

*The Evening
July 1890*

Mr. George's Reply to Mr. Atkinson.

(Mr. Atkinson's objections to the single tax arise from the fact that he does not understand what the single tax is. He constantly speaks of it as a tax on land. And that he really thinks of it as a tax on land is shown by such utterances as that it would be a tax on a factor of production; would keep poor people from getting land; would fall most heavily on farmers because they use most land, etc.

But the single tax is NOT a tax on land. It is a tax on land value --on that value which attaches to land irrespective of improvements in or on it; that value which remained in the land of Johnstown after every improvement had been hurled into awful heaps of debris; that value left in the business part of Lynn lately swept by fire; that value which remains in a centrally located city lot after the building on it has become of so little value that it is bought only to be torn down.

It may be said: "What is the use of making this distinction? You would not speak of taxing house values or ship values; but of taxing houses or ships. In the United States when we speak of taxing land we mean taxing it according to value. We do tax some things specifically, but land we usually tax by value." This is true. And it is worth noting. For it shows that instead of being a new tax, which would require, (as Mr. Atkinson supposes) a tremendous new taxing machine and a fundamental change in our government, the single tax is really a tax we now collect in the tax on real estate. All that is new in it is the SINGLE. The tax itself we already have. To make it the SINGLE tax we have only to abolish other taxes.

But as to the necessity for the distinction. There is a difference between taxing land and taxing land values that does not exist between taxing such things as ships and houses and taxing their values --a difference that, although of no importance in ordinary thought or speech, becomes all-important when we come to reason on the effects of taxation. A tax on house or ship values would fall on all houses or ships --or at least on all that have not been abandoned and are yet in use. But a tax on land values would not fall on all land, nor yet on all land in use, for value does not attach to all land, nor to all land in use. (Mr. Atkinson is an example of the great cause of economic confusions --the failure to define terms carefully. He certainly knows that in the United States taxes on land are assessed by value. Yet, deceived by the phrase he uses, he goes on thinking and talking of the single tax as though it were a specific tax that would fall on all land.)

Though he seems to see it only by glimpses, since by saying that all taxes have the same final incidence Mr. Atkinson negatives them all, he is quite right as to many of the things

he says of the tax he has in mind.) A tax on land --that is to say, a specific tax on all land --WOULD become a condition to, and a restriction on, the use of land; WOULD hamper the use of the natural factor of production; WOULD fall on farmers; WOULD become a tax on labor; and WOULD increase prices by increasing the cost of production. These are valid objections to a tax on land. It is a tax on what in the terminology of political economy is styled rent --that value, namely, which, irrespective of the value of improvements, attaches to SOME land with the growth of population and social development; that premium which the user as user must pay to the owner as owner, either in one payment (purchase money) or in annual payments (rent), for permission to use land of superior excellence.

The single tax, therefore, could NOT fall on all land. It could fall only on valuable land, or land of superior excellence. Hence it could not restrict production, or lessen the use of land, or diminish the earnings of labor or capital. It could only take the premium which the user as user must pay to the owner as owner; and since this would discourage speculation and make it easier to get land for use, it would tend to increase production and to increase the earnings of labor and capital.

In point of exchangeable power, or as items in the wealth of individuals, there is no difference between a given value of land and a like value of grain, metals, cattle, clothing, machinery, tools, or ships; but observation will show wide differences in their nature, their genesis, their laws, and their relations. As an example of the valuable things whose common character is that they are produced by labor, and which in political economy are alone properly classed as wealth, let us take a thing of the kind that in common thought and legal terminology comes closest to land --a building.

Here is a building which, irrespective of the land it stands on, is worth \$5,000; and here is a piece of land which, without any improvement in or on it, is also worth \$5,000. These values are equivalent, representing to the owner equal powers of obtaining other things in exchange. But --

The value of the building attached to it originally, from the moment it came into existence. The land had no original value. There is no building in the United States that did not have a value when first erected. But, though the land has existed for geologic ages, there is no land in the United States that has had any value for more than a few hundred years; while there is much land now valuable that has only had a value for a few years, or even for a few months.

The value of a building lessens with time, since with time buildings decay. And in growing and improving communities improvements that cheapen the cost of building, and changes in the kinds of buildings demanded, also tend to lessen the value of existing buildings. But land is not subject to decay or

change of fashion. Nor can decrease in the cost of production lessen its value, for land is not produced by man, but was here before he came. So far from diminishing with time, the value of land in growing and improving communities tends steadily to increase. In all our growing cities there is no building that is worth as much as it was a year ago, but land as a rule is worth more.

