

## THE SINGLE TAX.

Mr. Edward Atkinson's Poser for Henry George.

To one who has not tested the single tax theory to find out how it would work, it has many attractions.

First, its simplicity—putting all the taxes on one subject which cannot run away.

Second, the relief from a great many petty exactions and annoyances; taxes on personal luggage under the tariff, and the like.

Third, the assurance that all the taxes that are paid, the government will receive and that none will be diverted to private purposes.

When one, however, tries to make out a case in support of the better housing of the great mass of the people, under the application of this system, doubts begin to appear. A single tax is, in point of fact, a ground rent which it is proposed to substitute for rents payable to private owners. But all the advocates of the single tax who are not communists or socialists admit that the permanent possession of land by private persons or corporations is necessary to its use or cultivation. It follows that a single tax on land would be of the same nature as a variable ground rent, unless possession for a long period should be given, a very objectionable form of land tenure on a fixed rental value. The objection to the latter course on the part of the advocates of the single tax is that if the ground rent or single tax were adjusted at a fixed sum on a tenure of long date, the choice of that lot might become worth more than the fixed ground rent, in which event a high price might be paid to the original possessor of the single tax leasehold by a successor; that would bring in a bugaboo of the unearned increment to as full an extent as that alleged bad feature comes in on the purchase and sale of the land at an assessed valuation. On the other hand, if a lot subject to a ground rent or single tax for a long term of years should cease to be desirable, then the possessor might not be able to pay the rent and would then lose the buildings or improvements he had put upon it.

Again, it may be asked, who would undertake to build an expensive building on land subject to a variable single tax ground rent? Who would improve land without a long contract or lease for permanent possession? How would the system work after the first year of an adjustment of the single tax or ground rent to the valuations of that year? Take a lot in the suburbs worth in the markets today, say, two thousand dollars, on which a man of moderate means can afford to put up a house costing three thousand dollars, good for occupancy for twenty years, he witnessing that the tide of improvement is setting that way. Now suppose the lot is granted to him subject to a variable and

probably increasing ground rent or single tax. In ten years, under existing conditions, that lot may become worth ten thousand dollars, and has become subject to a single tax or ground rent at the rental value of \$10,000, but the house on it cost only three thousand dollars, and is half worn out. The possessor must then give up his house because he cannot afford to pay the advanced ground rent on the land, and he cannot afford to build a building more consistent with the use of the land. On the other hand, suppose he has been granted the land for a term of years at a fixed single tax. Then at the end of ten years the rental value of that lot having risen, he can sell out at a large premium, thus gaining what is called an unearned increment.

How would a single tax work in Boston?

It is proposed by the single taxers to substitute a single tax in the City of Boston for all other city, county, state and national taxes combined. The population of Boston may be computed today at 550,000. It may be interesting to find out how much the single tax on Boston land would come to if the valuations of 1898 made by the assessor were adopted in order to determine what rate of single tax should be paid this year or for any given term of years. The following figures from the assessors' books will give a very close approximation to the facts:

	Assessors's Valuation.	Amount of Taxes.
Land valuation.....	\$482,747,000	\$6,565,359.20
Buildings or improvements, not personal property.....	347,486,900	4,725,821.84
Personal property tax.....	205,865,518	2,799,771.04
Corporation tax collected from the state.....	53,111,600	833,321.00
	\$1,089,211,018	\$14,924,273.08

An estimate only can be made of the proportion of the national taxes borne by the people of Boston for the last twenty years ending with the Spanish war. The average per capita taxation for that period was five dollars (\$5) per head. The increased armament, pension list and other permanent expenditures growing out of the Spanish war have increased this rate to over seven dollars (\$7) per head, and it is difficult to see how that increase can be avoided within any reasonable period. Having committed "criminal aggression," we have now to pay the bills. Seven dollars (\$7) per head on 550,000 people would come to thirty-eight hundred and fifty thousand dollars (\$3,850,000).

But it will be manifest to everyone that the per capita method, although very useful in many applications, does not meet this case. The blacks of the South do not pay proportionately on their consumption with the inhabitants of cities, neither do a large portion of the farmers pay as much. A very moderate additional estimate of the tax on the consumers of cities

as compared to the blacks and the farmers would carry the annual contribution to national taxes of the people of Boston up to say five million dollars (\$5,000,000), making the total contribution to be collected under a single tax from the inhabitants of the city of Boston a fraction less than twenty million dollars (\$20,000,000), in place of all existing state, city and national tax.

Now suppose that twenty million dollars (\$20,000,000) were all assessed in a single tax on the land value of \$482,747,000. It comes to a little over four (4) per cent, or forty dollars per thousand. In other words no one can question the fact that if all the taxes—national, state and city—that the people of Boston now pay were put into a single tax on land, the ground rent would be forty dollars per thousand upon the assessor's values of the year 1898.

It being granted by the single-taxers that some kind of individual possession is necessary to the improvement of that land by the construction of buildings upon it, then whoever accepts possession becomes subject to a ground rent of forty dollars per thousand on the valuation. If that valuation may be changed, the risk of improving the land becomes greater. It is in order to secure to the alleged benefit of the mass of the people the so-called unearned increment or increase in the rental value of the land that the single tax is advocated, hence no advocate of that policy can consistently consent to a permanent ground rent for any long term of years even at \$40 per \$1000 on the present valuation.

Again, this ground rent or single tax would be the prior lien upon the land. It must be advanced year by year in cash. It follows that a single tax title could be no security for raising money upon a mortgage; that is to say, no security that prudent trustees or managers of savings banks could possibly lend money upon.

Think of it a moment. A lot worth two thousand dollars (\$2,000) today, on which a man might now put a house costing three thousand dollars (\$3,000), borrowing half the money or twenty-five hundred dollars (\$2,500). Suppose the single tax on that land advanced five-fold in five or ten years. The house then becomes unfit for the land. The possessor cannot afford to build another, hence the mortgagee would be obliged to take possession, remove the unfit house and put up buildings consistent with the advanced rate of the single tax. What would be the effect of these conditions? Who would lend or who would build on such a title?

According to my comprehension of the facts, nobody but very rich men could afford to take a single-tax title to any lot of land anywhere. Instead of helping poor men to become the possessors of their homes, it would make it excessively dangerous for a poor man to