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EDITORIAL

## TAX REFORM, SO-CALLED. {2}

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**I**N our last article upon this subject we saw that under the capitalist system Land and Capital were interchangeable by reason of the unearned increment of each, through monopoly. We saw, furthermore, that the unearned increment of Land bore a constantly decreasing proportion to the unearned increment of Capital. It may now be added that this tendency is accelerated by the growing application of machinery to Land: so that, in order to be a landowner, it is more and more necessary to be also a capitalist; from which it is easily deduced, if not immediately evident, that if the whole burden of taxation was cast upon the Land, access to the latter, instead of being made freer to the poor, would become more exclusively than ever the privilege of the wealthy. In other words, this method of taxation, hypocritically advocated by some in the name of the masses, is merely a scheme to throw the Land into the possession of fewer monopolists.

And right here we see at a glance how it happens that not only capitalists as such, but “presidents of real estate exchanges,” “concur” with Mr. David A. Wells in his so-called “principles.” A system of taxation so evidently calculated to compel transfers of land from small owners to great capitalists must naturally command the support of real estate brokers.

In this country we are very nearly on a single land tax basis—in fact, at least, if not in theory. Through a stupendous evasion of the present tax laws, connived at by officials under the thumb of Capital, personal property, which includes all kinds of property except real estate, is bearing an insignificant and constantly smaller portion of the public burden. True, buildings and other improvements of the land are taxed; but these, through wear and tear, naturally depreciate, or (what is practically identical) require

constant outlays of capital to preserve their value; so that, practically, the land itself bears a constantly higher proportion of the tax if the tax remains the same, and bears the whole of the increase if the tax is raised. The result of this practice, combined with the effects of machinery, is seen in the fact that in the older States of the Union—in those States where capitalism is most developed, such as New York and New England—the agricultural land, despite the increase of the area under cultivation, and despite the still greater increase of population, has now fewer owners than it had thirty years ago. As to city land, the concentration is no less active, and—for obvious reasons, which the requirements and workings of capitalism readily suggest—would continue under any system of taxation that might be devised.

What Mr. Wells and his fellow “reformers” actually propose is simply to legalize the practice of the past and so extend it that the comparatively insignificant portion of the public burden which capital has still to bear will be entirely lifted from its shoulders. It goes without saying that the tendency to concentration under the practice in question would be accelerated by the removal of the small check to which it is now subjected. Of course, this is precisely the object of the “public-spirited” capitalists and brokers who compose the Tax Reform Association.

As to their “principle” that the taxation of land is more {direct} than any other fiscal { . . . } incomes,—that is, on the fleecings of Labor, whether they consist of Rent or Interest, whether they accrue from Land or Capital. For this very reason, this is the very tax that is not imposed; and the strongest argument that is advanced against it by the capitalists themselves is the suggestive one of their own dishonesty. Through their most accredited mouthpieces—Mr. Wells, among others—they confess that they would not stop short of perjury and forgery in order to avoid the payment of an income tax.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.  
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