

TAXATION

A Journal of Economic Justice

Vol. I

July, 1920

No. 7

Economic Causes of Disease

General William C. Gorgas

Specialists in Generalization

Louis F. Post

A Thought for Broadway

Stoughton Cooley

The Terrors of Abundance

Stephen Bell

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The Manhattan Single Tax Club

WE INVITE ALL GOOD AMERICAN CITIZENS, MALE OR FEMALE, TO JOIN WITH US

The Manhattan Single Tax Club was founded by Henry George and is the oldest Single Tax organization in the world. Our work is purely educational, non-political and non-partisan. We believe, when we have created sufficient Single Tax sentiment, our tax laws will be amended to conform to an advanced public conception of what taxation really is and how it should be applied.

As correct thought must precede correct action, our concern is not how people vote, but how people think. Educational work is irresistible because it is unresisted. We aim to present taxation in a simple and practical manner to be easily understood by any thoughtful man, without the necessity

of a thorough course in the Science of Political Economy; also to present it untrammelled by complex or abstruse reasoning, void of offense and unweighed by rabid or foolish utterances.

The gist of our gospel is that Taxation is Payment for Social Service and Advantage, and that Land Value is the only true and just measure of the value of the Services and Advantages, that Society gives to the individual citizen.

Presented after this manner taxation becomes an understandable subject full of vital interest to everybody.

As to the manner the Single Tax should be adopted, we are not revolutionists but evolutionists and any fundamental change in our social order that will endure must be dictated by cool reason and calm judgment, and not by anger nor yet by sympathy.

The geographical scope of the Manhattan Single Tax Club work is the continent of North America. Wherever an opportunity to teach presents itself, or a request comes for literature or lectures, it is our pleasure and duty to respond.

We respond freely to all requests for literature or lectures; we make no demands for money; if the local people can pay expenses, well and good; but if not we go just as cheerfully. This attitude enables us to light lamps in many dark places.

We maintain a well equipped office that is always open. We keep a good stock of books and tracts. We distribute a vast amount of literature yearly, and are always on the alert for opportunities to explain what taxation really is and how it should be applied.

Our membership is composed of many of the oldest and most substantial Singletaxers in the country, and our roster of members contains the names of many men and women of whom we are justly proud and whose names would be a credit to any organization in the land. Our desire is for quality of membership, not mere quantity.

Our dues are \$5 per annum and upward; the maximum is determined by the member; the minimum is fixed by the Club.

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32 Union Square,
 New York, N. Y.

JAMES R. BROWN,
 President.

TAXATION

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New York, N. Y., July, 1920

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THE Utica clothier who was fined \$55,000 for selling clothing at an exorbitant profit can sympathize with the New York builder who replaced an old rookery with a modern apartment costing \$2,217,000. No sooner was the building finished than the assessor taxed him \$55,000. There is this difference, however, between the act of the clothier who overcharged his fellows and the builder who erected a much needed building: The Utica profiteer will not be fined again unless he repeats the offense, but the builder will be fined every year as long as the building stands. The judge who imposed sentence on the clothier said: "I believe convicted profiteers should be sent to jail." It is not of record what the assessor said to the builder. Possibly he was not so vindictive. Besides, as the city is sorely in need of money the assessor might prefer to have him at liberty, in the hope that he would repeat the offense.

A HUNDRED thousand families in New York are looking for apartments. The city is in dire need of new buildings. No other question for many years has received so much consideration. Inducements of many kinds have been held out. Yet through it all there still remains on the statute book a law that fines builders 2.48 per cent for every building they put up. That is to say, for every hundred dollars' worth of materials they buy, the city and State will collect \$2.48; and for every hundred dollars' worth of labor they employ, the city and State will collect another \$2.48. Not only that, but the city and State will collect \$2.48 on every hundred dollars of value in the building each year as long as the building shall stand. And a hundred thousand families are looking for apartments!

SURPRISE has been expressed that a people so staid as the British should listen with patience to the proposal of a capital tax. It is not that the British are enamored of a capital tax that they flirt with the proposal, but that the alternative is something worse. The present

needs of society demand more and more revenue. A choice must be made between a capital tax and a land value tax; and however much the wealthy may dislike the former they dislike the latter more. A capital tax would fall upon all wealth as well as upon land. The landlords would know that part of the sum at least fell upon capital, and the capitalist would know that he could transfer the most of his burden to the consumer. But a tax on land value would fall upon landlords only, with no opportunity to shift it to any one. That is why a landlord-controlled society listens to talk of a capital tax. It may get both.

