

The Single Tax, An Address Before the Ministers of San Francisco at the Hall of the Young Men's Christian Association, February 6, 1890, by Henry George

I am going to talk a little while about the single tax. Let me in the first place explain what I mean by a "single tax." We mean but one tax, or rather, to speak more correctly, but one source of taxation; that public revenues shall be raised from one single source. That land values, not land, shall be taxed.

Now, in this we propose nothing new; the only new thing about the single tax today is the manner in which it is levied. In all our states, as in California, a tax is levied on land values in the tax on real estate; we simply abolish all other taxes now levied for the purpose of revenue, and abolish that part of the real-estate tax that falls upon buildings and improvements, leaving simply the tax upon land values alone. So, that if there be two men owning pieces of land of similar quality, one of whom has erected upon his land a factory and residence, a fine building, who has developed a farm; and the other holds his land vacant and idle, we tax them both alike. Not as we do today: tax a man who has built and made improvements.

That is the single tax. And our road to the single tax is perfectly clear and easy. We would have no great machinery to create, and it would add no additional complexity to government. Our road is simply that of abolishing other taxes one after another, and of course at the same time judiciously increasing the tax which we retain.

The single tax is no new thing. The first perceptions of men in all ages and in all countries have been that the value of land constituted a peculiarly fitting subject for the raising of public revenues. What we would do would be to go back, in a form adapted to our times, to the old usage of our people.

Prof. Thorold Rogers who has shed more light upon economic history of the Middle Ages of the English people than any other investigator, will tell you that five centuries ago, when all the arts of production were extremely rude, when war was almost the chronic state, when roads hardly existed, in their modern sense, when even such vegetables as the turnip, still less the potato, had been introduced, when even the breeds of domestic animals were poor: he will tell you that in the thirteenth century of England the condition of the lower classes of the people was better than now; that there was no man in those times who could not make a living, who could not live in rude plenty, that at least gave him the necessities of life; that no contingency, save those inevitable ones of sickness and death, could prevent him from getting a living for himself and for his family.

Five centuries have passed. Just consider what that means! Five centuries have advanced; in England today Prof. Thorold Rogers will tell you millions of the English people are in a far worse and far more hopeless condition than they.

How were the public revenues raised at that time? Rudely and roughly from the value of land; to the possession of land, that annexed duties and responsibilities. One portion of the land was the Crown's land; that maintained the expenses of the reigning family: those expenses now borne by the civil government. Another portion was the military; that supported the army and navy. England with all her wars did not have any public debt at that time. A third portion of the lands were Church lands; they maintained the expense of public worship, the maintenance of the sick, and such education as was then cried on. The fourth portion of the lands, relics of which you may see in all the old towns of England today, are the Commons. They were free to all the people; on which they could pasture their stock, from which they could cut wood; on which they could put a house.

What I propose is no new thing, but going back to a form adopted in earlier times, but applying it in a manner suited to our present condition. There is no new social truth. What is truth always must have been truth, times change, circumstances differ, but the eternal laws of God always remain.

It is of the first perceptions of men that we are all here with equal rights to the bounty of the Creator. Take the Mosaic Law in a form adapted to that time; there ran through it the design of giving to everyone a foothold, an opportunity to live, an opportunity to work. By the Mosaic Code land was distributed among the families, and each family shared its possession. But the institutions of the Jews: that road would not be adapted to this advanced civilization, with its great cities, its changing centers, with its complexity in all the branches of production; we could not secure substantial equality in that way. But if it be a right thing, if it be a just thing that every human being born into the world should have a fair and equal opportunity to live its life, to develop its powers; if He who made this world be wise and just, then no matter how times may change, no matter how circumstances may differ, there must be some way of doing social justice.

We who call ourselves "single-tax men" believe the way, is the one I have indicated—simply to abolish all taxes

that rest upon industry, that check the production and the accumulation of wealth, and taking for public needs from that value that attaches to land by reason of the growth and progress of the whole community; that represents not what the individual has done, not the exertions of individual powers, but the growth and improvement of the whole community.