In the case of the building, what determines value is the cost of producing such a building. In the case of land, it is its relative advantage for use over other land --the final element in which is its location in respect to population. The value of the building has thus individual exertion as its basis. It represents the present value of the labor embodied in the building. The value of land, on the other hand, has social growth as its basis. It does not represent the value of any individual exertion, but the present value of an appropriation --for the ownership of land cannot be obtained by producing, but only by appropriating what already exists. The labor of the individual exerted on land may produce value, but it will be a value inhering in the product or improvement the labor makes, not in the land itself. That value comes only by growth of population and social advance. A man may work or spend on land to any amount; but no matter how valuable his improvements, the land itself acquires no value except as the community around it grows and improves, or access to larger populations is opened. He may do nothing at all, and, as social growth and improvement go on, the value of his land will increase. He may be an absentee, an infant, an imbecile --social growth will still add value to his land.

Thus in taxing buildings or other products of labor we take from the individual what individual exertion produced, thus impairing the natural reward of exertion, and checking the springs of general wealth. But in taxing land values we take from the individual what is brought by social growth; we simply apply to the use of the community what non-producers would otherwise appropriate. In no wise do we lessen the rewards of exertion or check the springs of general wealth. On the contrary, in applying to public use the power of drawing on the general wealth which pertains to the ownership of land we discourage ownership without use, and thus prevent natural opportunities for production from being withheld from use.

Here it may be asked, as the anarchists ask, "Why should not the whole results of production be left to those who take part in production?"

The sufficient answer is, that there is no possible way of leaving to labor and capital that part of the product that constituted economic rent. This setting aside, as it were, of a certain portion of the results of production which MAY be taken by the community, but otherwise WILL be taken by non-producers, is a result of advance in civilization. It arises from the necessity, which comes with the higher uses of land, of giving

individual possession, and from differences in the capabilities of land. Even where the owner and the user of land are the same person, economic rent exists. Where the demand for wheat causes the cultivation of land that with a certain application of labor and capital will yield fourteen bushels an acre, the owning farmer whose land, otherwise equal, will yield to the same application twenty bushels will have an advantage --not as a cultivator, but as a land-owner. The power of getting six bushels more with the same exertion will inhere not in his labor nor in his capital, but in his land. He may cease to take any part in production and still get the equivalent of the six bushels by renting the land; or if he does not choose to rent, or is prohibited from doing so, he can get from the user who takes his place an equivalent capitalized sum or obligation. So, if a site in the center of a city will enable a storekeeper to get a larger net profit than will one on the outskirts, a separable advantage will attach to this site, which he who has the right of use can rent or sell.

These advantages attach to land; they cannot go to labor or capital. Where they go to a laborer or a capitalist, they go to him not as laborer or capitalist, but as land-owner or possessor, and give him an advantage above what his labor and capital can give. The whole product can go to labor --or to labor and capital, if they both engage in production --only where social development is so rude that no special advantage attaches to one location over another, and the land is treated as a common. In civilized societies, where there are great and increasing differences in the advantages of location, it is only on the poorest land in use that labor and capital can retain the full results of production. Any location where land has superior capability must command a premium which labor and capital must pay. This premium may be taken in taxation on land values for the use of the community, as we single-tax men propose; or it may be left to land-owners, as for the most part it is now left. But it cannot go to labor and capital. There is no way of leaving it to them.

Let me illustrate: In newspaper offices where union rules prevail the price of composition is based on the average work, and steps are taken to secure to every workman his fair chance of "fat" and "lean." But it is sometimes desirable to permit special men to set particular kinds of "fat matter." In such cases those who set this matter pay a premium to the others by way of equalization. To abolish these premiums, and to allow the men who set the "fat" to retain the full amount of their bills, would not be to give them the wages of their labor, but to give them the advantages of monopoly. To put the theory of the single tax in terms every printer will understand, it is to take "department premiums" for the use of the "chapel."

