LATIFUNDIA perdidere Italiam, Pliny wrote. "Big farms ruined Italy." Will America perish in the same way? I have long been convinced that the break between land and people by the general prevalence of the Roman or feudal tenure has become a terrible evil, and that it operates much as Henry George describes, diminishing production, congesting wealth, and multiplying injustice, poverty and vice. An increasing number of able English and American writers share this view; and it is masterfully argued in the extraordinary Italian work, Achille Loria's "Analysis of Property under the Capitalist Regime," published at Turin in 1889.

To turn the golden stream of economic rent partly or mostly into the state's treasury, where it would relieve farmers and the general public of taxation in burdensome forms, seems to me extraordinarily desirable. I by no means concur in all the reasons which many assign for this; nor should I expect from it, even if carried to Henry George's length, more than half the benefits to society which he anticipates. Still, the proposition to lay the main tax on land impresses me as just, safe, good for farmers, accordant with the best canons of public finance. By taxing land proper, i. e., mere location and native fertility (as contrasted with created fertility) you are in condition to lighten taxation on wealth and capital, the products of labor, thus encouraging industry.

But I, for my part, should deprecate an absolutely single tax system of any sort, the more if the one tax were upon land. When Professor Harris and Edward Atkinson, referring to the United States, and Mr. Richard Simon with reference to Great Britain, held forth that the economic land rent would not suffice for the national revenue, I was anxious to agree with them, though I could not. It occurred to me that, if they were right, we could beautifully remedy the evils of too big farms, land dearth and speculation, without entirely ceasing to draw public revenue from other sources than rent. I suppose, however, that, as a matter of fact, rent would pay all taxes and leave a vast sum remaining. Were the state to take it all, the fund would be greater than it could safely disburse, inducing subventions which could not but work detriment to the economic character of all sorts of people. On the other hand, should the state not take the surplus rent, the evils attaching to our land tenure, instead of being cured, would be simply more or less assuaged. I should, however, prefer this as far the lesser evil. To collect unnecessary revenue is, in finance, the unpardonable sin; and it would in the end work as ill socially as it would financially.

Whatever advantages of a purely social nature might attend sweeping simplicity in taxation, such a scheme would, as a measure of public finance, involve considerable difficulties. These may seem petty until reflected on, and might not at any rate prove decisive; but they are certainly of weight enough to deserve attentive consideration. It would not be strange should friends of the single tax not have studied it so closely in this relation as in its
directly social bearing.

I make little of the objection suggested by Sir Charles Dilke in his "Problems of Greater Britain," referring to Newfoundland, that, in a country so sparsely settled, justly to levy and collect a land tax would cost more than the amount of the tax. The point is, however, worth mentioning in debate upon a revenue scheme for the United States.

Another consideration, speaking for a manifold as against a single tax, is the impossibility in either case of a fair assessment. A just levy is more easily attainable on land values than anywhere else, this being among the chief advantages of a land tax. But perfect equity is by no means to be had even here. No particular tax can be carried through save with injustice somewhere, weighting this man too heavily, the next too lightly. Now, it is clear on slight thought that any single tax system exaggerates every such unfairness to the utmost, while by settling taxes on many things you tend to offset losses with gains.

More serious still is it that a single tax system of any sort would greatly lack elasticity. To secure this quality, you must tax so many articles that surpluses may be put over against deficits between them, and some of the articles must be of such a nature that the burden upon them may in an emergency be suddenly increased.

No minister of finance will ever have the omniscience to make the revenue and expenditure sides of his yearly budget balance exactly. Income may fall short; it may be redundant. As it is visibly bad policy to plan for an assured surplus, he must each year be prepared to meet a deficit. Now, the most economical way to do this is by an instant increase of taxation on some commodity that will bear it. Any form of impost may be suddenly lowered, but few are those which can with safety be suddenly raised. A land tax or a house tax is specially ill fitted for this. Income taxes perform the service very neatly; and, as is well known, Great Britain has long resorted to them for this purpose. However, Mr. Goschen's budget of April, 1889, substituted for the usual increased levy on incomes a death or succession tax on estates of $50,000 or more, which has thus far worked well. A tax on liquors has usually been considered the ideal "buffer"; yet even this served Mr. Gladstone ill, ousting him from office by its unpopularity. Obviously, none of the imposts mentioned would serve happily as the substantive tax; but these, or some of them, or others similar, are necessary as ancillary taxes, to render a system supple and safe.

It may be rejoined that this objection is valid only against those who wish the state to take no more rent than is necessary, but not against H. George, who was going to draw all rent into the public treasury, making a deficit impossible.

