

A Single Tax - on Land, - Pro and Con.

In discussing an economic question, which, like the one named in the above title, suggests a radical change to be made in the affairs of civil government, it is of special importance to know that there are evils existing which the change advocated is intended to correct.

The chief advocates of a single tax on land claim for it that it is a remedy for the present depressed condition of the laboring classes. The scarcity of employment, the depression of wages to the starvation point, the stagnation of capital, - these conditions of society, shamefully glaring the nineteenth century civilization in the face, it is claimed the single tax system would remedy.

But we may consider the merits and demerits of the system without admitting that such would be the case.

Taxes increase in the order of social development, as may be seen by comparing a tax in a country town with that

in a Chicago or a Boston. In the one there are no lamps, nor gutters, nor sewers to be paid for, while in the other we find its libraries, its electric lights, its artificial drainage, its water systems, and its parks all supported by public taxation.

While no limit can properly be fixed as to the amount of taxation for all purposes, the method is one of much importance.

To establish a single tax on land would be, in brief, to abolish all other taxes, and concentrate taxation upon land values. The State is to tax the soil only; and in doing so it is to consider the soil as it came from the Creator, with none of the works of man upon it. Town lots, for instance, no matter how much improved with seventeen-story buildings and the like, are to be taxed as if vacant, surrounding improvements remaining the same.

Under such a system the extensive labor and expense of making valuations on taxable property would be greatly

lessened. The "catechetical and inquisitorial" process now in practice would no longer be called into use; inequalities would be fewer; duplications would then seldom occur; perjury and fraud could not so easily be practised, for the land cannot be hidden; and there would be no effort to reduce the amount of taxable property. Evasions of taxation would be next to impossible. The collection of tax would be, as tax on land is now, very easy.

It is plainly seen that so far as the powers of government are concerned, the single tax would be an improvement on the present system. But this, like all others of its kind, ever proposed or tried by man, has its drawbacks.

To throw the tax all on the land would, of course, take it off everything else now taxed, among which may be mentioned corporations, stocks, merchandise, store buildings, etc., and what the owners of such

property now pay directly to defray government expenses would have to be paid by the land owners.

But this objection to the system is answered by showing how all taxation on such property is now shifted to the "producing" class, who are supposed to own the land in this country, to a large extent. For instance, the retail merchant, owning a large stock of goods, say agricultural machinery, and also owning his sales-room and ware-house, and the lots on which they stand, will very naturally sell his goods for such an amount as to have interest on the capital he has invested, pay for the cost of handling the machinery, and cover all taxes he has to pay. If his competitor sells the same kind of goods at a price so low that it does not balance all the items mentioned, he will surely fail. And he who does this shift the taxes on the man who buys his goods is the only one

who can profitably remain in the mercantile business.

Take the case of a stock-holder in a railway company. He must have fair interest on his money after the running expenses and taxes of the road are paid, otherwise he will wisely sell his stock, or want to sell it; and, all the stock-holders being in like condition, the road will cease operations because it does not pay. In this case, the taxes are paid by the people who use the road for transportation of themselves and their goods.

Again, under the land tax system the poor would after have to pay as much as the rich. For example, suppose A to own a \$10,000 house built on a \$500 lot, while B, a poor laboring man, to own a \$500 house on a lot of equal value at the side of A's residence. B will have to pay as much taxes as A.

But this apparent inequality is, at least partly, compensated for,

in the minds of those who advocate single tax, by the idea that to take the tax off the productions of art is to stimulate improvements, and the man with the small house will build a better one under the condition that he will not have to pay taxes on it. To tax improvements is to cause a man to pay the State for the privilege of increasing the wealth of the community. Under the present system each man pays tax for all the improvements he makes. Under the single tax system each man pays tax on the improvements made by his neighbors, from the very fact that every improvement made in a neighborhood enhances the value of all the land in the neighborhood.

Another point, which should not be considered lightly, is that the tax under the system proposed would all be of the most direct form possible. A

tax of this kind, so easily adjusted to the respective abilities of the people to pay it, is far more to be preferred than an indirect tax which defeats all the principles of taxation so well laid down by Adam Smith in his "Wealth of Nations". A tax that may be shifted on down to the "producing" class, as illustrated above, is nominally—that is, in common parlance—a direct tax, but is in reality an indirect tax, because the man who virtually pays such a tax does so under some other name, just as national taxes are now paid in the United States, when goods are bought by the consumer.

On the other hand, an indirect tax may be said to be the better from the fact that a greater amount of tax may be collected from a people, who know not what they are paying, with the same or a less number of dissenting voices.

In attempting to balance the arguments for and against this single tax system, we discover a difficult task. It is surely a system that would not be hard to try in some county or township, and when in operation, it would be much cheaper than the present system. The taxes seem to be shifted to a certain class under any system. All improvements would be taxed then as now; but the tax would be paid by the neighbors instead of by the person making the improvements. As to the system being a remedy for the evils spoken of in the first of this essay, the idea is entirely false, and little connection can be traced between the bearings of the system and the evils existing.

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