(In speaking on this point I have had in view not only the anarchists, who oppose the single tax, but also Mr. Atkinson. He bases some of his objections on a confused recognition of the fact that taxes must be paid in the results of production,

declaring that we single-tax men "overlook the fact that taxation and work are synonymous terms." This indeed we do, and for the reason that there is no such fact. Taxation and work are no more synonymous than addition and subtraction. But it IS true that taxation can be paid only in the products of work. Mr. Atkinson would be right were he to say that all taxes, no matter on what levied, can be paid only in the products of labor and capital. But, as any standard political economist will tell him, he is utterly wrong in thinking that all taxes fall on the earnings of labor and capital, and by increasing the cost of production become taxes on consumption. (Footnote #1) In this he ignores the fact that the rise of land values with social growth tends to deprive labor and capital of a larger part of the product, and to give it to those who do nothing in production. Yet he does see facts that involve this. He rightly says that land itself can yield no income. He declares that any revenue drawn from land must come from the exertion of labor and capital on the land. Now, since there is much land in the United States that yields large income to its owners, where does this income come from? It is manifestly a part of the production by labor and capital which they do not now get, and which goes to those who take no part in production.)

Here, then, as Mr. Atkinson must see, is a portion of the product of labor and capital that can be taken in taxation without lessening their rewards. It is this that we single-tax men propose to take for public purposes in place of the taxes now levied on the rewards of labor and capital. It is, as it were, a natural tax levied on labor and capital when using land better than the ordinary, and which they must pay anyhow. If we leave this to individuals, we must tax labor and capital to supply its loss. If we take it for public needs, we can abolish all taxes on labor and capital, leaving them their natural and just rewards.)

Mr. Atkinson sees that land, labor, and capital are the factors of all production, and he appears to see the impolicy of taxing these factors, since he objects to a tax on land as a tax on a factor of production. Very well. On this correct principle, a tax on land (all land) would be condemned. So, all taxes on labor and all taxes on capital must be condemned and ought to be abolished, for they, too, are taxes on factors of production. And so, all taxes on the processes or products of production ought to be abolished, for they are taxes on production itself. What, then, remains as the only proper tax? A tax on land values --the tax we would make the only tax!

Labor, capital, and land are the three factors of production, the first two being different forms of the human factor, the last being the natural factor. Labor and capital must have a reward for their exertion or they cannot continue to exert themselves, or, indeed, to exist. But Nature claims no reward. Land is her free gift to man, her gratuitous service. The primary division of the product is therefore between these two, or into wages and interest. And this (monopoly eliminated) continues to be the division on what in political economy is styled the margin of production, or the poorest land in use --land on which labor and capital can produce only their ordinary returns. But where labor and capital

are willing to work on land of a certain quality --or, what is the same thing, can from their product on it obtain the ordinary rate of wages and interest --then that law of competition that tends to bring wages and interest to a common level will enable the owner of land of superior quality to claim the excess which the exertion of labor and capital will yield on that, over what they could obtain on the poorer land. And as the earnings of labor and capital must always be fixed by what they can obtain on the poorest land worked, while the growth and development of society tends to bring out higher and higher capabilities in particular lands, the portion of the results of production that land-owners can claim tends constantly to increase with the advance of civilization.

It is this part of the increment of wealth --the part called by John Stuart Mill the "unearned increment," because it now goes to non producers --that we propose by the single tax to take for public needs in place of the taxes now levied on industry, enterprise, and thrift.

Is not this clearly the wise and just way of raising public revenues?

1st illustration
ends here
some others are who are
Mr. Atkinson is concerned lest the poor man with a small house should be taxed as much as the rich man with a large house on a lot of the same site value, and lest men who furnish "mental capital" should not be taxed enough if taxed only on the value of the land they occupy. Let me put the case the other way. Should a rich man pay any more than a poor man for a thing of a like kind? or is it just to tax men of brains for using their brains in production? Mr. Atkinson and I probably differ as to riches, and may differ as to brains, but if we went to a hotel and took like rooms should we not expect to pay like prices?

a man
(Suppose Mr. Atkinson to have charge of one of those large buildings now rising in all our great cities. To provide for its care, maintenance, insurance, and for a return on the capital invested, a revenue would be needed which could only come from those who used the building. Would Mr. Atkinson try to collect this revenue from the tenants in proportion to what they were worth? or in proportion to their business? or their brains? Would he station men with clubs at the entrances with instructions to seize forty-seven per cent. of everything brought into the building? or send them around periodically to demand "voluntary contributions" from the tenants? He is too good a business man for that. What he would do would be to raise this revenue by a single tax assessed on the tenants in proportion to the desirability of the rooms they occupied.)

give an
> (To make the illustration closer, let us suppose that a man of great wealth and benevolence, wishing to help a number of poor people, erects a building of many apartments. He stores

the cellars with coal; he secures a supply of water; and he so adapts the building that elevators may be put in, and heat, light and water, and power be conducted through it. He does not wish to become a special providence to these men, for that would be to make and to keep them babies. He wishes them, by doing for themselves, to develop manly qualities and to learn to live together. So admitting a certain number to the building, and providing for the future coming of others, he leaves them at liberty to manage as they please.

