

## The Single Tax

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THE subject of taxation has always been a vital question in the history of the world. The American Revolution was caused mainly by the injustice of English taxation in the Colonies. Taxation played no less a part in the French Revolution in inciting the peasants to arise and free themselves of their burdens. In England the principles of just taxation were first incorporated in the Magna Charta and centuries later in the Bill of Rights. Thus it is that man can be aroused to violent action by an impending disaster to his personal belongings through unjust and prohibitive taxation.

The contest between progressive economic ideas and old standpatters did not end with the French Revolution. It is true that many reforms have been accomplished through past uprisings, but not yet has the economic situation of the world become so perfect as to need no revision. To far-sighted pioneers the present condition is but a step forward toward the goal of perfection in economic doctrines. The goal is far off because traditions and custom, being deep rooted, die hard; whereas innovation and progressiveness are flowers, easily crushed. Henry George, "Progress and Poverty," has contributed constructive suggestions for the betterment of existing practices.

The purpose of taxation is to appropriate, for the state, only that part of wealth which belongs to the commonwealth and which will be used for its benefit. The state, representing the people, does not desire to make profit, but to take what does not belong to it. The canons of taxation are that taxes should be levied according to the benefits received, should be collected at lowest possible cost and should not be discouraging to enterprise and intelligence.

The errors in the present method of taxation in the United States, though obvious, have nevertheless been neglected. First, the government is inefficient in the collection of taxes because it uses hosts of tax collectors to gather the innumerable kinds of taxes, when it could place all these with a single tax sufficient for its needs. Second, the taxes, as they are levied on the results of labor, restrict industry and enterprise to some extent. A man who constructs a new factory building has to give part of it, in taxes, to the government; whereas, the man who allows the old one to remain, pays less. Is the government entitled to a share of the first man's labor? Third, the taxes upon manufactures and land improvements are easily shifted to the consumer who has already paid his share in income taxes, or by higher prices.

The proposed reform, the Single Tax, would remedy most of our present difficulties. It is a tax on land values only, irrespective of man-made improvements in or on it. By taxing this the State would be taking the economic

rent of the land. It would be taking what rightfully belongs to the commonwealth, the value of the land. The earth is supplied by nature and value given it only by the community which has grown up about it.

When the first settlers came to America, they had their choice of all the explored land. Each part was equally fertile and they could have settled hundreds of miles away from each other. They didn't, because they wanted the protection and sociability which come with community life. They gave greater value to that land where they settled than to any land out in the wilderness. The same principle holds true of urban or farm land today. The plot in the midst of a business section of a large city is many times as valuable as the same sized plot on the outskirts of the city. This is true only because of the community value given to the first plot. This value then, caused by the proximity of people, belongs to the people who have settled there and not to the one person who may have inherited it from a great-grandfather when it was a wilderness. It is unearned increment, and as such belongs to the State.

The Single Tax is adequate to the needs of the government. Under the present method the government and the landowners are supported by labor and capital. If we remove the land-owners, surely the government alone can be supported. The following figures were compiled from the annual report of the Commissioner of Taxes and Assessments of New York City. The total rent of land collected by land-owners for six years, over and above all taxes, was \$1,469,439,445. The total rent of land taken in taxation by the city was only \$544,903,537. While the total tax burden of New York City was \$932,162,293. These figures prove that the land-owners collected more money than was necessary for the expenses of the government. It can be seen that if the ground rent were appropriated by the government all other forms of taxation could be eliminated.

The Single Tax is practicable. No new machinery of taxation will have to be devised in order to put this method into effect. In this country we already have departments which assess real estate values. These same departments, after the elimination of all other tax agencies, will serve as the sole means of levying and collecting this tax.

The Single Tax will encourage production and industry. The man who now receives an income, not through his own efforts, but through the location of his inheritance of land, will not exist under the Single Tax. The government will not destroy the private ownership of land, but it will confiscate the unearned value of that land. Therefore, the present land-owner will be forced to earn his income by the improvements he puts on the land which represent his labors.

The Single Tax will make the distribution of wealth more equalized, for it will destroy the monopoly of land and throw it open to use. It is not uncommon to see

acres of land uncultivated and unused in the midst of productive areas. This land is being held for no other reason than the gaining of a huge price by speculators. As a consequence people of moderate means, looking for home sites and farms, are forced farther and farther from the heart of the community.