I am always glad to address Christian ministers. If you will let me say frankly, I believe today that the weakness of our religion is that it has been running along, so to speak, on one leg; that the idea brought out so forcibly and which runs through all the Old Testament that the Almighty as the God of the present as well as the future world; that this world is His world just as much as the future world. We send missionaries to the heathen, and yet go into the very centers of our Christian civilization, into the very cities where immense amounts of money are raised for the conversion of the heathen, and there you will find sights that appall the savage.

Go to New York and you find doormats, worth hardly fifty cents, chained to the steps. Go to London, and every lower window is barred. You know the old story about the man who journeyed alone through the wilderness, and at last one says: "There is a gallows; thank God we are reaching civilization." Today look at our paupers and our criminal classes; there are no such classes among the savages. There is want and famine among savage tribes, but it is only when food is scarce; but in the richest cities of the world, in London, in New York, there is chronic starvation.

Now, what is the cause of this? I need not tell any Christian minister that today in our very wealthiest communities there is undeserved want; you know from your own experience, you know from going among the poor, you to whom people go with their troubles, you know that right in the heart of all our centers of wealth there is hard, biting, degrading poverty. You know, too, that there is more than physical suffering.

We are far from saying that ease in this life, that the possession of the goods of this world are the highest of all things. The highest thing is character, truth, honesty, and brotherly love. Look at our society today; see the greed that runs all through it; see the vice and crime: born of what? Why, in many cases born of want, born of the fear of want. Ought this to be? I think the feeling must rise in any man's breast, if he really looks about him, if he realizes how bitter and degrading and demoralizing are the conditions under which men and women exist, that no good man if he had the power would have made such a world.

And it seems to me, if one will really think of it, that it a blasphemy worse than atheism to directly or indirectly declare that social conditions today are conditions that God intended. We hold they are not. We hold there is in this world by His provision, enough and to spare for all; that He is no niggard; He has furnished enough for all mankind; that there is today no need for a voluntary poverty; that the sluggard should be poor is all right; that is in accordance with natural law, with the law of God. "By the sweat of thy brow shalt thou earn thy bread." Naturally, all wealth is produced by the exertion of labor. There are great masses of men who only get a poor and scanty living; by such constant toil that no opportunity is allowed for the development of the higher nature. That great bodies of them should by hard work only be able to earn a poor living is utterly unnatural.

Now I am going to talk to you about the single tax; I am going to talk to an assemblage of clergymen about a matter of taxation. At the bottom of this subject lies a religious question and religious feeling. This matter of taxation is something that should engage the attention of the teachers of religion. If this be God's world, if it have an intelligent Creator, its laws are His laws, and the social laws are as truly the laws of God as are the physical laws. No matter how much as may differ, we can discover nothing that he has not put there to be discovered. No matter how far we may invent, we can invent nothing that is not under and in accordance with His providence. Our telephones, our railroads, our coming inventions do no take us beyond His law; cannot take us out of the foreordained order.

Civilization is evidently the natural destiny of man, the intended way of his development. That man should become civilized: that is to say, they should learn to live in civility with each other, to work together, to live together, is obviously the intended way of man's advancement.

We today so far as physical structure or mental powers are concerned are no further advanced, so far as we can see, than the first man.

All human progress is not the progress of the individual, but a progress of society. When men are isolated, when they must live apart from each other and without cooperation, then they are hardly higher than the brute; but as they come together, as they learn to live together and to work together, as trade binds them into larger and larger circles, the combination of labor goes on, and that capital which accumulates, the inventions that are brought forth, that energy that is stored up being in physical form is not superior to the animals, but by the development of his higher powers man rises to be the very roof and crown of things; to be the king of the animals, and to bring even the elements to suit his purpose.

Now, if civilization is in accordance with the laws of God, then taxation public revenues must needs be raised, in conformity with His laws. In a savage state no public revenues are required; but as civilization goes on, as men come

closer and closer together; as the little hamlet grows into the village, and the village into the city, the necessity for public revenues rises and expands; there grows more and more public wants that require larger and larger public revenues.

Now, there is a right way and wrong way to do everything. I can say confidently that He who created me intended me to walk on my feet, and not upon my hands; I walk easily on my feet; I can walk only clumsily and a little distance on my hands; I walk on my feet and all my organs have full play; if I walk on my hands I am in an unnatural position, and my organs have not full play, and disease would soon be engendered.

