

The Fallacy in the Taxation of the Unearned Increment

A PROMINENT Single Taxer says truly: "The taxation of the unearned increment will be a part of the programme of one of the political parties in the very near future." This is also very likely, though unfortunate. "The taxation of the unearned increment" is a German perversion of the Single Tax, and was never taught by Henry George. To use one of Mr. Post's familiar similes, it is "a red herring drawn across the trail" to divert those who seek the Georgian taxation of land values, earned or unearned.

To tax unearned increment would raise a great revenue as it has in Germany; but it will never destroy speculation in land; on the contrary, it will make the State a partner in speculation and obstruct the Single Tax, because the State could not afford to destroy the advance in price from which it would derive a vast revenue under the "taxation of unearned increment."

There is a vital distinction between the right to the use of the earth and the right to the "unearned increment" of the earth. That this by-way is carelessly accepted by so many Single Taxers shows the pressing necessity among us now for accurate teaching and exact thought.

Therefore, it is the strongest argument for the necessity for a paper which stands uncompromisingly for the straight Single Tax, and against all such ruinous concessions in the interest of expediency or of political parties.—BOLTON HALL, in *New Zealand Liberator*.