The donor of the building asks no revenue; he has made a free gift. But the tenants will need a revenue, since some of them must be occupied in taking care of the house, in making improvements from time to time, and in doing other things for the common benefit.

Now, the proper way of raising this revenue will be clear --so clear that it will be certain to whoever considers it that the donor could have intended no other. And this way will appear as soon as the tenants come to settle the occupancy among themselves. Though for a day or two after they enter into possession they may treat the house as common, yet they will soon discover the necessity for definite location. The question of how the apartments shall be assigned among them will thus come up. If all the apartments were alike, and if the matter of location with respect to other tenants made no difference, equality might be assured by letting each take an apartment leaving the unoccupied ones for new-comers. But the apartments are not all alike, and location in respect to other occupants is a matter of importance, especially since the erection of elevators, the distribution of heat, power, electricity, etc., could not be made all at once, but would come first in the best-tenanted parts of the house. The most desirable apartments would therefore command premiums. To collect these premiums for the common expenses would be the obvious way both to put all the tenants on a level with regard to the bounty of their benefactor and to provide for common needs and improvements. Under this system there would be no levy on any individual. There would be only a single tax, collected from the occupants of the more desirable rooms. No one would be taxed for living in the building or for having an apartment, for every one would be free, without the payment of any premium, to take any apartment that no one else wanted. It would be only to the use of rooms of more than ordinary desirability that the payment of a premium would be a condition.

In this way, as the new tenants came in, in accordance with the benefactor's will, they would, until the house was really full, find ample room on equal terms with those already there; and in this way all the common expenses and the costs of making improvements could be met. As the tenants increased in number and improvements were made, the relative desirability of the apartments might change. Some that at first were most desirable and paid the highest premiums might become of only ordinary desirability and cease to bring any premium, while the upper

stories, that at first no one cared to live in, might, when the elevators got to running, seem most desirable and pay the highest premiums. But the aggregate premiums would increase with increase of numbers and the making of improvements, and a larger and larger common fund be available for common purposes.

(I am sure that Mr. Atkinson would say that this would be the just and wise way for such tenants to provide for their common expenses.) Now this is the way of the single tax --the method which we single-tax men would apply to that house of which we are all tenants.

But another way MIGHT be adopted. If such tenants were to do as we of the United States have done, they would let a few of their number claim the apartments as their private property, collect the premiums, and keep the greater part of them. They would let them claim whole blocks of as yet unoccupied apartments, and in the effort to get monopoly and speculative premiums hold them vacant long after those who ought to use them had arrived, compelling the new-comers to go farther upstairs, or into the wings, or to sleep in passage-ways, and to wander around unable to find a place to work. They would let other grabbers go into the cellars and claim the store of coal as their private property. They would let others claim the water supply, and others take the privilege of putting up the elevators, etc., and charging tolls. And then to supply the place of the proper revenue thus given away they would station guards at each entrance to the building to seize part of everything brought in, and send men nosing about the apartments demanding of each tenant to exhibit all he had, that they might levy toll on it. What liars and perjurers and evaders this system would make; how it would prevent proper improvement, and discourage honest work, and stimulate everything mean and wicked; how it would frustrate the benevolent intention of the builder of the house; how of the tenants many would be miserably poor, while a few could be lavish and lazy, (Mr. Atkinson may readily see.) Yet this is the system he defends.

(Mr. Atkinson's astonishing statement that the single tax was applied in France under Turgot with disastrous results; his intimation that he does not know whether in any part of the country unoccupied land is less heavily taxed than occupied land; his talk of an "unrequited decrement" in a thing which has originally no value; his notion that land is worth nothing unless the improvements on it will sell for more than they ever cost, (Footnote #2), and many other confusions, indicate such lack of the exactitude and discrimination required for the analysis of statistics that I would not be disposed to accept his figures did anything depend on them. But since nothing does, --since a better system of taxation would be a better system, whether our present production and revenues, or their averages, be more or less, --it is not worth while to examine or dispute these figures.