There must be a right way and a wrong way, therefore, to raise public revenues, if there be any analogy between the social organism and the physical organism, and the social laws as well as the physical laws be the laws of God. Look where you will through physical Nature, and you may see the proofs of intelligence; the intelligent adaptation of means to ends; how all things have their natural wants supplied, a natural gratification. From the moment the child comes into the world there comes into the breast of the mother its appointed nutriment. Can it be that the progress and growth of society, the wants arising in the social organism can have no appointed supply?

In the savage state there is no need of public revenues; in a savage state no value whatever attaches to land. As men begin to come together in centers rudimentary social wants arise, and then you find a value to attach to land. As that process goes on, as the village grows into a city, what is the value that you find growing?—the value of land—that is the one value that increases as civilization increases.

My friend here, Mr Merrill, I know is an old resident of San Francisco. When you came here first the value of things produced by human labor was much higher than now. As the city has grown the value of buildings, of clothing, of furniture has decreased; what value had increased?—the value of land. To these barren sandhills enormous values have attached. That you see all over the world. The value of things of human production tend to decrease by improvements in the arts of production, but the value of land steadily mounts. To our minds there is the growing supply for the growing **need just** as clearly in accordance with the divine law as is that supply which comes into the mother's breast when a child is born into the world.

Now, consider clearly what this value is. Here is this building that belongs to the Young Men's Christian Association, and also the lot on which it stands. The building has a certain value and the lot a certain value; what is the value of the building? It is a value created by individual labor. They who put together the stone, the brick, who made them from their elements, who brought them to this place and formed this building, brought forth a value; but it is a value which tends steadily to decrease with time. This house is not as valuable as when it was built; every year, in spite of the labor expended upon it, its value will diminish. But the value of the ground in this growing and improving community tends to increase. A building would have as great value, if erected to suit any purpose, in a locality where there was only a few people; just as valuable in a city of 1,000 as in a city of 200,000 people, but the land would not.

Every family that settles here, every child born here, every public improvement, tends to add value to the land. A man goes out in the country and builds a house, plants a vineyard or an orchard, he creates a value, but it is a value based on labor. Let a fire sweep over that place, and all that is produced by individual exertion is destroyed, and no value remains attaching to land. But go into a great city and let a building be destroyed, and there will remain a great value attaching to the land on which it stood. At Johnstown where the waters were hurled into great billows, and carried off everything that man had put upon the surface, there still remained an enormous value attaching to the very land.

Now, that value ought to be taken for public revenues, and not the value that attaches to things that individuals produce, is obvious in any way we look at it. In the matter of expediency: is it not stupid to tax the very things we want more of? When a country grows in wealth, in what does that wealth consist? We say today that California is very much richer than it was in the time of the Mexican occupation. San Francisco contains enormously more wealth. What do we mean? More houses, more buildings, more clothing, more dry goods, more of all those things which are the product of human exertion.

Now, we all want an increasing wealth; we call that country prosperous that is increasing most in wealth. Therefore, is it not clearly inconsistent that we should tax wealth? As a matter of justice—there is a sacred right of property. The command: "Thou shalt not steal" was not simply written upon stone, it is written upon the very constitution of the world in which we live; upon the observance and a regard for the rights of property, all civilization must depend.

What is the right of property? There are no degrees in it; if a thing rightfully belongs to me, it is wholly and fully

mine. What is the foundation of the right of property? It is perfectly clear; no one will pretend to give any other genesis. The right of ownership to a particular thing rests in the last analysis upon the labor of production, of bringing it forth. We sometimes speak of labor creating wealth; when we do we use words loosely. Man is not a creator. Only God creates. Man is merely a producer, one who changes things, either in place or in combination—the things he already finds in existence. We produce coal by bringing it up to the surface of the earth; we produce cloth by bringing together various fibers, we produce houses by bringing together and combining various materials. And so all through we are only changing things we find about us.

Now, the man who produces a thing has a right to it as against all the world. A savage would recognize this: that if a man goes and takes down the branches of trees and makes him a hut, that hut is his. There is a sacred right that attaches to all the products of industry. We violate that right of property by our taxation today. Let a man be industrious and thrifty, let him produce and accumulate wealth, and what results? Down comes the tax gatherer and taxes him on his wealth, and says virtually, because you have been industrious and thrifty you have got to pay so much of it to the community.

