THE SINGLE-TAX IDEA

The central idea of Henry George's economic philosophy was originally public ownership of all land. His method of reaching that result was to put all taxes upon land and to increase them until it would be worth no one's while to retain the title to it. Occupiers of land would simply pay its full rental value to the State in the form of taxes for the general benefit. This, it was argued, would make it easier to obtain possession of land for occupation and use and increase the number of holders, while it would relieve improvements due to labor and all the agencies of production from the burden of taxation. This idea of State ownership has become modified to the idea simply of a single tax to be laid on the "site value" of land, leaving the question of title and ownership undisturbed. In this form it has become the subject of much discussion of late, and in Boston last Saturday night it was taken up and opposed by Mr. EDWARD ATKINSON in a speech before the Single-Tax League of that city.

As a matter for discussion this question has the great merit of presenting two side upon which much can be logically argued. As one of the speakers who replied to Mr. ATKINSON said, "the great burden of the workingman is the indirect taxes that he knows nothing of." Not only those are are generally mean by "workingmen," but a large proportion of the producers of the country of every grade and class bear the burden of indirect taxation without practically knowing anything about it. Taxes upon the products of industry and upon the processes of production and exchange are the most burdensome of all, for the reason that they are the most unequal and the most costly to collect, and interfere most with production. But they are paid for in the prices for which products are sold for consumption, and are not recognized as taxes by those who finally pay them. They appear in the "cost of living," and just as certainly diminish the value of an income as if they were assessed directly upon it. Any agitation which will make workingmen and others fully understand and appreciate this will be useful. A single land tax would not have the faults and disadvantages of indirect taxation.

Taxes upon personal property -- that is, upon values produced by labor and held in individual ownership -- are open to serious objections. Experience has proved that it is impossible to assess and collect them with any approach to equity. These values
take so many intangible and evasive forms and are so easily transferred and concealed that the bulk of them escape taxation. Those that are held in trust for widows and orphans, or are involved in estates in process of legal settlement, are subject to their full share, and a few scrupulous men put themselves at a disadvantage with others by revealing their ownership, but by far the larger part of accrued wealth escapes the burden. A tax that is inevitably unequal, and that bears most heavily on those least able to sustain it, is certainly objectionable. The single land tax would not be open to this objection. The land cannot escape, its ownership cannot be concealed, its assessment can easily be made equitable, and the collection of a tax upon it is the easiest and cheapest conceivable. Neither is the argument of the advocates of this tax against putting burdens upon improvements without force. Taxes can readily be laid upon buildings and machinery and the appliances of industry and trade, and made reasonably equal and just, but to a certain extent they operate to check improvements and production, to diminish the results of labor and enhance the cost of living.

In dealing with the "incidence" of taxation one fundamental fact must always be kept in mind. Taxes, whatever their form and however levied and collected, must come out of the product of labor. There is no other possible source for them. Whatever is taken from this product for public purposes there remains just so much the less for the use and enjoyment of the producers in their capacity as consumers of what they have produced. The system that makes the smallest difference between what is needed for public uses and what is actually taken from the producers, that involves the least waste, is to that extent most meritorious. That which adjusts the exaction most accurately in accordance with ability to contribute is the most equitable. The single land tax is certainly a simple, a direct, and an economical means of obtaining the needed revenue. Would it be equitable?

Who would pay the tax, first and last, and in what proportion? If a man held unimproved land without putting it to any use he would pay the tax upon whatever its assessed value might be without any present means of recovery. If his land was occupied by dwellings the tenants would pay their share in rent, and the amount would be graduated according to the costliness of their habitations, which would in some sort correspond with their means. If it was occupied for business purposes by the owner or by some one renting from him, the taxes would be paid from the profits of the business, and would more or less affect the wages paid therein and the
prices of the products manufactured or handled on the premises. Each man's contribution would be closely apportioned to his ability as an earner or a purchaser. In other words, the tax would be "diffused," as all real estate taxes are, and the adjustment would be much more nearly equitable than any artificial devices could make it. Considered simply as a scheme for raising the needed public revenue the single-tax idea has much to commend it. It is our sole purpose now to present it under that aspect without considering incidental effects upon land ownership or industrial conditions. Its opponents address themselves to these effects almost exclusively.