One thing, however, Mr. Atkinson admits in them, that more than our present revenues could be raised by a single tax on land values. He puts the land values of 1880 at \$13,000,000,000. On his estimate of five percent., that would make the ground rent \$650,000,000. But as this represents only the net rent exclusive of taxation, and as Mr. Atkinson estimates that \$140,000,000. of our taxes now fall on land values, the gross rent on this calculation would be \$790,000,000, while the gross revenue he puts at \$700,000,000, and the necessary revenues at \$580,000,000. In other words, without consideration of the increase in land values which the increased prosperity consequent on the abolition of these taxes would cause, he shows that we might abolish all other taxes, and by a single tax on land values raise \$220,000,000 more than needed. Thomas C. Shearman, whose estimates are much closer, shows that sixty-five per cent. of economic rent would yield all our present revenues.)

(One error, however, runs through Mr. Atkinson's statistics --the assumption that what our governments receive is what our people pay. To say nothing of the enormous wastes and losses entailed by the taxes we single-tax men would abolish, they directly cost the people far more than they put into the treasury. Is there a tax levied by our Federal Government which is not supported by a powerful interest ready to spend money to prevent its repeal? Propose to abolish or even to reduce one of these taxes, and Washington, as at this moment, will be filled with lobbyists begging and working for its retention. What does this mean? It means that these taxes yield revenue to private parties as well as to the Government. I speak not merely of "protective taxes." This of course is what protective taxes are for. This is what "protection" means. A tax that will not enable private parties to levy a tax for their own benefit, in addition to the tax collected by the Government, is not a protective tax. But though in lesser degree, this feature of yielding private profit is also characteristic of Federal taxes that are not "protective," and of many State taxes. Take, for instance, the liquor tax. The whisky ring "spent money like water" to oppose its reduction, and would spend money to prevent its abolition. Take the tax on cigars. The cigar manufacturers have been working like beavers to prevent its repeal. Take the stamp tax on matches. The match combination spent \$250,000 a year for some years in the effort to have it retained. Take straw braid. This is not made in the United States, and could not be made here on account of our climate. The duty on it therefore is not protective. For this reason the Senate bill of the last session proposed to abolish it, the better to keep up taxes which gave greater private profits, while the Mills bill retained it. Yet the importers of straw braid are to-day circulating petitions against its repeal. The fact is that all taxes on products, even where not directly protective, increase prices, and thus tend to concentrate business and give larger profits at the expense of consumers.)

(Taking into consideration wastes, losses, and private profits the cost of the taxes we would abolish cannot be fairly put at less than three times the public revenues they yield. But if we put it only at twice, here taking Mr. Atkinson's figures for 1880, and his estimate of needed income \$580,000,000, the direct saving by the single tax would be \$680,000,000. Considering that indirect taxes fall with greatest weight on the poorest of our people, this direct saving ought to be quite an alleviation of poverty.)

(Mr. Atkinson says, "Taxes will not stay where they are put; if they would, the tax question could be solved with very little difficulty." A little study of economic principles would show him the absurdity of saying either that taxes will, or will not, stay where they are put, since some taxes will and some will not. The rule is that taxes that fall on the factors, the processes, or the results of production before they reach the hands of the final consumer will not stay where they are put, but can be shifted upon the final consumer with costs and extra profits by those who first pay them. But taxes that fall on special profits or advantages, or on things of which the supply is strictly limited, or on wealth in the hands of the final consumer, or in the course of transmission by gift or devise, WILL stay where they are put.)

(Most of our present taxes belong to the first class. Such are all our import and excise and license taxes, and all taxes on capital in its various forms. The most important of the taxes that WILL stay where they are put are taxes on incomes, taxes on bequests and inheritances, and taxes on land values.)

(Taxes on incomes are unjust in nature and cannot be collected fairly; taxes on bequests and inheritances are also unjust in nature, and would soon be evaded where large amounts were involved. But the tax on land values has preeminently the element of justice. It takes from the individual not in proportion to his needs, or to his energy, industry, or thrift, but in proportion to the value of the special privilege he enjoys. It can be collected with the maximum of ease and certainty and the minimum of cost. Land lies out-of-doors. It cannot be hid or carried off. Its value is always more definitely known than any other value, and a little sign on every lot stating size, owner, and assessed value would enable public opinion to check the assessment. This tax cannot lessen production or increase prices. Tax anything of human production, and in a little while there will be less of it in existence. But land values may be taxed to the highest possible point and there will be no less land. Nor will land be less profitable to users or more difficult for them to get. On the contrary, it will be more profitable and easier to get.