If a man comes here to San Francisco and erects a factory, certainly that factory ought to belong to him; but down comes the tax gatherer to demand a certain portion of it. A farmer may go upon the desert, and he plants and improves and builds upon it, down comes the tax collector to demand a portion of the results of his labor. We say that is a violation of the sacred right of property; that if a thing belongs to a man it ought to belong to him wholly, and if the things produced by human exertion do belong to their producers, and can be by them transferred with a valid title by sale, by law or by bequest, then it is wise for the community to leave to the individual all the products of individual energy or industry, because they are the natural and intended rewards of labor, and it is only a matter of simple justice.

Therefore, we would abolish all taxation upon wealth in all its forms, and would leave to the individual all that his energy produces. We would not say to any man: "You are too rich," provided he obtains his wealth by honest effort; we would not take one penny or one iota from him.

But, on the other hand, this value that rises with civilization, that grows not as the result of individual exertion, but as the result of the growth of the community, that justly belongs to the community: It is a value that grows by the growth and improvement of the community itself, and it belongs to the community, and ought as a matter of justice and of expediency to be taken for the use of the community. This we believe is the appointed way; this is the natural order, or the divine scheme; this is the intended supply for these needs that grow with the growth of civilization. Test it in any way and you may see that it is.

Look at it from the moral side. This we will agree to, that the highest qualities are the moral ones: truth, honesty, respect for law. What do our taxes do?—the taxes that we should abolish. They act as fines upon conscience; they act as premiums for lying, for perjury, for evasion. Anything that does that must be wrong; anything that does that must be opposed to the intended way, to the divine order. Look at our tariff taxes; how they foster perjury and lying; see how the custom-house oath all over the world is a byword. See how it fosters bribery and corruption. They are taxes on conscience; they are taxes that give an unscrupulous man an advantage over the scrupulous.

Come down to the taxes that are directly levied all over this country. We try to tax all property. Here in California you are trying to tax all property. I heard today from a lawyer who defended her case, of a poor widow, the wife of a man who lost his life as a member of the fire department, fighting a conflagration, who was taxed seventy cents upon her sewing machine, and being unable to pay that, it ran up with costs to \$3.00 and they were about to take it away from her. But is it really more shame than if you tax those sewing machines in the hands of the rich manufacturer?

You try to tax capitalists, but if you tax capital it simply walks out from under the tax; the tax falls upon the user. You tax the rich proprietors of the sewing-machine factory, and the tax is added to the cost of the machines, to be paid at length by the person who uses it. You tax sugar, and it falls upon the poor sewing girl who sweetens her cup of tea with a lump of sugar. Look all over this country, do we tax men upon their wealth? The widow and the orphan and the man of very little means may pay their full proportion of taxes, but the rich men simply walk out. Trying to tax men on their wealth is productive of evasion, and all forms of lying, perjury, fraud, and corruption.

Is not that enough to condemn those taxes? And it must be so. I don't hold that the rich men who thus evade taxes are worse than other men; we all naturally evade taxes of that kind. The people who believe in protection: I have seen them crossing the Atlantic, but I never saw one of them who wouldn't smuggle if he got a chance. I don't think they hurt their consciences much, because they naturally feel, no matter what their theories about protection may be, that the custom-house official is in reality no better than a pirate or highwayman. If a man goes to Europe and brings back a silk dress for his wife, and here comes along a custom-house officer and demands half the value of that silk dress he naturally resists it. So it is with our rich men. The only reason that they do worse than the poor man, it is because they

have more objects; a poor man pays a small tax because it is not worth fighting about.

You will also recognize this truth that those taxes promote evasion, that they offer premiums for dishonesty, and for false swearing, and this, if no other reason, is sufficient cause for condemnation.

There is this thing about land—it cannot be hid or concealed; there it is; what is it?—the surface of the earth. You cannot cover it up, but everybody knows it is there. And its value can be determined with more certainty than any other value. Therefore, the taxation of land values gives the least temptation to fraud and corruption, because there is less opportunity for evasion. It can be collected with a minimum of cost and maximum certainty. It can be taken without hampering production, without taking from the individual anything that belongs to the individual, and without nosing around and inquiring into people's private affairs; without making them take oaths, and then opening their trunks and satchels to find whether they took a false oath or not. It can be collected with only a tithe of the number of officers that we have today.

