniable, premium on perjury; and no system which puts a premium on perjury admits of justification. This argument alone to my mind would be conclusive in favor of the single tax. Any possible amount of wrong or injury it might incidentally inflict would to my mind be little more than dust in the balance compared with the advantage which would result, after the thing fairly adjusted itself, from the complete freedom it would bring about from all temptation to evasion and false swearing. From the moral point of view, consequently, there do not seem to be any two sides to the question; and the moral point of view is in my judgment the all-important point of view.

Turning, however, from this, I propose to confine myself to that aspect of the question which first presents itself to the minds of the vast majority of those who approach its consideration. I mean the purely selfish point of view. How would that system, if enforced, affect me? Would it reduce the burden I now bear; or, would it impose a

greater burden upon me? How would the proposed system work in my individual case? I can see perfectly well, starting from this point of view, how the single tax would operate so far as I am concerned; and I will at once frankly say that I would be glad to have it put in operation. I have various investments here and elsewhere, of different characters. I am interested in real estate, both improved and unimproved. I have a certain amount of personal property. Now, under the operation of the single tax, I should be relieved, of course, of all burdens on personal property, and also of all burdens upon the improvements on real estate. The whole burden of taxation would fall upon my holdings of realty alone, apart from the improvements upon it. My land tax, therefore, would unquestionably be doubled, not improbably trebled, perhaps quadrupled; but the entire burden would fall there. On the other hand, my real estate would derive a great advantage from the system, — an advantage, in fact, not easy at first to compute — because, owing to the exemption of all other kinds of property, industries and occupations from taxation, there would necessarily be a very large and increased demand for real estate if improved, and, if not improved, then the real estate for purposes of improvement. This demand would result from the release from taxation of all industries and all other kinds of property. The industries thus relieved would naturally expand, and their expansion would of necessity call for the increased use of real estate. In other words, all the innumerable activities, so to speak, of the Commonwealth, being freed from a burden, would feel new life, and that new life must take the form of a demand for real estate upon which to work. As to all this talk of the confiscation of land values, that would not trouble me, as a considerable owner of land, in the slightest degree. If every one, therefore, were situated as I am, there should be no great difficulty about the adoption of the single tax system, provided always public expenditures are strictly limited to the amount fairly necessary for governmental purposes economically conducted.

But all persons are not situated as I am. Going out into the towns of the Commonwealth. I take, for example, the case of the agricultural class. This class unquestionably own some improvements on their land, and those improvements, of course, would be exempted from taxation. The exemption of stock and other descriptions of personal property would free those composing this class from a burden. Meanwhile, until the readjustment is complete — and the readjustment which would result from a revolution in the general system of taxation would be a slow process — it would become a serious question whether, in the case of the pure agriculturist, the single tax would not inflict a great hardship. Would not that large class of the community, for instance, have, for the time being, a burden imposed upon it which would amount to practical confiscation of their property? As I see it, the real difficulty of putting the single tax system into operation will be found just there. It will not be found in the cities, or in the large manufacturing towns; it will be found in the agricultural towns, where the holdings of personal property are small. Of course in

the end a system of compensation would work itself out even there almost automatically. At first personal property, being relieved from a burden, would rise in value. Real property, apart from improvements, having a double, or treble, burden imposed upon it, would fall in value. But each would in time find its own level; and the second purchaser, who purchased at that level, would buy the property either subject to the burden, or freed from it, and when that came about the readjustment would have become complete. Meanwhile, the present holder, when it came to the point of selling, or disposing of property, would enjoy an advantage or disadvantage, as the case might be. If every person held all kinds of property, the mere shifting the burden would make no difference. One hand would, as in my case, wash the other.

Only last year, in Vermont, it was proposed in the Legislature to hold out an inducement, a sort of bait, as it were, to bring industries into the State. A law was proposed under which any manufacturing enterprise, or industrial concern, which established itself in Vermont, should be exempted from taxation for a certain number of years, thirty, I think. The adoption of the single tax system would produce exactly the result here contemplated. You would apply generally a rule which Vermont proposed to try experimentally, and under certain conditions, only, a community adopting the single tax would practically proclaim to the world that whoever came into that community to start an industrial enterprise should be forever exempt from all taxation of every character, except taxation in the form of ground rent. It is obvious at once, in a community like this of ours, what a great inducement this would hold out to all foreign enterprises to come and establish themselves here. It is perfectly obvious that the coming of these enterprises into the State would require the use of land, in the first place directly, and in the second place as dwelling places for the population their coming would imply. Therefore, the establishment of the single tax would be merely the application on a large scale of the experiment which Vermont tried last year to propose on a small scale. This advantage, however, would apparently be confined to towns adapted for industrial pursuits. It would affect the agricultural towns only by bringing to their immediate doors a larger demand for the products of the soil. Here it would have a benefit, greater or less, which cannot at present be measured.

Come again to a concrete case, that of the town of Lincoln, in which I live. Lincoln is not adapted to any industrial pursuit. It is somewhat of a "hill" town, and has no water power or other manufacturing advantage. It is purely a residence and agricultural town. At present, we will say that one-half of its tax is on land and improvements, and the other half on personal property. Under the system of the single tax the personal property would be exempt, the improvements on the land would be exempt, and the entire burden would then fall upon the unimproved land, which is only adapted for agricultural uses. Here is an exceptional case. The result in that case would be, so far as I can forecast it, that, coming again to an individual instance, under the operation of

the single tax, my land tax would be probably raised twofold. My total tax would be reduced by at least one-half. The taxes of my neighbors, who make their living by farming. would be doubled or trebled. The question of how much larger market they would enjoy for their product is one which can only be guessed at.

Thus, from the moral point of view there seems to be no two sides to the discussion, and while, in the large majority of towns in the Commonwealth of Massachusetts, the chances are that the system would adjust itself without inflicting serious injury, my present impression is that exceptional cases would develop themselves in which the change would amount almost to a revolution, approximating very closely to confiscation of property. This, of course, would have to be carefully taken into consideration, and some measure devised through which the local and exceptional cases of hardship would be alleviated, if not altogether removed.

Could any better way of overcoming the difficulty be devised than through a system of local option? I certainly can suggest none. In fact, it is hard to see what reason could be advanced why any community, which saw fit so to do, should not be free to adopt the single tax system as the basis on which to raise all the revenue necessary to cover its public expenditures. There are, of course, municipalities in a community as diversified as is that of Massachusetts where the single tax system would be for the obvious advantage of all concerned. If, then, the law were simply permissive, if it were open to such a locality to adopt the system, that locality would serve as an object lesson. If the system proved impracticable, or failed in operation, there would be the end of it. If, on the other hand, as might well prove to be the case, it worked greatly to the advantage of such a locality, and caused it to become a favorite spot for industries and those seeking dwellings, the arguments advanced on behalf of the system would have proved themselves correct under the test of trial. It is difficult, therefore, to see why local option as respects the single tax should not be the true solution of the problem. It would not be easy for the most obstructive of politicians or legislators to advance any good reason why, in such a matter as this, the crucial experiment should not even be tried; or why a locality ready thus to sacrifice itself, if a sacrifice were implied, should be refused the privilege of so doing. The way would always be open for it to return to the present system, bad as that system is. With the single tax, as with many other things, the adage, no less fitting than it is homely and old, would probably be found true, "The proof of the pudding is in the eating."

Charles Francis Adams

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