

THE SINGLE TAX IN RELATION TO PUBLIC
HEALTH

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The Single Tax should affect the public health in at least two important and favorable ways, *viz.*:

1. By diminishing poverty and thus removing a fruitful *source* of disease; and
2. By rationalizing the tax system and thus making it easier to get adequate funds for the support of public health activities.

Taking up these points in their order,—I hardly need enlarge, in this presence, on the destructive effect of poverty upon the public health. Undernutrition, overwork, overanxiety, overcrowding, bad air, ignorance of laws of health and hygiene, inability to pay for proper medical attendance and care, filth, alcoholism and other destructive vices are all characteristic of our teeming slums and, to a greater or less degree, are fostered by poverty everywhere. These are all conditions incompatible with normal human life. The result is, accordingly, wide-spread disease and premature death with all their terrible consequences to society as a whole—to rich as well as poor. Not long since, I heard one of the most honored leaders in the splendid field of preventive medicine declare: "The employer who raises the pay of his help does more to stop tuberculosis than all we doctors can do." Clear as was his testimony as to the bearing of poverty on public health, almost equally impressive to me was the possible implication that, master as he was and is of the more obvious branches of his specialty, he had not yet given vital economics enough study to realize that wages are not to any publicly important degree in the control of an individual employer. Many another leader of public thought has drifted into so narrow a view of his specialty that he has failed to behold, and perhaps has even failed to look for the vision of bright hope which vital economics holds out to those who have eyes to see. By vital economics I do not mean the conventional political science of the schools, frequently dubbed the "dismal" science. I mean the science of the production and distribution of wealth as an applied science man would face it, study it and develop it, with the intention of finding in it some light, with the intention of using its teachings to solve human problems, to *bring something to pass*, even it may be, to eliminate the poverty which is proverbially the destruction of the poor, and, what may be almost as disastrous a public evil, the ever-

haunting dread of poverty which oppresses and fetters the fairly well-to-do and even the rich. Let economics be studied with the care and constructive purpose with which sanitarians, bacteriologists and engineers study their other problems (for economics is a problem of every profession) not merely as part of the fascinating search for truth for truth's sake, but also for the establishment of truth for suffering humanity's sake. Let economics be discussed as you and I discuss our other professional problems, in the spirit in which I am glad to have the honor and privilege of accepting your invitation to address you today. I believe that the result of such study will be the development of an inspiring science, not a dismal science, and one which has much to suggest toward the lightening of your task, and toward the enhanced safety and happiness of civilized man. Its relation to political economy as the term is now used may be expected to be much like that of modern engineering to pure mathematics. Tangible results from our discussion of today may not be immediate, but I believe it is the natural function and destiny of men like you, men of applied science training or bent of mind, regardless of profession, to lead in securing such results,—for whatever may be said for the more literary or bookish mind, nurtured on precedent, steeped in the past, it can be hardly said to be signally constructive in its effect on great public problems.

Momentously beneficent as has been the contribution of applied science in the last century and a quarter—in your field and in my field—I firmly believe the same spirit entering the field of the great social and political problems is destined to render a parallel and perhaps still greater service. It cannot be *natural* that so many of the most industrious should spend their lives in misery and want in these days when the command of steam and electricity has brought to man the power to produce necessities and comforts of life in quantities simply undreamed of a few years back. And if it is not *natural* that poverty should persist, it needs only the removal of its artificial causes to have it disappear. It is appropriate for applied science men, men who expect and are expected to make things of importance happen,—and to do it even in the face of serious obstacles—to be attracted to this problem.

I will now attempt to state some of the basic axioms, as I see them, of vital economics.

All wealth, all the material good things of life produced by human agency and for which we give our money, comes from the use of land. Land is essential for their production, a right of way over land is essential for having them brought to us, land is essential for factories, wharves, warehouses, banks, markets, and every other step in the processes of production and distribution of goods. The use of land by labor is essential to the production and distribution of all the wealth produced each year on this planet.