TAXATION means little to the old school politician beyond supplying the party in power with the means of life. Three principles serve him as guides: First, get all the revenue to be had; second, make it seem as small as possible; third, promise to reduce it next year. That is all the Republican and Democratic platforms contain on the subject. They talk of efficiency and economy, and try to buoy the voter's hopes by centering his mind upon a

possible smaller tax sometime in the future. That there is a science of taxation seems never to have entered the heads of the writers of these platforms. That there are fundamental laws underlying government and the raising of revenue appears to be wholly unknown. This marks the past. For the future there is a science of taxation based upon principles as fundamental and fixed as the laws of physics. That fact is rapidly spreading among the people. Men of affairs grasp the idea the politician has ignored. And it is only a little time till the law makers will discover they are no longer representatives of the people, but are agents of special interests. Little in the way of sound taxation can be expected from this campaign, but much in the way of education is possible.

MUCH has been learned of late years about the incidence of taxation. Protectionists long ago found that a tax on imports not only brought revenue to the Government, but profit to home manufacturers. Temperance advocates discovered that high licenses, while adding to the public funds, restrict the number of saloons. Some taxes, indeed, have been found to be of more importance in the incidence than in producing revenue. The tax on State bank notes—which is the only restraint between us and wild-cat currency—is not intended for revenue at all, and it produces none. Its purpose is to keep State banks from issuing money, and it does it. The tax that Congress laid upon goods made by child labor is not intended for revenue purposes, but to stop the employment of children in the manufacture of goods that enter into interstate commerce. Has this experience no lesson for the statesmen who are trying to solve our economic problem?

OUR mills are slowing down while the world is still in need of goods. Capital is seeking investment and labor is looking for employment. Why? Of what value is it to labor to secure shorter hours and higher pay if employment decreases? There can no longer be reasonable doubt that arbitrary advances in wages will not solve the labor problem. For, as long as prices follow—and even anticipate wage raises—the worker will never receive his full

share of the increased production due to science and invention. The laborer is a consumer as well as a producer, and is interested in what he pays no less than in what he receives. There can be little doubt that any arbitrary addition to wages will appear in prices; it is also apparent that any reduction in prices by other means than cutting wages will be a gain to labor. The cost of production may be cheapened and the price lowered by untaxing industry, and by raising the amount so remitted by increasing the tax on idle lands and natural forces in the hands of speculators. A double reduction in price will follow, for the remission of the tax on production will increase goods; and at the same time the opening of natural resources to use will still further decrease the cost of production. The Ralston-Nolan bill introduced in the last session of Congress, proposes to raise \$1,000,000,000 by means of a 1 per cent tax on the value of all land—urban, agricultural, coal, oil, mineral, timber, water-power, etc., irrespective of improvements—over \$10,000 in value.

ANOTHER evidence that the sentiment for taxation according to benefits, instead of according to ability to pay, is growing in favor, is found in an editorial in the Boston American of June 23rd. Commenting upon the fact that \$600,000,000 is to be spent for good roads in the United States in 1920, the editor says: "For the next six years plans have already been drawn, specifications accepted and appropriations made for an outlay of \$3,000,000,000 on our public highways. Before the six years are ended, double that great sum will probably have been voted. Government experts tell us that 300,000 more miles of first-class roadways would increase the value of every acre of tillable land by an average of at least \$10, and of every non-tillable acre by at least \$1. The increase would pay the whole cost." Unfortunately the editor does not say whether he himself thinks this money should be raised on the plan of the special assessment, in practice for street improvements, or by a general tax. It is well known that good roads will not add one cent to the value of a plow, a horse, or a cow, any more than a paved street will increase the value of tools, furniture, or other

labor products. Since, therefore, good roads will add to the value of land—and no one in his senses will attempt to gainsay that—the owners of the land who are benefited should pay for the roads. In this way only can the speculator who holds idle land for a rise be made to pay his share in the cost of the improvement that adds to the value of his property.

Other People's Burdens

IT is astonishing how easy it is to adjust a burden to another man's back. Advocates of a tax on sales make it out to be such a splendid thing that one scarcely sees how our statesmen have been able to keep the boon so long from the people.

The sales tax is elastic, says Otto H. Kahn; it would "yield so vast a revenue that it would enable the excess profits tax and practically all abnormal business taxes (except perhaps the corporate income tax) to be eliminated, surtaxes on individual incomes to be greatly reduced and Federal taxation of incomes up to \$4,000 to be abolished altogether."

Jules S. Bache, another banker, illustrates with a bushel of wheat to show how simple the sales tax is. The tax would be levied when the wheat leaves the producer, again when it leaves the miller, and a third time when it leaves the baker. The tax on a bushel of wheat, sold by the farmer for \$2.00 would be two cents. The tax on a barrel of flour, sold by the miller for \$2.67, would be \$.0267. Figuring sixty loaves of bread to a bushel of wheat, sold by the baker at eight or nine cents a loaf, or \$5.10, the tax would be \$.0510. The sum of these taxes would be \$.0977 on all sales of a bushel of wheat to a loaf of bread.

