

more, with a delightfully satirical sense of humor. His death, by appendicitis, in his fifty-eighth year, is a severe blow to the movement in Denmark, as well as a very deep and real loss to those privileged to know him as a friend.

GRACE ISABEL COLBRON.

Unimproved Values in New York Real Estate

A JOURNAL with the title *The Magazine of the New York City Real Estate Board* should be versed in the theory and arguments of the Single Tax. But in a recent issue of that admirable publication we find curious argument flung with a manifest sense of triumph at the heads of the Single Taxers. The contrary view, according to the magazine, is "unworthy of the attention of thinking people." The editorial sets "the value of unimproved real estate"—by which we presume it means the "unimproved value" of real estate—in New York City at \$5,000,000,000, and takes a wallop at Single Taxers who assert that it is New York's population which confers this value on the land. On the contrary, it asserts, this value is due to the transportation lines, ferries, docks, public utilities of all kinds, the barge canal, the money spent on the harbor by the United States, churches, schools, libraries, parks, public buildings, universities, industries giving employment to the population, etc.

"To sum up, \$14,800,000,000 of capital and the brains, energy and skill of thousands of great men have made land values in Greater New York; and the man who talks about unearned increment due to population is unworthy of the attention of thinking people."

We have never understood the Single Taxers as contending that it was mere inert population that gave value to land. It is the growth and development of the community they stress, the very things emphasized in the editorial. These things create a value that in an economic sense is not property, or is a peculiar species of property, and that does not constitute part of the total wealth of the community; namely, land value as that term is used in economics, excluding the value of improvements. But this value is simply the right to exact from the users of the land tribute for such use. The capitalized value of the right existing in one group of men to exact tribute from the rest of the community is manifestly no part of the total wealth of the community. The community is neither richer nor poorer for the existence of the right. Land values—the mere location value of the land—in New York City might be multiplied ten-fold or might be annihilated; in neither case would the aggregate wealth of the community be changed in amount. So far as the holders of the right are not resident members of the community, as in the case of absentee landlords of Ireland or the New York real estate owned by the English Astors, the community is actually poorer for the existence of this tribute-exacting right.

Commerce and Finance.

An Interesting Correspondence

HAROLD SUDELL, of Parkersburg, Pa., having written to Mr. George E. Roberts, Vice-President of the National City Bank of New York, that gentleman replies as follows:

"Your letter of the 13th ultimo addressed to the National City Company was duly received. We are always glad to have communications from our patrons or the public which contain suggestions for social improvement.

The Single Tax proposition, or the proposal to tax land to the point of extinguishing all private income from it, is one to which the undersigned does not profess to have given exhaustive study. There are, however, several outstanding reasons for doubting that the adoption of the policy would accomplish anything like the benefits claimed for it by its advocates, and for hesitating to adopt it.

In the first place, statisticians calculate that the total value of economic rent is about 8 per cent. of the aggregate income of the people of the United States. That is the total of what is involved in the controversy, and from which it is claimed society may be revolutionized and regenerated. Moreover, we are far from neglecting land as a subject of taxation. Aside from the Federal taxes, fully three-fourths of our taxes are now derived from real estate.

From these facts I am led to the conclusion that the Single Tax proposition does not have in it any such possibilities of relief or gain to society as are represented.

On the other hand, I can see possibilities of disturbance to existing conditions which would involve serious losses and grave injustice to great numbers of people. The proposal amounts to confiscation of all existing private values in land, certainly a very far-reaching and disturbing menace. The present generation hardly would recover in time to enjoy any of the promised benefits.

In the second place, instead of being a step of progress, it seems to me that it would be going back to primitive conditions. The experience of the world has been that society gets more out of land by means of private ownership than by ownership in common. I do not see that the ownership, control and management of land is on any different basis fundamentally from ownership, control and management of other kinds of property. The scheme to regulate land taxes to confiscate surplus earnings from land seems very like the other schemes for leveling society, all of which have the effect in operation of hampering the efficient and enterprising and retarding social progress."