The use of land is essential for maintaining a home, a church, a school. Including as does the word land (in the economic sense) all the gifts of nature, it is not hard to see that *land is the basic necessity of human life*. No man produced it. It is the common heritage, as it is the common necessity of all men. The conditions of its ownership and use demand, accordingly, our first and closest attention.

Equally patent is the fact that some land is vastly better suited for getting a living and enjoying life than other land, *i. e.*, some land is vastly more valuable than other land. To what is this value due, and who gets it, and in return for what? The main factor in the value of the most important land, we may say practically the only factor in Massachusetts, is the assemblage of people into communities. Each resident of such a locality secures an increased labor efficiency and comfort due to the division of labor possible only in centers of population. He enjoys also a comparative economic security due to nearness to a large number of jobs, or a large market or a large labor supply. There are various other causes for the drift of people to cities. Much of this drift is natural, but no small part of it is due to needless burdens laid by our tax laws upon farm and village life. Urban land offering to its occupants such attractions is consequently in sharp demand and its market value goes up accordingly. Land in centers of population, such is the competition for it, commands a price of millions of dollars per acre. For example, as a minor but near-by illustration of the value of urban land, the present assessed value of the land of Boston, Cambridge and Somerville alone is greater than that of all the rest of the state of Massachusetts put together, greater than all the other city land and all the country land from Barnstable to Berkshire and from Essex to Dukes. Again—a farm worth \$50 per acre half a mile wide and girdling the earth ten times would not quite equal in value the assessed value of the bare land of New York City.

The income from these enormous community-made values now flows, in the main, into the pockets of individuals, in return for practically nothing.

Such a situation at once challenges attention.

It would seem natural, moreover, to inquire, in the face of our poverty and disease problem, whether such a vitally important resource as valuable land is used to its capacity, and if not, why not; and whether and how evil conditions in this quarter may be remedied.

It can be readily shown that there is room in our little Massachusetts, a mere speck on the map of this country, to house the whole population of the United States in detached one-family houses, five to six persons in a house, with a quarter of an acre of ground per house. Even then the density of population of the state would be no greater than that of Boston—and more than one half of Boston land area is vacant—and only one eighth as dense as that of Manhattan. We have obviously only scratched the resources of

this country. Germany with her 65,000,000 people is prosperous in a space one fifth smaller than Texas and one of her leading economists, a lecturer at the University of Berlin, told me the other day that Germany has arable land enough to support in comfort double her present agricultural population. Our poverty is plainly not due to *lack* of good land—but to the fact that it is not in use.

The poverty question, and, to a large extent, the health question, is thus shown to be the land question. We see that there is something radically wrong when valuable land is not in use, while labor and capital are alike eager to use it, if it could be had on fair terms, and humanity stands in the midst of increasing cost of living in serious need of the food, clothing and shelter which the normal use of land would permit them to enjoy. Unthinkable as it may seem, something is evidently making it advantageous to its owners to keep this great source of wealth out of use or only partly used.

Where is some of this unused or underused land? Is it where it would at once affect the health problem?

A glance at any of our cities at once reveals vast tracts of vacant or ridiculously under-improved land within rifle shot of swarming, filthy slums.

A recent Parliamentary Return reports that two thirds of the area of 1076 British urban districts—containing more than three fifths the population of England and less than one ninth its acreage—is rated as agricultural land. A quarter of the area of the swarming city of Manchester is rated as agricultural land. In the little Welsh city of Rhondda, notorious for bad housing, with a total area of 23,885 acres, 19,888 acres are rated as agricultural land.

To come nearer home, in the twenty-six wards which constituted municipal Boston in 1912, there was, according to the report of the Assessing Department of that year—the latest issued—vacant land (including marsh and flats, but not including parks, streets or backyards) aggregating 54 per cent. of the taxable land area of the city. This land is so valuable that it is assessed for more than all the land of Franklin, Hampshire and Worcester Counties (outside of the city of Worcester) put together. The marsh and flats amounting to 11 per cent. of the taxable land area of the city and 2 per cent. of its land valuation are assessed at more than all the land of Hampshire County, including the city of Northampton.

Why is all this valuable land out of use?