The Single Tax by appropriating the economic rent, will make it unprofitable for land to be held without being used. All the land now being wasted will be cultivated and used. All the land thus utilized, there would be necessarily increased production. Increased production leads to lower prices and therefore to increased consumption. Greater wealth and greater happiness will result from increased consumption, for we measure wealth by the commodities we can consume.

The Single Tax is just for it is based on the benefits received from the government by an individual. The old principle underlying the existing scheme of taxation is that each citizen should support the government according to his "ability to pay." The community has no more right to make men pay for community benefits according to their ability than tradesmen have to make them pay for goods according to their ability. It is not impossible to ascertain what benefits an individual receives from living in a certain community. He cannot live in a community except on the land and the price he pays for the land represents the advantages which that community provides for that location. The community has the right to tax that man in proportion to the value of the land he owns.

The Single Tax will lower the cost of living. By deflecting taxes from the products of industry to the value of land, the consumer will secure lower prices. The ultimate payer of all taxes, now, is the consumer. Under the excess profits tax, the government received over two billion dollars in revenue. It is estimated that the consumers paid from five billion to ten billion dollars to the producers in higher prices, to cover this tax. When all taxes on the products of industry are eliminated, the average family will gain from two hundred to five hundred dollars a year in lower prices.

The true wages of labor will be raised by the Single Tax. The price of labor, as of all other prices, is determined by the law of supply and demand. Under the Single Tax the demand for labor will increase, because of the greater purchasing power of the people, which is due to lower prices, lower rent and no taxes. As the demand for labor grows the price will rise.

The preceding arguments are economic results of the Single Tax system. The social factors are no less important. Under the present method of taxation there is unequal distribution of wealth and poverty which leads to crimes such as burglarly, larceny, murder and suicide. The origin of these crimes will be destroyed by the Single Tax which equalizes wealth through the diminishing of

taxes, the destruction of monopolies and the consequent lowering of prices.

A higher standard of living will ensue with more equal distribution of wealth. As a result there will be more marriages, fewer deaths, less disease, fewer epidemics and greater progress in the universal education of the masses.

As a conclusive proof of the merit of the Single Tax, experiments made in cities of Australia, have proved so successful, that reverting to the old method of taxation is not thought of. It has also been tried to some extent in Canada, Germany, Brazil, Argentina and Paraguay with gratifying results. Comparatively few people, in the United States, realize the inherent worth of the Single Tax. These individuals can bring about a change in taxation by overcoming prejudice, corruption and ignorance.

There are those who are carrying lighted torches with them. These are lit by a belief in humanity and by a conviction that present wrongs will not exist in the future. They are small torches, yet they serve to kindle great bonfires, which in turn must set fire to the whole earth, leaving it a better, happier place to live in. Let us do our share that the ideals and bravery of the pioneer, Henry George, may not have been given to mankind in vain.

## A Tory Who Became A Free Trader

RECALLING Parliamentary history of more than 80 years ago it is interesting to note that Sir Robert Peel, a one-time Tory who had been against the Great Reform Bill, and who had favored the worst of the Corn Laws, suddenly executed an *about face*, and championed the repeal of "protective" duties. He put country above party and thereby subjected himself to an attack from Benjamin Disraeli, who called Peel a traitor and compared him to a Turkish Admiral who had lately delivered up a fleet to the enemy.

It is interesting to recall Peel's speech in reply:

He said that improved intercourse with foreign countries would constitute a new bond of peace. The continuance of peace would expose us to more extensive and more formidable competition with foreign countries with respect to manufactures. "During the war we commanded the supply of nations. Peace has introduced not only new consumers, but also formidable manufacturing interests. . . . I firmly believe that abundance and cheapness of provisions is one of the constituents by which the continuance of manufacturing and commercial pre-eminence may be maintained. . . . abundance of provision and security (which is the main thing) for abundance of provisions, not only contributes to the accumulation of wealth, but is directly conducive to the alleviation of public burdens, by increasing the revenue; to the alleviation of local burdens, by diminishing crimes; but above all, that it is conducive to the spread of morality, by diminishing those temptations to crime which arise from distress and poverty."