To this Mr. Sudell replies as follows:

Permit me to thank you for your courteous reply of December 21, 1922, to my letter of November 13th. Statistics as to income from land values must necessarily be more or less guess work since we have no reliable information on which to base them. The figures you quote (8% of the country's total income) seems ridiculously low. The statisticians who compiled the figures for the Keller bill

estimated that the value of the land, franchises, etc., of the United States was about equal in amount to all other values combined. While I think this guess is a little high I am confident it comes much closer to the actual facts than the guess you quote. You claim that the shifting of taxes from other things (labor products) to land values would cause such a shock that the present generation would hardly get over it in their lifetime. I submit, sir, that if the income from land values is as insignificant as you state the change certainly could not cause such a profound disturbance as you fear.

But be the income big or little it all rightfully belongs to the community and as nothing but good could come from shifting taxes from labor products to land values I see no ground for your fears. You seem to have forgotten that the large majority of land owners, being also improvement owners, will actually benefit by a tax change which exempts buildings from taxation. And even the minority, who will suffer some financial loss from the change, will be sharers in the increased prosperity which will come from removing the fettering taxes we now impose on wealth production and by the killing of land speculation which the change will bring about. For you must not forget that the ending of land speculation and the bringing into free use of all our boundless natural resources is the big end of the Single Tax proposition. The tax which the community will receive by it is so unimportant, comparatively speaking, that Mr. George claimed that it would be better to collect it and then throw it into the sea rather than to foster land speculation by allowing ground rent to go into private pockets.

You state that you do not see that the ownership of land is fundamentally different from the ownership of other things. If you can see no fundamental difference between the ownership of the lake and the ownership of the fish caught in its waters; between the ownership of the field and the ownership of the crop grown on it; between the ownership of our material universe, shaped by its Creator and enduring for ages and the ownership of the ephemeral things which men produce and which, comparatively speaking, last but a moment, then it is absolutely impossible that you should grasp the Single Tax proposition. Nor can I conceive how you can rightly analyze any economic question whatever. For the essential difference between these things constitutes the very A B C of economics. And the pity of it is that your case does not differ from that of the great mass of our business men. So deficient has been their economic education that they are unable to grasp simple elementary principles which should be plain and clear to a twelve year old child.

Under such circumstances it is no wonder that our tax laws are hopelessly and viciously bad. They won't get any better, either, until both legislators and business men alike get some little idea of the fundamentals of economics and the very corner stone of this is the difference, not of degree but of kind, which exists between the ownership of our storehouse—the earth—and the ownership of man made things."

Suggestions for a S. T. Platform

AS WALT WHITMAN MIGHT HAVE WRITTEN IT

ASSERTING that all men have an equal right to life,
 liberty and the pursuit of happiness,
 And hence an equal right of access to and use of land,
 So that they may draw their livelihood therefrom,
 We would abolish all laws and institutions,
 Which, by denying or obstructing that right,
 Subject the masses of mankind to practical slavery
 By compelling them to work for others, who own land,
 Against their own will, or suffer starvation.
 In all civilized countries, such laws and institutions
 Have been imposed upon the people
 Without their full knowledge and assent, with the result
 That discontent and hatred have been fomented
 To a degree which threatens the downfall of civilization;
 Hoping that it may yet be possible to save
 The great amount of good in our social system
 Now threatened abroad and at home
 By revolutionary proposals chiefly destructive and unin-
 telligent,
 And judging by all historic precedent,
 Leading to the triumph of new tyrannies,
 We proclaim our belief,
 That our only road to social and economic salvation
 Is to be found in the proposal
 That the privilege of land-holding
 Be subjected to an annual tax, equal to the annual rent,
 Exclusive of all improvements,
 And that no other taxes shall be imposed.
 Under such a system.
 Land could not be monopolized,
 Nor could labor be enslaved;
 Even in dense centres of population
 Home owning would be the rule, not the exception;
 Self-employment would always be a proximate possibility.
 The people will be loyal to civilization,
 As long as it can be shown that under it they can enjoy
 Their fundamental rights,
 But when a good case can be made, as now it can, that
 It is being twisted into a device
 Which flaunts in the faces of the poor
 The luxuries and amenities of life
 Which they have produced, but may neither
 Share nor enjoy, the foundations shake
 And the superstructure totters.
 Let us arouse ourselves, or, like Marius at Carthage,
 We shall find ourselves sitting on the ruins of a civilization,
 Or buried under it.
 It was not prosperity, as some have held,
 Which ruined the Empires of the past;
 There never was a time when extremes of wealth and poverty
 Did not co-exist. The Empires fell because
 On their loftiest altars stood
 The Moloch of Injustice.

J. J. M.