It is a value that belongs entirely to the community, and without discouraging anything that adds to the wealth of the community. Aye, and the culminating proof that this is the intended source of taxation, is that it prevents the direct social disease, and it must be taken in order to prevent a speculation that will inevitably produce want in the midst of plenty, and create artificial scarcity where the Creator has given in abundance.

Our daily prayer is the prayer the Master taught his disciples: "Give us this day our daily bread." How does God give us bread? He don't rain it down from heaven. The bread that satisfies our material wants does not grow; we have to work for it, and for all the material supplies. Men sit down around a well-filled board and they thank God for His bounty. Now the plates, the tumblers, the cooked food, they are not God's bounty in the sense of having produced them in that shape. What God has done, and all that He does, is to give the raw material; His part in supplying man is simply to give man the material universe, access to it, and then it devolves upon man the labor of producing it; that is to say, adapting these natural things to the uses intended by God.

Today there is poverty all over this country right in the midst of great wealth, right in the midst of what we call a Christian civilization. What is the reason? Is it because God has not given us bread enough? That part which He furnishes, is it not given and does it not exist in abundance? Is there a country in the world where population has really got ahead of natural resources? Is it so in this country? Is our land all used? Are our mines all worked out?

Why, we are only yet a comparatively few 67 millions scattered over a territory that ought to support a thousand million, and yet it seems almost as if there were too many people. There are people suffering for the very needs of material life. Is it the fault of the Creator? His opportunities lie on every hand; we do not know how deep they may go, or how great they may be. We simply know this: That as man advances he needs more and more, and greater opportunities are opened; that no matter how you may use numbers, no matter what the extent of population may be, we can never decrease the material supply.

According to the law of the conservation of energy there can be no matter destroyed. We are consumers, but not in the sense of destroyers; what we take from God's earth for our temporary use, is from that moment on its way back to the natural reservoirs again, and we can no more destroy it than we can light. We, ourselves, are simply a changing form of matter, a passing phase of motion; our bodies are going back as we use them, to the elements again.

What, then, is the reason that there is scarcity and poverty? Not that there is too little of the natural resources; not that God did not make enough land for the people He called to live on the land, but simply because our land is monopolized; simply that though it is not all used, it is all fenced in. What is the cause of that? It comes from our system of taxation. Look at it; try it by different tests, and the longer you look, the more clearly will you see that in the law of rents, the law by which as population grows and public improvements grow and value attaches to land that this is the natural source of supply for the public revenues. We cannot abolish land values. Individual possession of land is absolutely necessary for the best use of land—we would destroy civilization by trying to destroy it.

By trying to destroy rent, by enacting laws to that end, by any sort of no-rent manifestos, by regulating or restricting the amount of land a person could hold, we could not destroy rent; it must go to somebody; it was intended to go to the community for the use of the community, and by not taking it for the use of the community, by leaving it to the individual who holds land, what do we do? We give everywhere an impetus to speculation—the worst form of gambling. Everywhere throughout the United States where there is a promise of population increasing, there you may see men going to get land, not that they want to use it, but simply to hold it, so that it will bring them a great value without any exertion or labor on their part. That is the reason that there is no real improvement in the condition of the poorest classes.

The remedy is the simple road of putting all men on a basis of equality with regard to the bounty of the Creator, and that is the only true equality. If one man is stronger, if he is more thoughtful than another, he ought to have those

natural rewards which arise from possessing those qualities. But if we are the equal children of the Creator we have an equal right to all the opportunities, or the use of them, that He has provided for us.

Now, it is impossible to divide up everything equally; we cannot divide land so that each one shall have an equal share in this stage of civilization, and if we should it would constantly tend to inequality. But we can by taking the premium that attaches to the use of the better land, by taking the value that grows with the growth of the community (that value that John Stuart Mill calls the “unearned increment”), we can put all men on an equal plane of natural opportunity; we can take away the stimulus of forestalling and for speculation; we can make the man who makes no use of any special piece of land pay the same as the man who makes use of land.

