

WHAT IS THE SINGLE TAX?(For the Review.*

By JOHN J. MURPHY.

The Single Tax is the name given to a method of employing the taxing power of Government to establish equality of opportunity and to destroy monopoly. The present system of taxation does just the reverse, creating monopoly by leaving in the possession of some. public revenues which it should collect, and abolishing equal opportunity by collecting from others individual products which they should be permitted to retain. The Single Tax would lay no impost on any labor product, thus leaving production free to determine its natural line of development; it would on the other hand allow no special privilege to escape with less than its full contribution to the public treasury, thus rendering impossible the accumulation of gigantic fortunes which corrupt their possessors and menace the commonwealth.

The Single Tax regards as special privileges, not only franchises permitting the use of public highways¹ for specific purposes, but also titles to land whether urban or rural. It would not disturb such titles whenever their present possessors should pay annually a tax equal to the annual value of the land for its use.

It would radically reduce the mere administrative expenses of government by making it simpler and less costly. By diminishing luxury and poverty, it would almost eliminate crime, which is chiefly to be found on either end of the social scale. The overcrowding of cities would disappear almost entirely.

It would make every person pay his proportion of the cost of government, taking as the index of his contribution to the government the value of the land which he occupies for the purpose of business or residence. Thus, far from being class taxation, as it is sometimes stigmatized, it would be universal taxation.

It would not be the imposition of a new tax. The Single Tax is collected now, but it is intercepted on the way to the public treasury, even in New

*Here is a conversation overheard in the Brooklyn Library. A lady, seeing a copy of the SINGLE TAX REVIEW, says to her friend: "The Single Tax—I wonder what the Single Tax is?" to which the friend replies: "Why don't you read it and find out."

Then it occurred to the one who overheard the remark to look critically through the columns of the REVIEW, and she was forced to the conclusion that of the particular number in question there was no answer readily found in its pages to the inquiry, "What is the Single Tax?"

The Review is of course, primarily, for Single Taxers. But no number should appear which does not contain a brief statement of our principles. It will be our aim hereafter to provide such a statement in every issue, and we ask our contributors to try their pens out in accordance with their notion of how this question should best be answered. It must be remembered that a style of presentation appealing to one order of mind will not reach another.

Mr. John J. Murphy, in response to an invitation from the editor, provides the first answer, and for subsequent issues Mr. Peter Aitken and Mr. William B. Du Bois have been asked to prepare papers.

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York with its excellent system, to the extent of three-fourths to five-sixths of the total. Hence to make up the deficit, houses and goods of all kinds are taxed. The Single Tax would make the appropriators of the common fund pay up. When the State deeds land to a man it gives him a right of possession, if it disturbs him in that right of possession, he has a fair claim in equity against the state for the value which his labor has added to the land. By what right can he claim to be reimbursed for the value which the community has added to the land? Nearly all titles were granted originally for wild land.

If the question of physical valuation of railroads can be raised in determining their right to charge certain rates, with a view to eliminating their claim to capitalize the value which the community has added to their holdings, why may not the same rule be applied to the holdings of land?

In the realm of physics scientists have long since discarded the idea of perpetual motion and theories which are based upon the possibility of getting more force out of any given machine than is put into it. Economics yet remains to make such a discovery; having once purchased a piece of urban land a man may, without the utilization of any capital whatever, continue to draw income therefrom for an indefinite period. The effect of this in impoverishing a community is perfectly clear, but dimly understood. If in any community because of a natural or artificial scarcity hats should suddenly become dear, a person having hats for sale is enriched while the rest of the community is to that extent impoverished; there has been no addition to wealth by the advanced value of hats, but simply a transference of wealth from some members of the community to others. Similarly, when the land of a community increases in value, users of the land are impoverished for the benefit of the owners of the land, and so, increase in land values in great cities while operating to the benefit of a few, must operate to the detriment of the many, because wealth is transferred without compensation.

If this principle be applied to what happens when a franchise for a public improvement is granted and the work undertaken, it will be easier to see the illogicality of our present view. The city grants to some person or persons the right to use public property for a public purpose, but for private profit. The effect of the creation of the public work is to enhance the value of adjacent land. If the cost of the work appears to be borne by private capital it is one of those delusions which we commonly fall into, by not looking sufficiently far ahead. The construction company merely advances the capital, and recoups itself out of the fares paid by the passengers.

Of the increased value which is produced the city gets 2 per cent. on a valuation rarely exceeding 80 per cent. and sometimes less than 50 per cent., and this amount scarcely more than pays for the added public service which is necessitated by the increase of population caused by the improvement, so that it may be said that whatever value arises from the extension of public utilities into new districts is practically a gift to the landowners.

The public therefore pays double, paying in a fare higher than the service is worth, the cost of constructing the improvement, and again paying

an advanced rent on the increased value caused by the creation of the improvement for which it has already paid.

It is one of the deplorable reflections upon the stupidity of much of our public thinking that this obvious fact has had, so far, practically no influence upon our municipal practice.

It should be axiomatic that there can be no increase in value of anything, without a corresponding decrease in value of all other things, and that when a thing so increasing in value is the fundamental requisite of life, increases in value of that thing should be regarded as a public misfortune, and repressed in every legitimate way. If, because of any permanent depreciation of the fertility of our prairies, the cost of food were to be permanently advanced, it would be looked upon by all as an undoubted misfortune, not helping the farmer, because while the price of his produce might increase, the output would diminish so that in the long run he got no more for his labor. And yet the public mind has not grasped the fact that what is true of wheat is, in a much greater measure true of land because, while human ingenuity can be depended upon to find some means of supplying nature's niggardliness in most aspects, it cannot increase the supply of land.

It is not the wealth of the rich that oppresses the poor; it is their own poverty. Why need any one care how much another has, if he himself has enough.

The Single Tax would set no arbitrary limit to fortunes, recognising that when access to industrial opportunity is open to all, the lower millstone is taken from the mill "that grinds the faces of the poor."

The Single Tax may be regarded as altruistic or egoistic, as one happens to view it. It would substantially benefit every citizen who possesses real property on which improvements are worth more than the site value. This must be true of nine-tenths of even the propertied class in every community.

*THE HOUSE OF LORDS CANNOT BLOCK THE WAY.

(For the Review.)

By "BUDGET RADICAL."

Mr. Frank Appleby's contribution to your Autumn number on the position of our question in Great Britain shows that, like only too many other Radicals, he has failed to grasp the key to the whole political situation in this country—the fact that, while the House of Lords can mutilate or reject

*This article, crowded out of previous numbers, is none the less timely now, and owing to its importance is given a prominent place in this issue as representing the opinions of quite a numerically and intellectually important group of our comrades in Great Britain. The writer who contributes this vigorous criticism of the policy of the Liberals to this issue of the SINGLE TAX REVIEW, and who for the present prefers to remain *incognito*, is a well known contributor to the pages of the *Westminster Review*, and is a staunch radical and Single Taxer.