

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World.

WHAT IS THE SINGLE TAX?

(For the Review).

By C. J. HIGGINS.

The essence of the Single Tax propaganda is that all governmental revenue should be derived from a tax on land values.

Inasmuch as it is due to the presence of a community that land has a value, and the greater the growth, the greater the increase in value, it is only right that the community at large should reap the benefit of that value and its increase. Then all would benefit in proportion, whereas now only those benefit who have cornered the natural opportunities.

I want the expression understood, "the cornering of natural opportunities." A natural opportunity is one that springs from a natural cause, such as the growth of a community, the productiveness of the earth or the presence of a mineral, and by cornering these opportunities I mean the diverting of the immense profits that spring from such sources into private channels. Can anyone advance one good reason why one man, or set of men, should control, for himself or themselves, the various mineral deposits that lie in the earth? In the abstract the idea is indefensible. Let me show how this would work out under the application of the Single Tax.

The most common means employed for diverting a natural opportunity to private ends is that of buying land in a growing community and holding it for natural increase in value which it must bring; this has latterly been well exemplified in this city of Vancouver. This, in effect, is nothing more nor less than taking advantage of the labor of others—getting something for nothing. The injustice of allowing men to reap where they have not sown is apparent to all, and the injustice of allowing large fortunes to be piled up through the increase in land values should be also apparent; an increase to which the party who gets the fortune in no way, as a usual thing, contributes.

The added amount that a newcomer has to pay for a piece of land over and above the amount for which that piece was bought, may be looked upon as the amount unjustly taken from the community and poured into private coffers, and to get an idea of how large that amount may be, we have only to

consider the fortunes made out of real estate in this city. But you will say "the land is then worth more, why should the newcomer object to paying more for it?" It is not so much that he objects to paying more (altho' we know that these increases are often-times fictitious, inflated by real estate dealers), but he objects, or should object, to paying that extra money to an individual who is really in no way entitled to it. Had the community received it, then the newcomer, with others, would have benefited.

Now as to the application of the Single Tax. Roughly it would be something like this. The towns, municipalities, etc., would contribute, pro rata, towards the support of the provincial legislatures and the province would contribute, pro rata, towards the support of the Federal Government. There would really be no such thing as renting land from an individual; all land would be rented from the governing power, or the community, either directly or indirectly. For instance, you want to rent a house, we'll say; you ask a man "how much rent do you want for this house?" He answers, "thirty dollars a month; I have to pay ten dollars a month tax, which leaves me twenty dollars rent for the house alone." When one considers a city he can see at once, that a very much larger revenue would be derived under the Single Tax than under the present system of taxation, and the tax would be more easily levied and collected, requiring no army of officials to enforce it, for it would be levied on something the value of which can be readily computed and cannot be concealed. A piece of land with a beautiful mansion upon it or a costly office building would pay just the same tax as the land beside it on which there was nothing, provided the land beside it was just as suitable for a beautiful mansion or a costly office building. In this way individual effort would not be penalized; a man could go to work and beautify his property, build upon it and put it to productive use, without any fear that his taxes would thereby go up so many hundreds a year. Not only would his efforts not be penalized, but he would be encouraged to put his land to productive use; in fact he would have to do it, because he could not economically afford to have a valuable piece of land lying idle without getting something for it.

While I say that the cities would get more revenue, it must not be imagined that taxes would really be heavier than now, while they certainly would be more equally distributed. What money would be received by the community would be spent for the benefit of the community, and opportunities being free, all could get work, all would be employed and all could pay; there would be more contributors.

It is sometimes contended that the Single Tax, being a land tax, would bear unduly on the farmer. But it must be remembered that it is not a land tax but a land value tax. Where has land its greatest value? Undoubtedly, in the cities where it sells for thousands of dollars a front foot and where rentals run up enormously. It is in cities that the greatest amount of land rental would be yielded. I want to distinguish land rent from building rent; the former belongs to the community, and the latter to the person who erects the building. It can readily be seen that the rental of a lot on a busy thoroughfare in a large city might equal the rental of several farms.