This great law is a thing that has assured me beyond any peradventure, has put me upon a rock that cannot be shaken, that the intelligence that we must know lies back of all that we can see, is a beneficent one. In the physical laws we can see power, we can behold intelligence, but we cannot always see beneficence. In this law we can see beneficence; that all these monstrous evils that may be seen today in the very heart of what we call Christian civilization, are not because of the laws of the Creator; they exist because of our violation of it.

Political economy, search it as you may, can teach nothing that is not involved in those simple maxims which were taught by the Sea of Galilee by him who spoke as man never spoke, and to whom the common people listened gladly. If we will carry this truth into our institutions, into our laws; if we would try to so frame our laws that all men should be treated on the principle of doing unto others as you would be done by; if the simple maxim of the Golden Rule was followed, we would accord to all equal rights to land, and advance civilization. Instead of advancing the means to produce more inequality, we would open the way to still greater and greater equality.

As civilization goes on, as inventions are made, as people get closer and closer together, as trade increases, we see the great value growing up and attaching to land, a value that can be taken for the use of the whole community. What does that mean? That the interests of the citizen, of the individual as a member of the community, are steadily growing with the advance of civilization; that here is a certain and constantly increasing fund that may be taken without lessening the natural reward of private industry. All the necessary expenses of carrying on the government can be provided, and many things done that we have not yet attempted. Why, look at the bequests of James Lick; the magnificent telescope yonder on Mount Hamilton, and these fine buildings in San Francisco. Where did that come from? From the little portion of the unearned increment that attached to land here in San Francisco by the growth of population, to which we all contributed as much as James Lick.

If the whole had been taken what might we not do? We could leave all in perfect freedom to work and produce as much as they pleased. By throwing open our gates to the commerce of all the world, and allowing trade between us and all the other nations of the globe to be as free and unrestricted as between the American states; by doing away with this business of nosing around and trying to find out how much a man is worth, only to take part of it away from him, we would see an immense change for the better.

I cannot picture it here, but if you will think of the possibilities of human production today, if you will consider the enormous forces that are wasted, then you may see clearly that there is no reason whatever for poverty; no reason whatever, that even if invention should stop where it is (and it has only begun), that by a very reasonable amount of work the poorest and humblest in the community ought to be able to get, not merely all the necessities of life, but all the comforts and all the reasonable luxuries of life as well. And that being the case this spirit of greed that now curses us, and that makes men trample on one another, that drives men to pursue wealth right up to the verge of the grave, bending every effort to speculate and accumulate what they cannot take away, would be gone; and that not a few, but all might have the leisure and the opportunity to develop the highest and noblest qualities they possess, not the poorest and the meanest.

[Questions and Answers]

Q.: I should like to ask Mr. George if his principles are not being accepted in the City of London within the last year, and to what extent?

In his answer Mr. George said a beginning had been made, and cited an instance where it was being put in practice.

Q.: How will this affect the farmer?

A.: It will enable the farmer to make a far better living. It will exempt him from taxation, which is now crushing him out. It will bring him into conditions which will make his life less dreary than it is, as he will have the advantage of closer society.

Q.: Suppose one man owns a hundred acres and cultivates it, and another man owns a hundred acres and does not

cultivate it, will his tax be the same?

A.: The income would not be taxed. The land would be taxed in the beginning, at least, upon its selling value. There would be no tax upon the production of labor. For instance, here is a man that holds 100 acres, and here is another holding the same amount of land, and both pieces of land are of the same value; one may get a large income from the land by working it, the other may get nothing at all, but allows it to remain idle; we would tax them both alike.

A.: Suppose they both do an equal amount of work, and one has an income of \$5,000, and the other only has an income of \$1,000, by reason of the difference of land; what would you do about that? .

A.: If one parcel of land was more valuable than the other, then the land having the greater value would have a higher tax.

Q. (by Mr. Cruzan): Mr. George, I suppose that most of us would assent to what you have said as to the value of this principle, and yet some of us may dissent from the method by which it is to be brought into operation. Some of my ministerial brethren have been more fortunate than I have; one of them has saved up \$2,000 and has put it out here in some land that is utterly unproductive: he is holding it for a rise, speculating, but this plan of yours comes in, and he is taxed for its full rental value, he can't improve it; it must be that he will lose that \$2,000. Will not this principle work an injustice?

