

THE FORMULA OF THE SINGLE TAX

LAST week we made editorial reference to the erroneous notion that this paper is a propagandist organization for the single tax. We are now prompted to go further, and say a few words about the single tax itself. It is a rather remarkable thing that among the many who have written letters to us on the subject at one time and another, so few seem to know what the single tax is. For example, a university professor of high standing and reputation once wrote us about "the operation of the single tax in Northwestern Canada." The fact is that the single tax, or any thing like it, was never in operation anywhere in Canada. Others again, appear to think that the single tax and socialism are virtually the same thing, or that the single tax is a sort of American or Burbanke variant of socialism, and that it was invented about thirty years ago, by Henry George! Others, like the correspondent whom we mentioned last week—men who ought to know better—speak of it flippantly, as one might speak of some new-fangled fad that serve momentarily as a rallying-point for Mr. Roosevelt's "lunatic fringe." These, unfortunately, show themselves mere echoes of the vulgar and meretricious type of journalist who, when he is unable to discredit a doctrine by argument and yet must somehow do his best to make it unpopular, resorts to ridicule.

When discussing economics, we have often, in our innocence, spoken respectfully of the single tax, quite as we would speak respectfully of Grimm's law if we were discussing a point in philology, or of Newton's formula if we were discussing a point in physics and for the same reason. We supposed that nothing more was necessary; we assumed that our reader knew as well as we do what the single tax is and what it would accomplish; and hence that it would be a superfluity, not to say an impertinence, for us to pretend to enlighten them by dragging through a category of elementary definitions. Our correspondence has been a little discouraging to this assumption, however; so we think it might perhaps be to the purpose if we should show what the single tax is and what the major results of its operation would be.

So far from being American and new-fangled, the formula of the single tax is originally French, and it is about a hundred and fifty years old. It originates even to the name, *l'impôt unique*, in the school of economists known as the Physiocrats. This school was not made up of the lunatic fringe, by any means. Among them was Turgot, the greatest constructive statesman that France has produced; and with him were associated names like that of the elder Mirabeau, Gournay, Morellet, Mercier-Larivière, Quesnay and Dupont. This group founded the science of political economy; our readers will probably remember the eloquent tribute to them which we quoted not long ago from a private letter of M. Yves-Guyot. It was from this group that Mr. Jefferson learned his trade of statesmanship; he invited one of them, Dupont de Nemours, to come to this country to plan and organize a national system of education. Mr. Jefferson's

project could not be carried out, but nevertheless Dupont came, and his descendants, curiously, drifted into the gunpowder-business and have now become prosperous in that pursuit. Thus it will be perceived, probably, that this parentage of the single-tax tenets is as respectable as any.

The Physiocrats did not launch a theory; they did not formulate a mere body of opinion. Far from it; they discovered a formula in economics, just as Newton did in physics. The formula of the single tax is as precisely a formula, and as precisely not a theory, as Newton's formula that mutual action between masses of matter varies directly as the mass and inversely as the square of the distance. It is of the utmost importance to bear this in mind. The formula of the single tax is as universal, invariable and inevitable as any other formula arising from observation and experiment in the realm of natural law. One of the best expositions of this formula is to be found in the *Encyclopaedia Britannica*, and we accordingly lift it:

Private ownership of land has no more foundation in morality or reason than private ownership in air or sunlight. But the private occupancy and use of land are right and indispensable. Any attempt to divide land into equal shares is impossible and undesirable. Land should be, and practically is now, divided for private use in parcels among those who will pay the highest price for the use of each parcel. This price is now paid to some persons annually, and it is called rent. By applying the rent of land, exclusive of all improvements, to the equal benefit of the whole community, absolute justice would be done to all. As rent is always more than sufficient to defray all necessary expenses of government, those expenses should be met by a tax upon rent alone. . . . Obviously this would involve absolute free trade, since all taxes on imports, manufactures, successions, documents, personal property, buildings or improvements would disappear. Nothing made by man would be taxed at all. The right of private property in all things made by man would thus be absolute, for the owner of such things could not be divested of his property, without full compensation, even upon the pretence of taxation.

The foregoing is incontrovertible because it is the simple statement of a natural law; and it has never been controverted. Mr. Henry George wrote an elaborate treatise on the single tax, under the title "*Progress and Poverty*"; and in the preface to the last edition, he said what as far as we know has never been said of any other book, namely: that no objection or criticism of any detail of it had yet appeared which is not anticipated and answered in the book itself. The reader may well consider this rather significant fact, and draw his own conclusions. Indeed, attempts at refutation, we are bound to say, have been few, perfunctory and half-hearted; and this is especially true of those references to the single tax which one finds in academic treatises on economics. A great English publicist once said that if the law of gravitation ever involved a property-interest, there would be found plenty of persons to dispute and deny it; and this holds true, most naturally, of the

formula of the single tax. Hence the journalist of the meaner sort kites his refuge in ridicule, and the liberal takes an even more ignoble refuge in silence.

The single tax, then, is a tax upon the site-value of land; not upon its use-value or its superficial content. All other forms of taxation, direct or indirect, are abolished. There is no tax upon industry or the products of industry, i.e., upon wealth, or, specifically, upon that portion of wealth which is used to facilitate the production of more wealth, i.e., capital; or, again specifically, upon labour. There is no tax of any kind upon enterprise. Among the results of the operation of the single tax are the following, which seem to us especially desirable at the present time:

An immense stimulation of industry and commerce.

An automatic and permanent resolution of the relations between labour and capital.

An automatic and permanent regulation of credit. What is credit? It is a device for facilitating the exchange of wealth. But where does all wealth come from but from the land, produced therefrom by the common enterprise of labour and capital. Hence if the source of wealth be freed from monopoly-control, and the exchange of wealth be freed likewise, any device or convenience for facilitating this exchange could not possibly be improperly controlled.

An automatic, permanent and satisfactory regulation of public service utilities, e. g., the railways.

The disappearance of what is known as the housing-problem.

These things strike us, we say, as peculiarly interesting and desirable at this time; and because they so impress us, we have frequently spoken of the single tax as we would speak of any effective means of bringing any desirable thing to pass. We do not feel called upon to explain the flow of these results from the operation of the single tax; for two reasons. First, the subject has a literature, by no means recondite, and as long as our readers have access to this, we could not justify our use of space in rehearsing what can be found there. Second, under the circumstances which we have just recounted, the burden of proof, if proof be required, is upon those who are, for whatever reason, interested in maintaining the contrary. We should be immensely diverted if some of them would undertake to furnish this proof, especially if our brethren of the liberal persuasion would undertake it; but they will not, so we must join our readers in seeking amusement elsewhere.

But if our readers will bear in mind that the single tax is not an opinion or a theory, but a formula deduced from observing the operations of nature, they will see that it is supremely silly to consider us, or any one, a propagandist for it. Propaganda for an opinion or a theory or a policy, is understandable; but

propaganda for a formula is not. Propaganda for $x^3 + px = q$ or for $2 \times 2 = 4$, is manifestly inconceivable, and the suggestion that one is a propagandist in such premises is perhaps rather flat. Such formula are their own propagandists; they get themselves accepted by experience, and there is no other way of getting them accepted. Persons who reject them, like the circle-squarers and perpetual-motion fanatics—or in the present case, like the academic economists, political liberals and the lower order of journalists—may do so as they will, and by force of influence or example may lead others to do likewise; but the validity of the formula is in no wise impaired nor is its ultimate acceptance really much postponed. Why then, even if propaganda were admissible or were anything but sheer absurdity, should one who has anything better to do, take interest in it?