I reply that inelasticity will balk the single tax plan about equally whether all rent or only a part is assumed by the state. In neither case can you safely allow a great surplus to lie idle in the treasury. You must appropriate all of it for regular purposes, more or less
legitimate. The greater your revenue over the necessary outlays, the less proper will be the objects to which you will apply it; still it must and will be applied. Now, the point is that in an emergency of deficit you will have to withdraw from some of these objects; and, whatever they are, trouble will result. To deprive the people of cheap bread would occasion no less rebellion than to dock wages in army or navy or the salaries of postal clerks.

Again, other taxes than a land tax are needed for regulative and disciplinary purposes. I do not refer primarily to taxation upon traffic in intoxicants, although there are very strong reasons for supposing this the best means of handling that gigantic evil. The ethical objection to it, that it makes the state partner in crime, I regard as wholly fanciful, deriving its entire force from the double sense of the word "license."

It can be safely said that no modern state ever "licenses" the sale of liquor with the thought of furthering it as a good thing. A liquor tax is of the nature of those amercements anciently so common in English law, intended to repress acknowledged evils, which the state was not yet in condition to handle as crimes in the legal sense. Abolish the word "license" from this discussion, supplying liquor dealers duly "amerced" each with his "bill of amercement" instead of his "license," and the theory of liquor taxation would appear in its proper light.

Nor is this attribution of a punitive character to taxation in certain cases either new or strange. Wagner is by no means its author. From the dawn of Cameral Science, even in Adam Smith's Fifth Book and in Leroy-Beaulieu, where laissez faire is so pronounced, it has been recognized as imperative that taxation should keep in view the great ends of culture and civilization.

But society suffers from other licenses than those to sell liquor, from other monopolies than that of land; and nothing is easier than to reduce the power of any of these by taxation. It is a great error to suppose that such a burden could be shifted to the purchasers of the monopolized commodity. The paper upon "The Economic Law of Monopoly" presented at the session of the American Social Science Association in 1889, proved that prices under monopoly are fixed, not at all by competition, but according to the "law of the tolerance of the market." That is, they always tend toward the point of maximum gross profits, to which, should they go higher, they would inevitably be brought back by such decrease of sales as would cut down the aggregate income. Tax any line of goods already selling so, and the entire tax must come from the producer; no part of it can be extorted from consumers. The logic here is precisely the same as that which proves it impossible to make rent payers suffer from a tax on rent. So clear is the chance to touch monopolies through taxation that some might pronounce such taxes no less worthy than a land tax to occupy the substantive place in a revenue system. I do not think so. In the case of any successful monopoly, a certain portion of the winnings is due to administrative skill and effort, and is not the gift of society. Land value, on the other hand, is purely the creature of social deed and toil.

Professor Patten shows how a monopoly tax may also be utilized for the immensely
important purpose of steadying retail prices, but brevity forbids more than a mention of such a possibility in this place.

Lastly, it is an old maxim of political science that a constitutional government must be kept poor, dependent, unable to get money except by the deliberate act of its constituents. The doctrine has history behind it and human nature beneath. A republic is no safer in this matter than a monarchy. Let its ruling powers have access to resources which are not voted to them, item by item, after debate and reflection, and liberty will soon be but a name.

Now, by the operation of the single tax in the form desired by Mr. George, government is provided with the most ample revenues in a dangerously silent, imperceptible, and automatic manner. The system once launched, the state waxes rich, sleeping or waking, as do landlords in growing cities. Increased revenue comes without debate or observation. No budget is presented or discussed. No general appropriation bill is put forward to be argued pro and con. Public assessors, incessantly but noiselessly at work, ascertain and register each rise in land value, while collectors at once, without ado, drain the additional rent into the public till. Of course, the individuals who have this year to pay more rent than last are aware of the difference and may complain. But such voices, being isolated, would be without volume or unity, and hence without effect. In certain localities rents would be falling at the same time, no one knowing how much. There could be no common consciousness of drain. Even exact publication of the state's financial condition could not beget this — certainly not as it would do if every dollar received had to be voted by the representatives of the people in the form of a tax which men would feel. American financiering since our treasury surplus began is proof of this.

To sum up, desirable as it would be to fasten our chief tax upon land, we should not be beguiled by the seductive idea of simplicity in to the exclusion of other kinds of impost, since that course would, among many things, (1) aggravate the wrong of all imperfect assessments, which are unavoidable, (2) produce a most inelastic revenue system, (3) cut us off from a much needed weapon for disciplining minatory and refractory businesses, and (4) gravely threaten free institutions.