

The Theory of the Land Question, by George Raymond Geiger. New York: The Macmillan Company. 1936. Pp. 225. \$2.00.

This book was written as a challenge to the etiology of the land problem currently presented by the majority of present-day economists, and particularly land economists. The author has a penetrating familiarity with single tax or land value taxation theory and is the author of a previous book, *The Philosophy of Henry George*, pertinent to this topic. His field is philosophy rather than economics.

To the heterodoxy of modern economics the author offers this alternative: "The land question appears to offer a clue to that synthesis which had always haunted economic philosophers, i.e., a unified explanation that would reconcile the diverse appearances of injustice and inequality in all economic systems. . . . There is an overwhelming possibility that economic woes transcend any particular technology. If capitalistic and noncapitalistic regimes both succumb to the same ills, the suggestion inevitably presents itself that the etiology must investigate causes that underlie any specialized economic technique . . . the land question may contain a key indicating an identity and interconnection among what are ordinarily believed to be separate economic manifestations." pp. 216-17.

The lively style and pungent thrusts of the book give it a drive that few

discussions on land value taxation and single tax theory have possessed. The theses of the individual chapters are by no means unfamiliar.

Chapter I is an attempt to return to first principles that an advanced technology has in part hidden. Despite degrees of remoteness in dependence, all classes of society depend on land and all production starts from it. "Economic life is raised upon land as a pyramid on its base. Would it not seem plausible, then, that the frantic quest for economic remedies pay some attention to the land problem?" p. 14.

In the second chapter the argument is carried forward by making the point that "Just as with land value, rent arises gratuitously when demand forces into use marginal land or necessitates more intensive cultivation of superior land. Rent is determined by a process of relationship, and by nothing intrinsic such as cost of production. . . . Thus land rent is unearned because it is an income for which no service is contributed." pp. 52-53.

The thesis of the third chapter: that land and capital are deeply different, while centering on a raging economic controversy, appears to be a side issue if the thesis of the first chapter is accepted as established. If land rent is indeed unearned because it is income for which no service is contributed, the basis for land value taxation is established apart from any consideration as to whether land or capital arise from different sources and respond to different forces. This chapter, assuming its point established, does no more, therefore, than add a bit of weight to the points established in Chapter II.

In the fourth chapter dealing with the historical aspects of the land question a basis is found in a hurried review of the history of land tenure for the belief that "Those who own land control those who do not" and exploit them. "The decline of the manor and feudalism meant only, as someone has said, that the exploitation of subjugated peasants by the lords was now carried out not by means of forced labor but by making them into rent payers." p. 172.

In Chapter V the heart of the book is reached in the discussion of the socialization of land rent. Land value taxation accords elegantly with accepted canons of taxation. (1) ". . . Taxes on production are a drain on production. . . . Can this be said of land value taxation? Land value is not an industry-produced value. Its creation is not an automatic and gratuitous social act, and its disposition in terms of taxation can have no negative effect upon the processes that produce wealth. In fact, the tax on land values acts as a definite stimulant to production." p. 192. . . . (2) "But a land value tax rests upon the consumer as easily as it does upon the producer." p. 193. . . . (3) "Still a third test of taxation soundness is certainty. Now, all that can be mentioned in this connection is that land cannot be concealed and that its value can be determined with relative ease." p. 194.

Some attention also is paid to the evils of land speculation. The conclusion of the chapter and, in many respects of the book, are that, "Rent socialization through taxation seeks to adjust the distributive processes by channelizing the flow of social income into social repositories and by leaving inviolate private and earned income." p. 216.

Land value or single tax doctrine is an old one leading back to the physiocrats and enjoying a great revival in the day of Henry George. The doctrine has at times had great popularity and the writings of Henry

George were among the most widely translated of his time. The doctrine itself has as strong a theoretical foundation as most other socio-economic theories and probably arouses even less controversy than its great competitor in the field of social and economic reform, the Marxian thesis. Yet while Marxist doctrines have tremendous vitality and gain an enormous following land value taxation appears to be gaining little if any ground.

When one asks oneself why land value taxation translates itself so hesitantly into action programs, the real answer appears to be that it fails persistently to gain a great following. Among the great groups from which adherents might be drawn are (1) the laboring class, (2) the contrasting capitalist class, (3) the farmer, and (4) the intellectuals.

Why does not the single tax appeal to the laboring class? Professor Geiger himself, though not intentionally, supplies the answer to the question. The laborer's dependence upon land in an industrial and advanced technological civilization is obscured by the intricacies of modern social organization. The laborer feels that the distributive share to which he must constantly and desperately assert his claim is unearned profit of the capitalist rather than rent, and he is in no position to distinguish the difference between "capital" and "land capital." The schism between the laborer and the single taxer is made deeper also by the fact that the typical land value taxationist refuses wholeheartedly to join the current labor movements embodied in socialism and communism. Professor Geiger is careful to explain that land value taxation is a reform eminently suited for use within the structure of modern regulated capitalism. He states, "... it may be suggested that the socialization of land rent seems to afford an unusually neat compromise between the untenable extremes of both "individualism" and "socialism." The method of land value taxation offers something radically different from land nationalization or agrarian communism with which it is so often mistakenly associated." pp. 186-187. The socialists, indeed, feel far more kindly toward land value taxation than the capitalists and it is the land value taxationists that repel the socialists who would perhaps welcome them as allies if they would do, as do the socialists, make land value taxation only a single plank in a much larger platform.

The capitalist class cares little for the single tax doctrine for obvious reasons. If anyone gains by the right of continuous land ownership it is the capitalist or owning class. To promote land value taxation would, at least in an immediate sense, be counter to their interests. Fascists, the extremists of the capitalist class, are never single taxers.

Farmers are owners, laborers, and consumers all in one. Their judgments on social policy are weighty because they represent less nearly than do those of either labor or capital a singleness of viewpoint. Farmers appear, however, to be no more interested in land value taxation than either of the two preceding groups. The reason is in part circumstantial. Agricultural economics research has demonstrated rather impressively during the recent decade and a half that farmers have been called upon to pay in taxes a greater share of their income than the general run of urban people. Farm taxes are levied as a tax on property particularly real estate and, hence, land. From 1920 on farmers organized vigorously to present their case through the Department of Agriculture and the Experiment Stations in an effort to reduce the weight of taxes upon their shoulders. Their great

drive was against the property tax and particularly the tax on real estate. At present, therefore, they are strongly conditioned against any extension of taxes on land and would almost certainly greet land value taxation with a most unusual suspicion that it was merely an attempt to reimpose and extend the aged use of the property tax as the major fiscal device of localities and states.

In part, the indifference or outright antagonism of the farmers lies much deeper. They have been the great owners of land and to them more than to most classes have gone the unearned increments (and decrements) in land values. There is no reason to suppose that a generation so newly sprung from pioneer speculators is likely to relinquish fully the prospect for income, whether earned or unearned, arising from increase in land values. Neither is it likely that the rest of the community will insist that these gains be taken away from them.

A not insignificant group from among the intellectuals is constantly captivated by single tax theory but the endorsement of it fails at all times to be unanimous by a wide margin. Again Professor Geiger supplies the answer to the question why. Among the intellectuals and among the most able of the economists are many who repudiate land value taxation from diverse points of view. One has only to mention the illustrious names that Professor Geiger himself quotes as opponents in one way or another of the theses that he has presented in this little book. Among them are Davenport, Fetter, Ely, Veblen, and others.

The book under review was written with the apparent hope that it might rekindle in the minds, particularly of the intellectuals, a more glowing support for this type of reform. The book deserves to be read.

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