One of the great purposes accomplished by the Single Tax would be the prevention of people holding land for a rise in value, because it would not pay a man to do so, his tax being too large. It would be the same for unimproved property as for improved property alongside, consequently, on acquiring land, a man would have to put it to productive use at once; instead of, as now, paying the nominal taxes on unimproved property and waiting for the rise in value.

Now let us look at nature's wealth as shown in a coal mine or an oil well. Would there be any Rockefeller under the Single Tax? Decidedly there would not. It might be that an individual or a company would be operating these great stores, but as their holdings would be very valuable, they would be taxed accordingly, and an enormous rent would be collected; in fact all would revert to the community over and above what was due to them as a return for actual development.

The anomaly we now sometimes see, of millions crying for the necessaries of life and markets glutted with goods, would disappear under the Single Tax. I do not say all would be equal, and I do not think it desirable that all should be; the man with the clever intellect who contributes to production more than his fellows should meet with his due reward, but I do not think he should be allowed to use that clever intellect to get an undue advantage over his brethren who are not so beneficently endowed and thereby virtually make them his slaves.

The effect of the Single Tax would be to make land cheap. It would be easy to obtain, as very little would be held that would not be put to productive use, and an immense area now held from use would be then available. It could be had for the asking, and whatever use it was put to would, of course, more than pay the tax, or land rent.

In a primitive state of society all work. Take the case of mariners shipwrecked on an island. Each one labors and there is no difficulty in all obtaining work. To produce a condition analogous to what we see in what we term our highly civilized communities, we would have to suppose that one man more powerful than the rest, told the others that he saw the land first, therefore it was his, and unless they tilled it for him, worked for him, carried out his instructions and did his bidding implicitly, he would not allow them to live there but would drive them into the sea. This would be manifestly unfair, yet we do not think it unfair when we see the same thing in a different guise in our present social organization.

Land, air and water are necessary for the existence of each and all of us, and when an embargo is placed on any of these necessaries, it is just by that much the more difficult to obtain. We can conceive of such a condition under our present system, in which a comparatively few men could control a whole country, and dictate to others, who wanted to use that country, the terms upon which they could do so. This is actually done to a greater or less extent every day, and just to the same extent is productive effort so much crippled. I saw in Toronto *Saturday Night* recently the following comment: "Out west we have a wonderful country, but has the reader ever figured out what it is we are doing

with that immense heritage of agricultural land? Are we not allowing men to make fortunes, buying land they do not want and selling it to toilers who must have it?"

Can anyone realize the far-reaching benefits that would accrue to mankind in general from the freeing of natural opportunities? All could obtain work, and the basic remuneration, or the lowest wage, would be what a man could make by tilling his own piece of ground. Co-operation increases production; in other words, greater results can be achieved by men working together than when working separately, because work can then be individualized and specialized, so that a man should really be able to command a higher wage by working in a factory than by working for himself. There would be no strikes because labor could not be tyrannized over. The employer would be really more anxious to retain his men than they to continue in his employ.

Just imagine, for a moment, the condition of society in which all could obtain work; the great benefit to the community, the raising of the moral tone. No more need poor men rob for a living, or poor girls debase themselves. And then, on the other hand, consider the lessening of the army of officials necessary to preserve law and order. The great majority would be law-bidding, because there would be an absence of incentive to be otherwise.

My endeavor has been to paint no glowing picture, but only to show something of what would happen under ordinary conditions if only the natural order were observed.

VANCOUVER, B. C.

EVERY proprietor of cultivated land owes to the community a ground rent (for I know of no better term to express the idea by) for the land which he holds.—THOMAS PAINE.

THERE could be no such thing as landed property originally. Man did not make the earth, and though he had a natural right to *occupy* it, he had no right to *locate as his property* in perpetuity any part of it, neither did the Creator of the earth open a land office from whence the first title deeds should issue.—THOMAS PAINE.

WHEN cultivation began the idea of landed property began with it, from the impossibility of separating the improvements made by cultivation from the earth upon which that improvement was made. The value of the improvement so far exceeded the value of the natural earth as to absorb it; till in the end the right of all became confounded into the cultivated right of the individual.—THOMAS PAINE.

IT is the value of the improvement only, and not the earth itself, that is individual property.—THOMAS PAINE.