

of the numerous instances that justify the growing impression that university economics must be a joke!—H. J. CHASE, Providence, R. I.

PROGRESSIVE PERRYVILLE

EDITOR SINGLE TAX REVIEW:

The Commissioners of the town of Perryville, Maryland, have exempted all improvements and personal property from taxation and have issued a circular reading as follows:

"COME TO PERRYVILLE!

In order to build up the town; to induce settlers to locate here; and to make it an attractive and desirable place to live, the Commissioners of Perryville have passed an ordinance providing that all household goods, merchandise and other forms of personal property and all buildings and improvements of every kind shall be free of local taxes.

Hereafter the man who builds a house in Perryville will not have it levied on every year by the town as long as it stands; the merchant will not be assessed for his stock, nor the manufacturer for his plant. We want houses, stores and industries of all kinds, and propose to offer them every inducement.

Taxes will be levied on site values only.

WILLIS B. GORRELL

GEORGE B. CAMPBELL

HARVEY S. RUTTER

July, 1917. Commissioners of Perryville."

The town of Capitol Heights, adjoining the District of Columbia and in Maryland, on July 9th adopted the same policy in taxation, and other towns in Maryland have it under consideration. I mention this to show that all progress is not west of the Mississippi River.—J. H. RALSTON, Washington, D. C.

REPLIES TO MR. MACKENDRICK

EDITOR SINGLE TAX REVIEW:

I have just finished reading "The Line of Least Resistance" in your July-August number. The writer touches on a phase of taxation that has bothered me, namely, the weakness of the *ad valorem* system. Experi-

ence has shown that inequalities in assessment are the rule. It is true by eliminating improvements and personal property and considering only site values the problem would be simplified very materially, yet one of the weaknesses of our proposition lies in the fact that values must be considered in arriving at how much each one should pay, because site values only reflect the service rendered by government. The human equation permitting favoritism is always in the way, but of course less under Single Tax than under our present system. The problem is one of relations as between individual and individual and town and town, county and county. Where one county is assessed at 40% and another at 100%, the proportion paid the State by each is very unequal and the temptation is ever present to cheat the State by assessing boards. There is something to be said for the abolition of local assessing bodies, turning them all into State officers, dependent upon the State for the retention of their offices. This would create a tendency to eliminate local bias now, as between individual and individual publicity of assessments, would go far towards preventing wrong assessment. In this, as in everything else, "Eternal vigilance is the price to be paid."

The writer also touches on the argument that vacant lots don't require the service of a Fire Department. This would apply to every other service of government as well. The assumption implied in this argument is the old one: That taxes should be levied for services used. Now as a matter of fact when a tax based on the value of location is paid it is for a privilege, that privilege being gauged by the value of the location. Taxes are not paid for the use you make of the services of government, but are paid for the privilege to use them, else the bachelor should be exempt from School Tax. Only when a fire occurs should a charge be made for the use of the Fire Department by the unfortunate one whose house is burned. Parks should then be surrounded by high barbed wire fences with turnstile at every entrance and a fee collected from each user. The man who walks on the streets ten times to my once should pay ten times as much,

and so on. We all know no one does pay in that way and never will.

The only way to measure the value of all the services is by considering the value of locations, as they reflect the worth of the service of government through their value. Remove from any community good roads and school and police and fire department and health department and all those services of the modern government and see how quick land values will drop. Land value is the true measure to use to make each one pay to society what that society is worth to him. The incidence flowing from the recognition of this will produce equality of opportunity, which is all any one can ask for from the fact that it will prevent forestalling and will make land speculation unprofitable. Such a spectacle as holding land for a rise will cease and opportunities for self-employment will be enlarged to such an extent that a free, fair contract can be made as employer and employee, and altruism will have a chance where everyone will not be looking for the big end of it.—J. SALMON, Baltimore, Md.

THEORY AND PRACTICE

EDITOR SINGLE TAX REVIEW:

Mr. Alexander Mackendrick invites, and should receive an answer to his article "The Line of Least Resistance," published in the July-August REVIEW. He is an authority worthy of respect, and I would like to agree with him, but there are parts of his article from which I must dissent.

We cannot accommodate irrational prejudice, or avoid the objections of hostile selfish interests. His views are new and original, and will serve to evoke a critical examination of the most available ways and means to apply the Single Tax principle.

The degree to which the Single Tax is adopted throughout the world is an earnest of a healthy growth.

Like the growth of democracy of which it is an essential part, it must encounter, and take time to overcome the inertia of conflicting legal interests, and accordingly we should appreciate its progress which will be accelerated as each obstacle is passed. But the

authority of the economic professors to which he appeals is discredited because the inevitable sophistry of their "dismal science" only darkens counsel.

As a prelude to my comments I may say the Single Tax is the general means for taking for public use the social land values, but this end may be attained by any other available means in exceptional cases. The private owners of rental value do appropriate it without knowing the subtle logic of Mr. Mackendrick, and therefore the public authorities can approximately confiscate the rent on the same basis. Only those who want unused land will pay for the privilege which, as Mr. Mackendrick says, is not property in any sense. It is neither wealth nor capital, but potential social value, and its confiscation from the holder involves no injustice.

The assumption implied that capital value and price of land are identical is false and misleading; the Single Tax will take the price but not the value of the land.

As to unused land I endorse the alternative method suggested of registering the value of land as if there were no taxes.

Although it is not essential to the issue I venture to dispute the statement, "If 10% of rental value is $\frac{1}{2}$ % in capital value, 90% of rental value is 45% on capital value." According to my knowledge and belief 45 is ten times the true ratio.

The Single Tax is a charge for value received by those who use their land, or a tax on the speculator in land value, which tax is incidental to appropriation.

With these qualifications, and taking the view of a choice of expedients, if Mr. Mackendrick's measure will command a larger referendum support, that should recommend it for endorsement. At this stage of the movement which offers only an instalment of justice it is futile to dispute about the precise limit; the proximate step comes before the ultimate goal; accordingly the question of limited or full Single Tax may be, for the present, ignored.

In right direction, on the way we'll find New knowledge, and our duties well defined.

JAMES D. MCDADE.

Pittsburgh, Pa.