

CORRESPONDENCE

SHIFTING THE LAND VALUE TAX

EDITOR SINGLE TAX REVIEW:

It occurs to me to say that it might do no harm if there were a little independent thinking on the subject of the possible shifting of a land value tax and the present status of land selling values. It is argued at once by the same people that a tax upon economic rent cannot be shifted, and that, right now, land values, more especially in cities, are double what they ought to be. There is an inconsistency between these two propositions. If it be true, as I believe it is, that it can safely be assumed land value taxes cannot be shifted, it must be because it is or would be impossible for landowners to get any more than a fair rent under whatever current situation existed. If they could at will increase rent, for instance, by a hundred per cent., they would have a pretty good chance to shift any land value taxation. Because they could not do that—because there would be an inevitable tendency for rent to be limited by the actual value of one set of locations as compared with others—because rent would tend to be determined by "the margin of cultivation", it is properly enough held that owners could not shift taxes on rent or land value to the shoulders of buyers or tenants.

By what process of reasoning can it be held that the law of economic rent is in some way held in abeyance now, so that owners can obtain twice as much for city lands as they are now, in the current situation, worth? It would appear to be more reasonable to suppose that whatever prices owners may demand nowadays, they cannot to any great extent get from renters or buyers any more than what they have is really worth; in other words, more reasonable to suppose that land values, even in cities, are not abnormally high, in the sense of being higher than the present status of "the margin of cultivation" justifies. So far as land speculation or other causes now lead to the inadequate use or

the non-use of valuable lands—so far as "the margin of cultivation" is now pushed below its normal level—it may be true enough that all locations above the margin have a higher value than would be normal; but this is not to say these unnecessarily high values are brought about by anything except natural law—this is not to prove that landowners now, by their own motion, are boosting up values to any great extent.

Some plausibility is given to the idea that lands in cities are largely inflated in value when the suggestion is made that it must be easy enough for owners to ask double what their lands are really worth, and when the further thought is enunciated that it might be just as easy for an owner to ask a million dollars for a plot worth only half a million as for one to ask four dollars an acre for land only worth two dollars. A little close consideration will, however, show that this is probably a fallacy. If it be true that by natural law a constant higgling of the market for locations goes on, so that the advantages of those above the margin are measured against those, for instance, at the margin, then the tendency must be considered as making always against any attempt to double prices at one place. Doubling 2 per acre land would simply result in changing its price by 2 per acre. Land worth 100,000 per acre if doubled would figure at 200,000. This would bring about a most radical change in the proportionate differences in value. Before the doubling there would be 99,998 difference—after the doubling there would be 199,996 difference! If it could work out that way, we might as well acknowledge that owners of valuable lands, when taxed to the full on that value, can add the tax to the rent or price.

—GEORGE WHITE, Hackensack, N. J.

THE CONDITION OF LABOR, a one act play, appears in the *Sunday Chronicle*, of Paterson, N. J., from the pen of James G. Blauvelt. Its *motif* is the Single Tax and the Republican fight in New Jersey to secure its adoption.