(The moment Mr. Atkinson realizes that the single tax would fall not on land, but on land values, he will laugh at his fears of its effect on farmers. He himself says that the value of

land in cities is higher relative to the value of improvements than in farming districts. Hence it is clear that to abolish all taxes, save a tax on land values, would be to the gain of the farming districts. (He himself tells us that) a large proportion of our farm lands yield no revenue above the ordinary return to labor and capital. In such case there is no real land value, and under the single tax such farmers would pay no tax at all. But under the present system they are taxed most heavily. They are taxed on their buildings, their improvements, their stock, their furniture, their crops, and in many of our States on their very mortgages --for the tax levied on the mortgagee the mortgagor must pay. Taxes compel them to wear shoddy when they might wear wool, to sleep under quilts and comfortables when they might have blankets, to pay for three bushels of salt or two lumps of sugar in order to get one. From the plow that turns the ground to the machine with which he harvests the crop and the steel rails that carries it to market, from the lumber and nails of his house to the hat on his head, almost everything the farmer uses is increased in cost by taxes that fatten rings, combinations and favored individuals. The American farmer, like Issachar, is a strong ass; but to-day he is crouching, with almost broken back, between two burdens --the burden of land speculation, which makes him pay for land he ought to get for nothing, and the burden of taxation, which wherever else it may not stay put, does stay put when it reaches him. Between the two he is being crushed out. All through the United States the typical American farmer is disappearing, and the tenant, or "blanket man," is taking his place, or the land is relapsing to wilderness.

(Though he afterwards calls them "voluntary contributions" --the name that in jovial mood Dick Turpin used to give to his collections, since, as he said, no one was compelled to carry watches or money across Hounslow Heath --Mr. Atkinson seems to have some consciousness of the evils of indirect taxes, and speaks vaguely of amending them. But these evils are of the nature of indirect taxation.)

These methods of plucking the goose without making it cry ^{such as indirect taxation} have always proved curses. Without them the wars, the standing armies, the enormous public debts of our modern world would have been impossible. Out of them has come that doctrine of protection that negatives the benefits of invention by raising in hostile tariffs greater obstacles to human intercourse than seas and mountains; that legalizes robbery and makes piracy pass for patriotism; that teaches so-called Christian people that "they didn't know everythin' down in Judee," and that the interests of men are not mutual but antagonistic. It is this taxation that maintains the standing armies that prop European thrones with bayonets, and that has made our republic rotten with corruption.

Look at the willful extravagance this system has caused

in the United States. Our Federal taxation is kept up for the sake of taxation. Every proposition of waste has the powerful support of interests that want taxes imposed or maintained to enable them to rob their fellow-countrymen; interests whose impudence and pertinacity have actually made many Americans believe that they can get rich by taxing themselves --that the way to help the laborer is to pile burdens on his back. But for this system of indirect taxation we might since the war have paid off every penny of the national debt, and had to-day nothing but a nominal Federal revenue to raise.

The single tax would destroy this vicious system. It would end the pressure to impose and maintain taxes, and would enable us to dismiss a horde of officials and bring the Federal Government to its proper simplicity. (What we mainly need a Federal Government for is the performance of general cooperative functions, such as the issuing of money, the carrying of mails, etc. These functions tend to increase, but they bring their own revenues. We have no more need for army and navy and coast defenses than Mr. Atkinson and I have for suits of armor and blunderbusses; no more need for diplomatic and consular services than he and I have for court dresses. The collection of the comparatively small amount really needed for Federal revenue presents no difficulty. We could either change the Constitution and collect it as the State's proportion of local taxes is now collected, or without change in the Constitution could assess it on the States in proportion to population --a far fairer mode of collecting Federal revenues than the present.)

(Mr. Atkinson's idea of the necessity for leasing land for long terms is chimerical.) The tax on land values would be collected just as it is now, and where improved land was sold for taxes, which would be seldom or never the case, an adjustment could readily be made which would secure the value (not cost) of the improvements to the owner. Land would be more readily improved than now, since it could be had for improvement on easier terms, and the whole value of the improvement would be left to the improver. As the tax was increased speculative or anticipatory values would rapidly disappear, while selling values would diminish and if the tax were pushed to theoretical perfection it would also disappear. But rental or use value would remain. It does not lessen the value of land to the user if what he must pay to the owner is taken from that owner in taxation. If we ever reach the point of theoretical perfection so nearly that selling values disappear, then we shall only have to abandon the American plan of assessing selling values and adopt the English plan of assessing rental or use values. With speculative values gone, and with public attention concentrated on one source of revenue, there could be no difficulty in this.

