

## Single Tax Not a Tax on Land

IT may be well to call attention to the fact that a tax on land values is not a tax on land. They are very different things, and the difference should be noted because a confusion of thought as to them may lead to the assumption that a tax on land values would fall on the user. A tax upon land—that is to say, a tax of so much per acre or so much per foot on all land—would fall on the user, barring such effect as it might have on speculation. For such a tax falling equally on all land—on the poorest and least advantageously situated as fully as on the richest and best situated land, would become a condition imposed on the use of any land, from which there could be no escape, and thus the owners of rentable land could add it to their rents. Its operation would be analogous to that of a tax on a producible commodity, and it would in effect reduce the supply of land that could be used, since no land could then be used that would not yield sufficient to pay the tax. But a tax on economic rent or land values would not fall on all land; it would fall only on valuable land, and on that in proportion to its value. Thus it would not have to be paid upon the poorest land in use (which always determines rent), and so would not become a condition of use, or restrict the amount of land that could be profitably used. And so the land owners on whom it fell could not shift it on the users of land. This distinction, as to nature and effects, between a tax on land and a tax on land values, it is necessary to bear in mind.

It is necessary to bear in mind that the value of land is something totally distinct from the value of improvements. It is a value which arises not from the exertion of any particular individual, but from the growth and progress of the community. A tax on land values, therefore, never lessens the reward of exertion or accumulation. It simply takes for the whole community that value which the whole community creates.

—HENRY GEORGE

## Former Prime Minister MacDonald on Economic Rent

“NOW, it is from the land that we derive all the primary raw materials. It is the soil which the agriculturist needs, it contains the ores and the minerals of all our vast mining, quarrying, smelting trades; upon it must be built our factories, our warehouses, our houses; it is still, with the exception of the high seas, the foundation of our transport industry. If it were closed against us, every industry in the country would be paralysed and we should die. Upon this fact, income from land depends. ‘I can prevent you from working, from building, from mining, from living,’ says the landowner. ‘From the pro-

ceeds of our labor and our skill,’ reply the rest of the community, ‘we are willing to pay you to allow us to work, and build, and mine, and live.’ And so rent is paid and the land owner gets an income. It was Adam Smith who wrote: ‘Rent is not at all proportioned to what the landlord may have laid out upon the improvement of the land, or to what he can afford to take, but to what the farmer can afford to give.’ (*Wealth of Nations*, chap. xi.)

The differences in the quality of land and in its natural advantages determine where towns are to be, where different kinds of food are to be grown, where there are to be factories, where there are to be mines, where there are to be green fields, where there is to be a Black Country. This in turn determines that rents are to vary. But however much they vary, they are all of the same economic nature. They are the price paid to the landowner by the community—for it is really the community of consumers that pays and not the individual—to induce him to allow his land to be used at all.

“The owner of land is thus in the position of a man who holds the keys of life, and he consequently can exact a maximum toll as his price. He does so. Rent therefore tends to absorb every social improvement that can be turned into an advantage in the exchange market.

“The amount of rent is determined by the capacity of the community to buy, not by the value of the services rendered by the owners. It is a measure of monopoly. That a community which has improved its streets and educated its people should allow the possessors of its land to secure for themselves the financial counterparts of these benefits can have no justification either in reason or in morality, while from the point of view of economy it is waste.

## Old Rome and Now

IN the seventeenth chapter of his history of Rome, Gibbon tells of the merciless taxation imposed by the emperors, and says: “The honorable merchant of Alexandria, who imported the gems and spices of India for the use of the western world; the usurer, who derived from the interest of money a silent and ignominious profit; the ingenious manufacturer, the diligent mechanic, and even the most obscure retailer of a sequestered village, were obliged to admit the officers of the revenue into the partnership of their gain; and the sovereign of the Roman empire, who tolerated the profession, consented to share the infamous salary of public prostitutes.”

It is doubtful, however, if the Roman taxes were meaner and more numerous than are our taxes today. Not long ago, in cities of the United States, and it still may be done in some, it was the annual custom to arrest all known female prostitutes and fine them heavily, not as a corrective measure, but merely to fill the public treasuries. The enforcement of prohibition is now coming to be used for the same