

## SINGLE TAX AND RENT.

## EDITOR SINGLE TAX REVIEW:

On page 643 of the *Public*, July 3d edition, occur these words:

"Every advantage civilization gives is reflected in the value of land."

What shape does this reflection take? I take it that the reflection is shown in the rent. In other words, rent is the product of advantage. The more and higher advantages are the higher rent will be. This high rent is not an evil, although on page 632 of the same issue occur these words:

"Rent returns nothing to society. It is pure graft, ancient and venerated, but still graft none the less. Rent is the bottomless sinkhole into which the wealth of the world is poured in ever increasing volume."

The better civilization is the higher rent will be. If the Single Tax had been in operation from the beginning of time, we would have rent. John Orr, in his book, "Taxation of Land Values," says:

"A hermit living alone will have the full total produce that he makes. His wages will be very small as his labor will not be near as effective as when he joins in co-operation in a settled community where he has the advantages of civilization, such as the use of roads and streets and railways, post office, telephones, water supply, etc. His wages may be 50% of his total produce now but more than the 100% formerly. The remaining 50% is rent, the product of civilization's advantages, and the trouble lies in this rent being diverted by an unwise system of taxation into private pockets instead of into the public treasury, where it belongs, as it is the result of community effort. In the first place the hermit's rent is at zero. In the second instance it is 50% of his total produce. It does not follow that he is worse off in the second instance than he was in the first. The increase in the proportion of rent to wages is not an evil."

What effect will the introduction of the Single Tax have on rent? It will act the same as the introduction of any labor sav-

ing machine. It will relieve capital and labor from a burden and will tend to bring other land into the available area, thus tending to raise *absolute* rent, because where land is brought within the circle of better public service, as in cities, rent is bound to increase. The product of public service, or as is said in the first place, the advantages of civilization is rent, land values reflecting the same. As far as productive purposes are concerned, a graveyard might as well be in the moon. There is a lot of land in the same class; where none of the advantages of civilization are capable of being availed of. Land can be bought here in Maryland for \$6. an acre, but it pays better to pay \$300 or \$400 an acre nearer the centre of population where all the advantages of civilization can be availed of.

The most important effect of the Single Tax will be the equalization of taxation; that is, it will make each person pay according to the service he receives from government—the only just basis of any tax, because location values reflect the worth of government. No other value does and each one determines for himself what it is worth by the price or rent he pays for a given location. All tax administrators are agreed that our present system produces the grossest inequalities and in every State we find them resorting to various schemes to remedy the evil. Our State Boards of Equalization and Review are all formed with this object in view. Their labors will be useless until they adopt the Single Tax. There is only one way and that the right way. The Single Tax way.

Real estate is always held in one of three ways.

1st, where improvement value exceeds the site value.

2nd, where improvement value and site value are equal.

3rd, where undeveloped and underdeveloped land is held for a rise.

Let us take, for example, three pieces of property according to the above classification for assessment purposes.

	Site Value	Imp.	Value.
No. 1	worth \$4,000	\$6,000	\$10,000
No. 2	" 5,000	5,000	10,000
No. 3	" 10,000	—	10,000
	Rate \$2.00 per \$100.		

Say \$600. has to be raised. Each would pay \$200.00.

Now let the Single Tax be introduced. \$600. still to be raised. Land values only to be considered.

		Tax allowed for Imp.	Site Value
No. 1	\$4,000	\$120.	
Plus	\$2,000		
	<u>\$6,000</u>	—	\$6,000
No. 2	5,000	\$100.	
Plus	1,667		\$6,667
	<u>6,667</u>		
			<u>\$10,000</u>
No. 3			\$22,667

In order to raise the same amount of money \$600, the rate would have to be increased to \$2.65 per \$100, with the result that

No. 1	would pay \$159.00, a reduction of \$41.00
No. 2	" " 176.67 " " 23.33
No. 3	" " 264.33 an increase of 64.33
	<u>\$600.00</u>

Whatever allowance is made in the tax on improvements on No. 1 and 2 must be capitalized on a 6% basis, the usual return on this form of investment and added to the land value; otherwise, the reduction would act the same as a gift of \$2,000 at 6% to No. 1 and \$1,667 to No. 2 at 6% because the rent is more effected by reducing the tax. Rent always being at top notch, and rent and taxes are one and the same thing, taxes in the last analysis come out of rent.

Notice that land values for assessment purposes have increased from \$19,000 to \$22,667 and that the tax on the undeveloped land has increased over 30%. The undeveloped land holder would have to hustle surely. He couldn't have any kick coming because taxes are being constantly raised even today. He bought

his land subject to such a possibility; besides he is supposed to get \$264.33 worth of service from government and service is what taxes are supposed to be paid for.—  
J. SALMON, Baltimore, Md.

#### DO WE MAKE OUR MEANING CLEAR?

##### EDITOR SINGLE TAX REVIEW:

Part of a store window I use as a bulletin board. I paste thereon clippings from the SINGLE TAX REVIEW, Fairhope Courier, Johnstown Democrat, the Public, etc. I exclude everything except Single Tax stuff. I never use even Single Tax matter if it has the word socialism in it. So far as I know the word socialism has never appeared in the window. Thousands of people have read what I have posted. As a direct result of these bulletins people generally in this vicinity call me a socialist.

If I had displayed woman's suffrage matter they would have called me an advocate of women's suffrage. If I had posted prohibition literature they would have called me a prohibitionist; in neither of the latter two cases would they have called me a socialist; but when I post Single Tax literature they conclude that I am a socialist. Does not this fact prove that our literature gives an absolutely contrary impression to what we intend it to give?

Like the socialists, we emphasize our common or equal rights: True, we state what are our equal rights, while the socialists do not but rather confuse them with private rights.

The public, however, sees no distinction. If we would turn face about and emphasize that private property is sacred, we would say by that that public property is sacred and would at one stroke distinguish between Single Tax and socialism. My property, the product of my toil, a part of my life time, of my brains and hands, is to me more sacred than even our equal inheritance. To take part of my property and devote it to public uses is truly to take part of my very life. It is wrong, it is the very essence of injustice. If we would preach that life is sacred and that as a consequence private property is sacred, we would appeal to the