To reach this point of theoretical perfection, at which land would have no selling value, --i.e., would yield to the mere owner no income, --would be to reach (what Mr. Atkinson himself confesses to be) ideal. Then labor and capital could be applied

to land without any artificial obstruction whatever. They would be free from all taxes on themselves or their products, while they would not have to buy land, but would only pay for its use where peculiar advantages gave them a larger return. Even before this point was reached mere ownership would cease. Men would not care to own land they did not want to use, and users of land, where their use was more than transient, would become the legal owners, having the assured privilege of peaceable possession and transfer as long as the tax was paid.

How close it might be possible finally to come to the point of theoretical perfection, or whether it would be best to leave such a margin as would give a small selling value, are matters which, like other questions of detail, it is not now necessary to discuss. But in thinking of details it should be remembered that we cannot get to the single tax at one leap, but only by gradual steps, which will bring experience to the settlement of details; and that from the abolition of present taxes, and the resulting ease in social conditions, we may expect moral improvements, which will make easier than might now seem possible the fair and full collection of a tax that took for the use of the community only values due to the progress of the community. Taxes on the products of labor, taxes which take the earnings of industry and the savings of thrift, always have begetten, and always must beget, fraud, corruption, and evasion. All the penalties of the law -- imprisonment, fines, torture, and death -- have failed to secure their honest and equal collection. They are unjust and unequal in their very nature, always falling on the poor with greater severity than on the rich. Their collection always entails great waste and cost, increases the number of office holders and the complexity of government, and compels interference with individual affairs; always checks production, lessens general wealth, and takes from labor and capital their due reward -- the stimulus to productive exertion. Men naturally evade and resist them, and with the sanction of the moral sense even where their duller intellectual faculties are convinced that such taxes are right and beneficial in themselves. There may be protectionists who will not smuggle or undervalue when they get a chance, but I have never met them. There may be rich men who make a true return of their wealth for taxation, but they are very few. Rent, however, is usually a willing payment. It is the strength of landlordism, so outrageously and preposterously unjust, that it appropriates a natural contribution or tax that in itself men recognize as just. For the privilege of occupying a superior location to that of others a man feels that he ought to pay. A while ago it was discovered that a man had been for years collecting rents on some blocks of land belonging to the city in the upper part of New York. Those who paid the rent had not inquired into his ownership. They knew, though perhaps they did not reason it out, that THEY were not entitled to use this superior land any more than other people, and were willing to pay for the advantage they got.

(For Mr. Atkinson) to understand what the single tax is will be (for him) to see how it will abolish poverty; will be to make (him) a sharer in our firm and joyful faith that He who built this house we tenant has not brought into it more than He has provided for, or doomed any one to poverty.

What is poverty? (It is not want on the part of those too lazy to work --for this is a world in which work is the ordained supplier of want.)

(The helplessness of the infant is not poverty. This helplessness finds its natural complement and supply in the love which greets it; by natural law its very food awaits it in the breast of its mother.)

(Nor is the inability of those crippled in the accidents of life poverty. This too finds its complement in the natural affections and the human sympathy, which when not too much put upon and strained is ever ready to help those who need. Those who cannot work will never want where work can find its natural rewards.)

So it not
(Poverty is) the want of the things that work produces on the part of those willing to do reasonable work. Why is there such want?

I need not point out (to Mr. Atkinson) that while a few of our people have more wealth than is wholesome for men to have, --for great fortunes have been growing here faster than ever before in the world's history, --the masses of our people do not have wealth enough to give them the comforts, the leisure, and the opportunities of development that in this stage of civilization ought to be possible to the humblest; that most of us by working hard merely manage to live, and must stint and strain and worry; that many are becoming criminals, tramps, and paupers, and many are eking out an existence by charity in one form or another; that children die when they ought to live; that women are old and worn when they ought to be in the prime of womanly beauty and charm; that men are aged physically and stunted mentally and morally when they ought to be in the highest development of their faculties; that many who ought to have wives feel too poor to take them; that many who ought to have husbands are cheated out of the fullness of the life for which nature intended them. (I need not point these things out, for, according to Mr. Atkinson, our average production is only fifty-five cents a day.) What a pitiful possibility does this represent for the average American citizen (at the close of the wonderful nineteenth century.)

