

## WHAT WILL HAPPEN UNDER THE SINGLE TAX? THE TEACHING OF MODERN INSTANCES.

*(For the Review.)*

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In discussing this theme one is very apt to allow the spirit of enthusiasm such extensive premises to play in that often the case we are aiming to elucidate is far from being clear or persuasive in argument.

In this brief article there are a few pointed questions advanced which to my mind have been satisfactorily answered, but which to others perhaps are still unanswered. In a simple way, though claiming no superior knowledge of the subject, I should like to state those questions uppermost in mind and in my own way give the answers as my judgment dictates.

We are frequently asked this general question: in what way will the Single Tax on land values increase the wages of labor, open fields for employment, advance interest on capital, promote business and coincidently what will be the effect upon the market value of land?

As an answer generally to the questions stated and implied may I be permitted to give my own impressions as to the probable outcome of a Single Tax law.

Suppose for instance, a community—a city or a town, passes an ordinance in which it clearly states that hereafter all taxes will be confined to land values, irrespective of buildings, merchandise, personality, incomes or other evidences of wealth. Here of course, we have a drastic step which, by the way, is one hardly to be contemplated by any large community all at once. Nevertheless, we will assume that the community has arrived at the point wherein it decides to raise all its revenue from land values.

Before finally imposing the assessment it is found necessary by a simple calculation to increase the rate in the dollar sufficiently at least to produce the entire revenue required.

That this can be done easily enough it is sufficient to say that close upon one hundred communities in New Zealand, not to mention scores of them in Canada, have already adjusted their tax methods along similar lines. The first and almost immediate effects of such a policy—taxing land values only—is the intimation by way of a tax bill to holders of unimproved and partly improved land, of an increase, much more than they anticipated.

This same tax bill likewise prompts several proposals worthy of consideration, two proposals at least appearing foremost, either one of which will surely be adopted by the wise. The first suggests improving the land so that it will be revenue producing. The second suggests selling out or exchanging with some one who will or can make profitable use of it. In any event there is sure to be evidence of something doing.

In the citation above we are only showing partial possibilities of what the

land values tax will do, and to prove that this is no mere supposition of what it will do we need only refer to the official records of New Zealand, New South Wales, Australia, also British Columbia and Alberta, provinces in Canada.

It must be apparent therefore, that the land value tax makes things or rather makes men "get busy" in fact and in earnest.

Now let us briefly consider the effect of the two proposals together which the tax bill prompts, namely, to make better use of the lot, whether by an addition or an improvement of premises standing or, if the lot be a vacant one, by constructing a suitable building upon it, or to sell out to someone who is prepared to improve.

The practical result following will be apparent and may be summarized thus:

Architects are commissioned to draw plans, builders are employed who in turn place orders for material with the brick makers, stone dealers, lumber mills, mortar, cement and lime dealers and other supply men. Artisans and laborers in all the various trades are employed; in fact owing to the demand for the many materials required in the construction of this building a small army of the unemployed is at once placated.

To fortify the position taken which however, is no dream, let me state for the information of the incredulous that, when the town of Hyattsville, Md., in 1892-3, under an ordinance, abolished taxes on personal property and improvements the experiment practically proved that during the period referred to (1) more buildings and improvements were erected for which permits were granted than during the two and one-half years since the forced abandonment of the new system.

(2) The manifest effects of the new system was to discourage speculation in land.

For even stronger proof we can again refer to the records of New Zealand.

The other effects to which I shall refer and which the second proposal prompts action is that more land is thrown on the market for sale, and necessarily it must come into competition with other salable land; hence the result is a general decline in the value of land and that means cheaper land. Being more easily obtainable than heretofore, it is natural to think that men of enterprise well avail themselves of the chances offered to invest their capital to good advantage whether in manufacturing, building, mining or other pursuits.

In a hundred ways are the possibilities great for the man who has capital to lend and for the man who has his labor to sell.

The very fact of its being known that all industry or enterprise in every form is exempt from the former burdensome taxes acts directly as an encouragement and an aid toward doing what is in the interest of the individual and the community as a whole.

Surely then, if oppressive tax laws hinder and stifle industry and all that lies behind it, as records everywhere prove, the contrary result can fairly and reasonably be expected, when saner methods of administrating tax laws are put in force?

When land becomes cheap or is more easily to secure owing to the specu-

lative value being squeezed out of it, the usual result is that men of large and small means conclude to build for themselves homes or factories, and thereby cease paying rent as heretofore.

The saving made on the amount between what the lot originally was worth and what it is now secured at, can be used in erecting a better structure or in a larger plant, or in furnishings. In any event little or no capital now goes for the purchase of land.

Here we may observe also, the tendency toward reduced rents for residence buildings because of the increased number now available for possible tenants to chose from.

There may happen to be individuals so circumstanced because of some misfortune, who find it inopportune to build or purchase homes for themselves. There now arises, as I have intimated, the advantage which the new conditions of things afford of getting for less rent a better or more commodious dwelling and perhaps at a cost not greater than it would be to build and maintain charges incident to carrying such.

In this discussion note also the almost immediate effect on the conditions of employment generally, the uplift socially of the many who are living from hand to mouth. Will not all men who are imbued with the industrial spirit, will not all families who are now insufficiently fed, clothed and housed thrive better economically, socially and morally, as a consequence of bettered conditions?

If it is reasonable to believe that the Single Tax on land values can as it certainly will, stimulate land owners to be other than mere speculators or ground-rent collectors, it is also reasonable to believe that the capitalist, the business man, the clerk, artisan and unskilled laborers generally will take advantage of the unlimited opportunities offered for (1) better and more productive investment of capital or savings; (2) extension of business plants to meet the increased demand for articles of commerce; (3) constant and more remunerative employment; (4) erection of more suitable homes, thus meeting the wants of thousands who have been living in apartments or in other undesirable ways.

Then, too, observe the probable effects upon those familiar institutions, the orphan home, industrial refuge, houses of correction, insane asylums, the prisons, etc., will not the need for them be diminished greatly under freer and better economic conditions? The effect of applying what is essentially the only just and equitable tax, *i.e.*, the Single Tax, will be so far reaching that it seems a waste of effort to seek any real solution of our social problems by adopting more palliative measures.

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GOD has not condemned the workers to poverty; society does that.