

The Single Tax, November, 1901

THE SINGLE TAX A REMEDY FOR EXISTING SOCIAL INEQUALITIES.

BY VICE-PRESIDENT CHICAGO SINGLE TAX CLUB.

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MR. UPHAM of the Board of Review says, "It is 100 times as easy to conceal the ownership of stocks, bonds, mortgages and other forms of personal property than it is to hide the possession of real estate." This is undoubtedly true. Real estate is "outdoors," and its value easily ascertainable. As the single tax is a tax upon the value of land irrespective of improvements, and as all other taxes would be abolished, it follows that under the single tax "tax dodging" would be impossible."

Equity of Single Tax.

In the ordinary transactions of our daily life we pay for things according to the benefit received by us. The amount we pay the storekeeper depends upon the amount of goods we receive from him. This is a just system, and we should pay for government in this same sensible way; each individual should pay in taxation for the expenses of government just according to the benefits he receives from the expenditure of the public money. A little observation will show that the expenditure of the public money, whether for schools, police and fire protection, public parks, &c., always increases the rental value of the land in that location, but does not increase the selling price of personal property.

For example, take two lots just alike in all particulars, except that one has police and fire protection and the other has not, which will rent for the more? Certainly the one with the benefits of police and fire service. Is it not therefore evident that the owner of the land collects from the tenant an increased rent because of the police and fire protection? The tenant gets the benefit of the police and fire protection, and he pays for it to the landlord in an increased rent. Why, then, should not the land owners be taxed to furnish the money for the government to spend for these things, and still not be injured any, for the land owner can simply

turn into the public treasury this increased rent which he is collecting from his tenants.

For the government to tax the tenant on his personal property to support any of these things is to make him pay twice. If the government should raise all its money by the taxation of land according to its value, irrespective of improvements, everybody would then pay for government according to the benefits received from government.

It will be noted that some are owners of land, but that all are users of land. Under this plan those who are owners would be paying directly to the government in taxes for the benefits they received ; those users who are tenants pay for the benefits they receive in the increased rent they pay to the owner, and the owner would in effect then simply be called upon to turn this over to the government. A just system of taxation would be established. As it is now all tenants and merchants are taxed twice.

Raise Wages and Profits.

The conditions now are such that the free land upon which surplus labour formerly employed itself is about gone, all being out of use through land speculation, being held for a raise of price, and as a result the surplus idle labourers can no longer employ themselves. As a consequence the workers are bidding under each other, and the only thing that puts a limit upon the cheapness of wages is the amount it costs the worker to live from one day to the next. And rapidly they are being required to live more and more cheaply and more like Chinese.

The merchant in the store is experiencing the same thing. He can hardly meet the prices made by his competitors and continue to live as in the past, and when some one bids more rent for his store, and he next year has to pay more rent or get out, he is almost ready to quit.

There is a way, and only one, to raise the wages of the workers, and at the same time increase the profits of the merchant. This is by inaugurating the single tax of Henry George. Under the single tax all taxes would be levied upon the value of the land, irrespective of improvements. This would at once stop the abnormal

competition between labourers for employment and merchants for business, but would increase the competition between landlords. It would force the idle land into so fierce a competition with the land in use that land values would fall, rents would fall and all idle land would shortly be free, because no one could afford to hold land idle and pay the taxes.

Suppose a field of employment should be opened up for all so that there would no longer be any unemployed? Suppose the idle labour and the idle capital could employ itself on the rich, idle coal lands or the rich and idle ore beds of Michigan now held out of use by the Rockefeller and Carnegie combination for the purpose of keeping up the price of steel and iron? Suppose the idle timber land, the idle quarries of building stone, the unused oil wells, bought up and closed by the Standard Oil Company; the unused farming lands, the vacant residence and business lots of this great continental nation were taxed in use? Suppose there still remained vast areas of this land upon which labourers could employ themselves and keep all the product of their labour as their wages without the payment of rent ? What would be the effect upon wages and business?

Good Wages for Everybody.

As a result many thousands of workers would at once get out of big cities on to the productive idle land for which a big price is now asked, but which would then be free. These people would shortly have the products of their labour to trade for goods ; this would mean business for the merchants. Their going out from the city would mean less competition among labourers in the city and higher wages. Higher taxes on land and lots would cause land to be cheap; buildings and houses would go up everywhere. This would mean plenty of work and lower rents for everybody.

If the average wages of common labour on the rich, idle lands should be \$5 a day, employers in Chicago and other places would be forced to pay at least as much, for it is the productiveness of free land that determines the lowest rate of wages, and employers are forced to pay their workers as much as these workers can make employing themselves on free land.

At the present time, under present circumstances, men who seek to employ themselves on free land, where the entire product of their labour will belong to them and be their wages, must pass by millions of acres of idle land, fertile and good, held out of use by land speculators. Henry George said they are in the position of the man who must swim the river to get a drink. They must go away off the arctic climate of the Dakotas and Canada and on to the mountain sides and into the deserts, where their labour will yield only a bare living.

These are the reasons why the big majority of workers in Chicago, New York, and elsewhere receive wages which give them only a bare living. Business men suffer from the same cause as labourers. See how the competition of unproductive capital, the competition of merchants who have no customers, forces their profits down so that there is hardly anything left after paying the rent and other fixed charges.

Demand for Labour.

It is not necessary that there should be an increased demand for labourers in order that wages should rise. A demand for the labour of each one of us exists already in our desire to satisfy our wants. The demand for your labour comes from yourself, instead of from other persons. All you need is a better and more productive place in which to work, and the power to retain as your own the entire value created by your labour. The single tax would give this to every one.

The tax problem, the labour problem, and the question of the unemployed would then be solved.

In this way, Henry George says, "we shall remove the great cause of unnatural inequality in the distribution of wealth and power; we shall abolish poverty; tame the ruthless passions of greed; dry up the springs of vice and misery; light in dark places the lamp of knowledge; give new vigour to invention and a fresh impulse to discovery; substitute political strength for political weakness and make tyranny and anarchy impossible."