We want more wealth. Why, then, do we not produce more? What factor is short? Where is the limitation?

Is there any scarcity of capital? Why, everywhere there is a seeming surplus of labor. Even in what we have become accustomed to think normally good times there are men ready and anxious to labor who cannot get the opportunity --masses of men wholly or partly unemployed who would gladly be at work. So much is labor in seeming excess of the opportunities to labor that from all parts of the country come requests for laborers to keep away; that we talk and think of work as a thing in itself to be desired and to be "made"; are beginning to keep convicts in idleness or at unproductive labor that honest men may have work; and to take (the first) steps in shutting out laborers who come from abroad.

With an abundance of capital, with a surplus of labor, --the thing that makes capital, --with a people anxious for more wealth, why is not more wealth produced? Is there any scarcity of land? To ask the question is to answer it. In this country there are as yet but ~~sixty-five~~ ^{one hundred and twenty} millions of us scattered over a territory that even in the present stage of the arts could support a thousand millions! Any scarcity of land? Go where you will, even in our cities, and you may see unused land and half-used land --natural opportunities lying idle while labor presses for employment and capital wastes.

What is the cause? Simply that instead of applying economic rent to the purpose for which in the natural order it was intended, we leave it to be a premium and incentive to forestalling and monopoly, while we tax industry. There is no real scarcity of land, but there is an artificial scarcity that has the same effect. Our land is not all in use --we have hardly more than begun to scratch it; but it is practically all fenced in. Wherever labor and capital go to find employment on land they find the speculator ahead of them, demanding a rent or price based not on present development, but on the prospects of future development.

To end all this, to open to labor and capital opportunities of employment bounded only by the desires of men, we have but to conform to the manifest intent of the Builder of the house, to abolish unnatural taxes, and to resort to their natural source for public revenues. On the one hand we would do away with all taxes that now fine industry and thrift, and would give free play to the human factor of production. On the other hand we would break up the monopolization of the natural factor. When economic rent was taken for public use the mere ownership of land would become as profitless as it is sterile. No one would want to own land unless he wanted to use it; and for all who wanted to use land there would be land enough and to spare. With the forces of production thus set free, with the natural and limitless means of production thus opened, who could set bounds to the production of wealth? Were invention and discovery to stop to-day the productive forces are strong enough to give to the humblest not merely all the necessities, but all the comforts and reasonable luxuries of life with but a moderate amount of labor --to destroy utterly the nightmare of want.

But instead of invention and discovery stopping, they would only have begun. What checks invention and discovery to-day is poverty; what turns the very blessings they ought to bring to all into curses to great masses is that fundamental wrong which produces that most unnatural and helpless of all objects, the mere laborer --the human being feeling all the wants of a man, having all the powers of a man, yet denied by human laws all access to or right in that element without which it is impossible for human powers to satisfy human wants. To what as yet undreamed-of powers over natural things man may rise, in a state of society where, the forces of production being unhampered and the natural opportunities for production being unmonopolized, there shall be work for all, leisure for all, opportunities of full development for all, the inventions and discoveries of the century just closing afford but hints.

The cause of poverty is not in human nature; it is not in the constitution of the physical world; it is not in the natural laws of social growth. It is in the injustice which denies to men their natural rights; in the stupidity which diverts from its proper use the value which attaches to land with social growth, and then imposes on industry and thrift taxes which restrain production and put premiums on greed and dishonesty; injustice and stupidity which ignore the true rights of property and turn governments into machines by which the unscrupulous may rob their neighbors.

Henry George.

Footnote #1. A tax on rent falls wholly on the landlord. There are no means by which he can shift the burden upon any one else. It does not affect the value or price of agricultural produce, for this is determined by the cost of production in the most unfavorable circumstances, and in those circumstances, as we have so often demonstrated, no rent is paid. A tax on rent, therefore, has no effect other than its obvious one. It merely takes so much from the landlord and transfers it to the state. (John Stuart Mill, "Principles of Political Economy," Book V., Chap. III., Sect. 3.)

Footnote #2. This notion, a favorite one of H. C. Carey's, Mr. Atkinson may see thoroughly riddled by a bitter opponent of the single tax, in President F. A. Walker's "Land and its Rent."