Can the Single Tax Be Passed On?

PRIZE WINNING ESSAY

FRANKLY we are disappointed in the character of the 300 word essays submitted on the question suggested in our last issue, "Can the Single Tax Be Passed On?"

A score of essays have been submitted. Many of these ignore the purpose of the inquiry; others are very carelessly written and include wholly extraneous sentences.

The fact is, Single Taxers have fallen into the use of a terminology that, while correct enough, is foreign to current methods of thought. When asked to express themselves in other language—one "comprehended of the people"—they flounder like fish in strange waters.

Five of the essays, however, demand attention. It was not easy for the committee, Messrs. Geiger, Macy and Miller, to make a selection from these. The five especially deserving of consideration are those submitted by Thomas W. Mitchell, Wm. Wallace Childs and Walter Campbell, all of Washington, D. C., Henry S. Ford, of Camden, N. J. and Joseph P. Fern, of Scammon, Kansas. It is curious that three of the five essays seriously considered come from Washington.

It was not easy to make a decision from these five, but it seemed to the committee that the award should be given to the first named, which is published herewith.

By THOMAS W. MITCHELL

A tax on land values or on the economic rent of land will not cause an increase in land rents because the landlord is already collecting as rent the full market value of the economic services rendered by his land and therefore the tax cannot be passed on to the tenant and to the purchaser of the products of land.

The money rental of land depends upon the relation between the supply of and the demand for land service, just as the price of any other service or of any commodity depends upon the relation between demand and supply. The imposition of a tax on land value or land rent will not in itself add to or subtract from the available supply of land service one iota, nor will it add one iota to the demand. The supply of land and land service is the same whether there is or is not the tax; for these are not among the *produced* commodities. Likewise, the need for the products of land, and therefore for land service, is the same. Were land a produced commodity like pen knives, the imposition of a tax that made the production less profitable might discourage investment in the means of producing it, reduce the volume of its production and increase the market price of its service and of the land itself. As conditions exist, this cannot happen unless landlords in their ignorance are not already collecting as much rent as they could.

The market value of the land itself is the capitalized value of the expected future rental, or of that portion of it that the landlord expects to be able to keep for himself. The effect of a tax taking a part of this rental is to *decrease* the market value of the land. If *all* the rental could be taken by the government, the market value of the land itself would be reduced practically to *nil*.