Is it not perhaps because we overtax the use of land and undertax the holding of land? Is it not because we have failed to recognize that the great values which attach to land are people-values, are logically the people's property, and are the natural automatic revenue for meeting the common expenses which develop *pari passu* with the land values as the people gather in communities? We spend public money for improving the port, extending streets and parks. What at once rises in value? Water front

land, land near the improvements. Do we take this value for paying the bill as Frankfort does? Only to a slight extent, and then we lay a heavy tax on people's houses, machinery, stocks and bonds, or their incomes and their hard-earned wages to make up the deficit, a crushing burden on property the value of which is not advanced one cent by the outlay.

The result of this undertaxing of land holding, and the consequent taxing of land using, the taxing of capital, personal property and all sorts of improvements in and on land, is simply to foster non-use and under-use of valuable land to the extent we see all about us. The one thing a city land owner can be certain of, as he contemplates erecting a modern building on his lot, is that there will be an annual inexorable tax penalty hanging over him if he makes the improvement and in proportion as he makes it a good, well-built, substantial and fire-proof structure. He may well conclude that probably the safest and most profitable thing for him to do, under the circumstances, is to let the old shack stand or leave his lot vacant and content himself with the bounty which a growing community stands ready to bestow on him for merely holding the title to the land.

As population increases and concentrates, and land is held at fancy prices beyond what legitimate business can afford to pay, a shortage of houses develops, the proportion of available jobs to seekers for work drops, wages drop, the scale of living drops, people become hardened, I should say benumbed, to the endurance of obsolete dismal tenements and the result is the city slum and its distressing problems.

We must stop taxing—gradually to be sure, but as rapidly as the public can be induced to see the vital importance of doing so—personal property, buildings, machinery, and all other products of labor essential to the advantageous use of land, including the value of clearing and draining. We can make up the difference by a larger levy on the location-value of land. We can thus collect the public's own earnings, and cease to let them fritter away into the pockets of the small fraction of the people who merely hold titles to land. Of all speculation in the necessities of life, speculation in land is doubtless the worst, for it chokes off the production of wealth at its source. It corners that necessity of life from which all other necessities must come. In proportion as land is held idle, the size of the earth is for practical purposes by so much reduced, and that too in its most valuable portions. The result is harmful to everyone. We need not waste any breath scolding the landlord. He is only managing his property in the manner which our laws make most profitable for him. But we can change these laws, and he, in proportion as he knows his own interest, will be glad to help—that is, unless he is determined upon the career of a mere passenger in life's journey. Any cases of undue hardship which might arise in course of the readjustment could readily be taken care of by special measures.

The Single Tax, by taking the public revenues only from the public's own natural earnings,—the value that comes to land as the community grows and dwindles as the community dwindles—would at one stroke make the use of land so much more profitable than the mere holding of land out of use that the beneficial effect on industry, housing and human life generally would be hard to over-estimate. The operation would be radical and simple. It would replace an unnatural condition with a natural and wholesome one.

And yet some people say it cannot be done. The answer is, it must be done. Moreover, it is being done. The largest body of organized support for the Single Tax is, as might be expected, among farmers. The farmers of the Canadian Northwest are for it by the thousands. They know that the site value of their farms is slight. They know that farmers are among those least benefited by public expenditures and hence *should* pay the least taxes. Cities, in proportion as they collect, as taxes, the site value of land and exempt personal property, houses, and capital experience the benefits predicted. The rapidly growing cities of Vancouver and Houston, in the former of which buildings are not taxed at all, while in the latter they are taxed at only about a third the rate on land values, are among the cities which have felt these benefits, including marked reductions in house rents. Pittsburgh and Scranton are well started toward a similar taxing system. New York seems to be getting ready to follow suit.

It must be observed that the increased use of land must mean increased demand for labor, increased wages, and that greater independence for the worker which would enable him to refuse to live in noisome tenements or to accept work in unsanitary factories. He would no longer need or tolerate paternal watch-care by the state, nor have to form unions for self-protection. Buildings would multiply so that capitalists owning houses would have to compete for tenants just as capitalists building automobiles now compete for purchasers. The owner of slum land, then, having to give up in taxes the bulk of the income from his mere location to which the community, not he, gives the money value, would have to build better, would have to put in more capital on which to get his former return; moreover, he could the more readily afford to do so as there would be no tax penalty awaiting him for so doing.

