

The Single

WHY I INTRODUCED A SINGLE TAX BILL IN CONGRESS

By Congressman Theodore L. Moritz

THE fundamental rights of man, as so well stated in that immortal document, the Declaration of Independence, are the rights to life, liberty, and the pursuit of happiness.

It is to be noted that the right to live, being first mentioned, is regarded as paramount. Yet under present conditions in the United States, millions of people are denied the right to live except upon the charity of the government.

In spite of the tremendous advance in the art and science of production, starvation stares millions of our citizens in the face even while they plead for opportunities to work to earn a scanty living. Was there ever such a stark denial of our boasted progress, such a travesty on civilization? The situation challenges every last one of us to find a solution.

BEFORE we can solve the problem, we must first analyze it. At the dawn of civilization, there were two factors in production: natural resources and human labor. For convenience, I shall use the term "land" as referring to all natural resources, and the term "labor" as meaning all conscious, voluntary effort of human beings.

Now, if it be admitted that man is dependent on land for his very existence, it follows that the right to live requires that he shall have continuous access to land—that he shall have an opportunity to apply himself to that land so essential to his continued existence. But when, by social policies, we allow some members of society to appropriate to themselves the value of land, by that very act we withdraw from other members of society the opportunity to apply their own labor to land except at the will and sufferance of the first-mentioned class.

Of course, it must be admitted that in the present state of society, it is essential that each individual be assured continuous possession of a particular section of land. How can we reconcile, then, the fundamental right of man to live, requiring virtually free access to live, with the equally important necessity of undisturbed possession?

That gets down to the heart of the single tax question, and just what constitutes what we call the economic rent of land. This is the one and only tax we would levy.

PERHAPS I can illustrate it in this way:

If I have an acre of wheat land from which, by a certain amount of effort, I get a crop of 15 bushels of wheat while somebody else has an acre from which, by the same effort, he can produce 30 bushels, the economic rent of the latter acre as compared with the former is 15 bushels of wheat.

Now let us look at it from an industrial basis: If I have an acre of land in the wilderness, its value for business is nil, but an acre of land in New York City may be worth in eco-

omic rent a million and a half dollars a year. What makes the difference? The variations in value are not due to the actions of any individual. They are community values—large when the community is large or especially concentrated, and small when these conditions are absent.

When, by law, we allow individuals to appropriate to themselves economic rent—community created values—and there is expectation of a continuation of that arrangement, each individual seeks to hold as much land as possible—not for immediate use, but in the expectation of future unearned advantage to be derived.

In the United States so much of the land, urban, suburban, and rural, is thus speculatively held that it brings about the appearance of an actual shortage.

In cities people are crowded into small tenements and dwellings; in agricultural sections, people are forced to use submarginal land. In the city of Washington, D.C., for example, there are 5,000 acres, exclusive of streets and parks, upon which there are no buildings, coincident with the acres and acres of slums almost within a stone's throw of the Capitol, and coincident also with excessive rents and inconvenient housing even for members of Congress.

What is still more significant, the recent national resources survey discloses upward of 75,000,000 acres of farm land now in use which is so infertile as to be classed as submarginal. There is an appearance of shortage due to the withholding of good land from use, or its partial use, thus causing the resort to submarginal lands.

SOCIETY pays taxes on two kinds of values—land and labor. The more a man produces, the more he is taxed. When he is faced with taxation for the products of his labor, he seeks to recoup himself for the amount of the tax by a higher charge to somebody else. This latter course naturally serves to restrict production. In a word, a tax imposed on an individual on this basis causes high prices and the restricted use of things.

As to land titles, there are two kinds: title for use and title for speculation. If land had no selling price, everyone would be able to get all the land he needed for use, but no one would seek to retain land for which he had no use. Millions of acres of land, now held for speculation, would then be returned to use.

When a man is faced with paying a tax on first-class land, he finds that the community value or economic rent of the land is always as high as the existing community development or natural fertility will warrant. But he finds also that he is taxed extra for all the improvements he has made on the property itself. No matter how hard he tries, he cannot increase his collection of economic rent to cover the extra tax. Therefore, he must pay the tax from his present collection; and this, through natural economic law, forces down the selling price of the land without affecting its use-value. Thus, if the tax over and above the economic rent was raised to 100 percent, the selling price of the land would be zero, although the land would still be as valuable for use as ever.

That is the evil which the single tax seeks to eliminate.

In a word, I advocate the abolition of all taxes on labor products, and the collection of economic rent to pay governmental expenses. But I make this reservation and I have made it on the floor of Congress: Such a drastic economic change must be made gradually, lest the correct remedy, through too strong doses, be worse than the disease.

MY OWN city of Pittsburgh commenced in 1913 an advance in this direction. Each three years—until 1925—we reduced the taxes on all buildings by 10 percent, while continuing to impose full 100 percent taxes on land values.

Now, in Pittsburgh, we tax buildings just half as much in proportion to value as we do land. Absentee landlords, some even living in England, who contribute nothing to the business of Pittsburgh, have had to pay higher taxes than they did before. Land formerly held vacant for speculative purposes, and paying only a nominal tax, now pays a 100 percent land value tax. With the tax on improvements cut to about one half, small home owners are paying less taxes. Of course, if we had a complete system of the single tax in Pittsburgh, the community value of the land or the economic rent alone would be taken, and there would be no tax on improvements or buildings, of any kind; but we are going at the problem gradually, and the people of Pittsburgh are satisfied.

I HAVE introduced a bill in Congress (HR. 6026) to apply this
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