A.: No. What gives it its value is the expectation that sometime he will be able to get by virtue of his ownership the products of labor without doing any labor. Now, if a man gets the proceeds of labor without doing any labor, an injustice is done to somebody, for the products of labor do not come without labor. Landownership produces nothing; it is only land users who produce. But you will say society has encouraged men to invest in this way; why bring this loss upon an individual?

Well, if we could do it quickly, in the twinkling of an eye, that individual would be really a gainer. Take your clergyman with his \$2,000 worth of land, from which he expects unearned increment, his greatest interests are not his landownership, but as a laborer, economically considered. The clergyman is a laborer; his labor is not productive of material wealth, it is true, but it is productive of something no less necessary, and which is higher in its nature. "Man cannot live by bread alone"; man is a spiritual being as well as a physical being; he has a soul as well as a body.

Now, the material interests of that clergyman depend upon the material interests of the community. Even supposing that he is provided for, there are the interests of his children. Who would not rather leave his children in a state of society where everyone could make a good living, where there was no danger of anyone falling into degrading charity, no fear of their being driven into vice and crime, because of such favorable circumstances, than to leave them with a few thousand dollars in a state of society like that of today.

Q.: That is what we would like to know; if the single tax would produce such a state of things?

A.: I have been trying to show you that it would produce that state of things by giving labor its natural reward; by taking for the community that which belongs to the community; by taking for the common needs of the community that value which arises with the growth of the community.

Q.: If the community taxes that value, how can it remain as wealth?

A.: The first value of land is an annual or rental value; it is that which gives all the basis to land values. For instance, the lot on which this building stands is valuable because for certain uses men will pay a premium upon it. Your land way out towards the ocean is valuable; it has a holding value today because of the expectancy that the growth of San Francisco will ere long enable its user to get some kind of a premium.

In the first place, we should tax the selling value; the selling value is the use value capitalized. By putting the tax upon that we the quicker crush out the speculative value and put an end to forestalling. By putting a tax upon the value of land, the selling value will disappear. For instance, land has today a use value, or an annual value of a thousand dollars; it ought to be worth, say, \$20,000, that would be its selling value. You take... \$500 and you have reduced the selling value to \$10,000; if you take the whole \$1,000, then you have no selling value at all; but it would have just as much use value. A user would pay \$1,000 for its use just as readily, and even more readily, when it falls into the hands of the community, of which he is a part, than if it went into the pocket of a private owner.

Q.: Here is a moneylender who has \$100,000 and owns no property, does he bare any share of the public burden?

A.: Do you mean, under the single tax would we tax him?

Q.: Yes, sir.

A.: No, we would not.

Q.: Nor wealthy corporations?

A.: No.

Q.: How is it just that a man who is a money lender and has no land, should bear no part of the public burden?

A.: He has his common right as a member of the community, he is part of the community, whose right it is to use this value that attaches to the land. You can't tax this moneylender; you tax the capital that he loans, and he simply adds it to his rate of interest, and you really tax the man who borrows it. It is a good thing for a community to have plenty of capital, but to tax capital is simply to drive it out, or make it more costly to those who use it.

Capital is the product of labor, and should be used for the purpose of producing more wealth. The product of labor belongs as a matter of right to the man who has legitimately entered into its possession, that is to say, has produced it or obtained it by sale or gift from those who did produce it.

To tax your moneylender, to tax your railroad corporations above the products of industry is to impair the right of property, is to diminish the very things you want to get; by taxing the value of land all men are equally taxed in the highest sense; that is to say, in proportion to the special advantage accorded them by the community.

Q.: Does not a railroad have an unearned increment which you would tax—the franchise?

A.: Where it has that it attaches to land and becomes valuable, then the tax on land values would fall on it. To my mind the real solution of the railroad question is this: it is one of those things constantly increasing with the growth of civilization, and there are public functions, functions which the whole ought to perform, and our railways should come just as much within the control of the community as do our roads or streets. Now, the single tax does not settle that; the Single Tax does not do everything, but is merely the fundamental reform that is to make the basis of society firm and true, and from it we can build upwards; it makes easier all true reforms.