

## The Sufficiency of Single Tax

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The Economics Editor of The Guardian, a recent convert to our cause, has warned us, in a speech to the Gladstone Club in London of the dangers of putting people off by appearing to make excessive claims. It could be, therefore, that the wisest line of approach, in discussing with the uninitiated the sufficiency of land value taxation, runs something like this: Our tax is demonstrably the most just; let it therefore replace at least some of the demonstrably unjust. Then we'll see.

Among ourselves, however, and in the face of those who drive us into a corner by quoting what Henry George had to say on the abolition of all other forms of taxation, there is no need for such modesty. We have but to remember a real clincher of an argument that was sketched out nearly three hundred years ago by John Locke in his Considerations of the Lowering of Interest. "It is in vain," he wrote, "in a country whose great fund is land, to hope to lay the publick charge of the government on anything else; there at last it will terminate. The merchant (do what you can) will not bear it, the labourers cannot, and therefore the householder must; and whether he were best do it, by laying it directly where it will at last settle, or by letting it come to him by the sinking of his rents, which when they are fallen, every one knows are not easily raised again, let him consider."

The idea is best understood if one expresses Ricardo's law in a different form, and regards rent as the surplus remaining when the production costs of wages and interest have been allowed for, remembering of course that the superior bargaining power of the landowner ensures that these last two elements are kept to the minimum for which labour and capital can consent to operate. This minimum is irreducible even by taxation. It follows then that wages and interest, if any attempt is made to tax them, will have to be correspondingly augmented from some other source; and the only possible one is the surplus remaining after allowance for production costs, namely rent. It is interesting to reflect that Locke, who lived when such attempts were in full swing, was in a position to observe their effects. Taxation, in other words, is even now at the expense of rent; and the levying of it directly on land now in use would, through more economy in the effort of collection, yield a larger revenue. When in addition our measure has encouraged the use of more land, the revenue will be increased still further.

It was probably some such consideration that was present in Henry George's mind when he wrote (Progress and Poverty, Book VIII, Chapter II): "In every civilized country, even the newest, the value of the land taken as a whole is sufficient to bear the entire expenses of government. In the better developed countries it is much more than sufficient."