Rural and farm life relieved of its abnormal, and well-nigh crushing tax burdens should assume its natural attractiveness to human beings and the abnormal flow to the cities should diminish or cease. We now simply tax people into cities; no wonder they go.

Increasing the economic independence of all workers in the only way it can be done, by opening to industry the natural opportunities which nature provides at our doors, should gradually drain the slums of their congestion,

though it may take some time wholly to wean slum dwellers from the glitter and horrors of the life to which so many seem perversely devoted. As the dire necessity to endure slum conditions gradually disappears, we may fairly hope and believe that the slums, the breeding place of squalor, disease, alcoholism and vice, the baffling menace to health and stability of society, will also disappear.

The second point I mentioned—the rationalized tax system and more fruitful source of public revenue to be expected under the Single Tax—remains to be given a word.

Space does not permit going fully into the merits of the Single Tax as the solution of the taxation problem. The Single Tax can be collected more fairly, more certainly, more cheaply than any other; it would not repress but would foster industry; its most striking immediate effect should be to bring advantageous land-ownership and use within the reach of all; it would put land ownership on an impregnable basis by divesting it of the unnatural privilege of absorbing community values and tend to make us a nation of land owners, while now we are tending to become a nation of tenants—but all this can only be hinted at here.

With the public taking as taxes only its own rightful earnings,—earnings which by the way are enhanced by the wise and economical expenditure of the taxes,—every citizen contributing, and contributing in proportion to the benefits received and not in disproportion to his ability to pay, with a fair and proper division of expenditure between local and state treasuries, with greatly increased industrial activity and wealth, with taxes no longer choking off their own source, we could hope to induce the public to spend enough of its own to provide as we have never done yet for really adequate hospitals, medical, surgical, chronic, children's and maternity; proper clinics and dispensaries; visiting nurses and social science staff; medical inspection of schools; the suppression of dust and other public nuisances; better water and sewerage systems; better housing inspection; better milk and provision inspection, and many other things we have to do so inadequately, for we simply cannot now find the money with which to prevent disease and to preserve health and save life.

We should have the community's natural source of revenue at our disposal. If it did not suffice, with fair division of the proceeds between central and local government, it would be because we wasted it or were simply living beyond our means, and our means are limited only by the then normally available resources of nature under the transforming influence of labor and its natural friend and ally, capital.

Let me point out in closing this brief paper that the Single Tax contemplates not an extension of the functions of the state, but rather a reduction of them; not less individual liberty, but greater individual liberty. It

offers freer scope than ever for individual initiative—in all but schemes for private pocketing of public property. It involves not an increased tendency to public ownership of land and all capital, but a reduction of the temptation to so hazardous a venture. Moreover, it is a program well suited to be entered upon tentatively. If a beginning of increased taxes on locations, with exemption of all other property—something which may be tested at first in restricted localities—did not improve conditions, the way would always be open to turn back, just as it would be to go further. Such tests are being made with promising results. The tendency is to go further. People once out of the old rut do not tend to resume the primitive custom of levying upon private earnings in order that location owners may enjoy undisturbed their expected chance to absorb, without return, the public's own earnings.

Could anything be clearer than that steps in the direction of the single tax are worth considering? Could any program be more inviting and hopeful to a body of men who have grasped the great fact that compliance with natural law and justice is essential to human and social health and peace? I believe that study of the economic aspect of the health problem will convince you, as it has me, that until we have land brought reasonably into use, efforts for public health are at lamentably and intolerably low efficiency. With the natural resources of the country in normal use, I believe we can hope for economic health and its attendant mental comfort and physical health, to a degree that sounds Utopian only because our conceptions are distorted by long contemplation of nothing but economic maladjustment. With such a hope once clearly seen to be reasonable, effective steps toward its realization cannot long be delayed. The difficulties will dwindle as we approach them; the benefits will grow increasingly impressive.