

By **HENRY L. TIDEMAN**

*Question*—Is it possible for a tax on land value alone to yield revenue sufficient for all the needs of government?

*Answer*—The people who ask this question should get together with those who worry about what the government would do with all the revenue that such a tax system would provide.

Much of the government spending is simple waste, witness the subsidies for which taxes must be levied upon all for the benefit of some. But this discussion will not be on that subject.

The real cost of government, like the cost of anything else, is the amount of labor that must be diverted to its administration plus the quantity of labor which must be performed to equip, house, feed and otherwise support the people engaged in it.

The increasing productivity due to material progress when the people are permitted to pursue their labors freely, makes it possible to divert more labor into government without necessarily reducing the prosperity of the producers.

Now, the product of the economic activity of the people divides automatically into two taxable funds, one is wages, the other rent.

Because the margin of cultivation fixes the minimum share of what is produced and reserved for wages, it tends to regulate the quantity which must be yielded for rent. By increasing the yield to labor on the margin of cultivation, material progress tends toward increasing wages.

However, it is to be noted, that most inventions and improved processes are suitable for use only in areas where concentrations of population enable intense cooperation, that is, where the wealth to be produced per worker is susceptible of the greatest increase. Therefore, if land monopoly be prevented, concurrent with increasing wages there arises an increase of rent—an increase of the natural source of public funds.

With land monopoly prevented by the taxation of land values and with the taxation of wages abolished, involuntary poverty and the fear of it will disappear, and the growth of government and its plentitude of controls now fostered by those evils will not long continue.

A people living prosperously upon untaxed and increasing wages can be depended upon to keep the tax wasters within the reasonable bounds of an ever increasing source of public funds.