This tax is so simple, Mr. Bache says—being less than one-sixth of a cent a loaf—that it could not be added to the price per loaf to the consumer. "It would probably be passed on by the miller and be paid by the baker; but would be such an infinitesimal reduction from his profits that he would be almost unaffected."

Two to three billion dollars divided into such small parts that no one could appreciate their weight! This is a resort to the plan of the simple countryman in the fable who, finding his ass unable to bear the load of melons, lightened

it by cutting them into pieces. Of such is finance and statesmanship!

It might be suggested to these gentlemen that since it is so easy to pay the sales tax when divided into small bits that the same terms be applied to banking. A tax of one-tenth of a cent on every dollar passing through the bank would provide all the revenue needed by the Government, and it would be so small a part of each dollar that the bank would pay it rather than pass it on to the customer.

A Practical Suggestion

GRADUALLY it is dawning upon the minds of students of the housing problem that the so-called Rent Legislation at Albany is far from adequate. Limiting rent raises to twenty-five per cent in one year, did not prevent some landlords from adding a quarter to rent that had already been doubled since the beginning of the war. At the same time the lack of any substantial relief for builders who must pay the maximum price for material and labor prevents the erection of the new buildings that are absolutely essential to meet the demand for houses.

It is easy to rail at landlords, but that does not build houses, and houses are the one thing needed by houseless people. Legislatures may amuse themselves by passing inadequate laws and low rent societies may make life miserable for landlords; but that does not provide the additional space. Is it not time men and women gave up this child play, and seriously considered the real factors in the case.

William E. Harmon, head of the real estate firm of Wm. E. Harmon and Company, in a letter to Frank Mann, chairman of the Mayor's Housing Conference Committee, points a way out of the housing difficulty. Mr. Harmon declares his firm would produce housing space in New York aggregating in cost not less than \$2,000,000 within one year from the day that a law was passed exempting new dwellings from taxes for a limited period not less than five years. Mr. Harmon says this is the one thing necessary to bring about a building movement on a large scale; and the Mayor's Committee has already recommended such a law. "I am confident," says Mr. Harmon, "that the offer

made here of producing houses will, if given sufficient publicity, bring a tremendous response among our wide-awake builders." Mr. Harmon closed his letter with the pertinent statement that "the city loses absolutely nothing by exempting taxes on houses that would never come into existence except for the fact of exemption."

Just how long are the people of New York to endure present hardships before the Legislature gives relief? This plan is no vagary of some wild eyed reformer. It is the proposal of a hard-headed business man. A man who is in the building business and who is anxious to erect more buildings as soon as the return to capital put into buildings is made somewhere near the return to capital put into other investments. Nor is it the opinion of one man. United States Senator Calder, one of the largest home builders in the city, has made a similar recommendation. Allan Robinson, President of the City and Suburban Homes Company, has repeatedly made this recommendation, and many other builders and investors have urged the same action. The need is very great. The suggestion has the highest backing. Can the Governor do better than to call the Legislature together to take action in the matter.

Telephone Consolidation

CONSOLIDATION of telephone companies in Louisville, Indianapolis, Rochester and other cities in various parts of the country, raises the question as to whether the union should be followed by a reduction or an advance in the charge for service. On the one hand, it is argued that the subscribers will have double service with one phone, and should pay accordingly. On the other hand, a larger company will operate with less overhead expense and should charge less.

It would seem that this is a question of fact to be determined by actual trial. In ordinary business an increase in volume means a decrease in cost of conducting the business because of the less overhead in comparison with income. But in the case of telephone service each new customer comes in touch with every other customer. That is, a grocer serves the second thousand customers cheaper than the first

thousand because there has been little increase in the overhead; but the second thousand telephone subscribers represent not only another thousand patrons, but they become a thousand more patrons of each of the first thousand. Just what the amount of increase in overhead, due to the second thousand, may be is something to be determined by actual trial.

But there lies beneath it all this fundamental principle. Telephony is from its very nature a public function. Whether it is to be operated directly by the City Government or farmed out to a private corporation, each community must determine. But being a public function it should be operated at the lowest charge commensurate with good service. If it be operated by the city the rates should be merely sufficient to cover cost as in the case of water works. If it be entrusted to a private company the charge should be the same—cost. If the consolidation of the telephone companies results in cheaper operation, the citizens should share in the gain with the company making the consolidation.

General Gorgas

THE world may well pause at the passing of General Wm. C. Gorgas, to take note of his remarkable career. For rarely does a man leave his fellows so much in his debt as did this plain and unassuming man. But great as is the consciousness of this indebtedness, the world has not yet fully grasped the greatness of General Gorgas.

His record as an army surgeon the world knows, his rapid promotion, his rise to the office of surgeon general with the rank of major general, his phenomenal efficiency, his dramatic experience in cleaning up Cuba and the Panama zone, his aid to other countries in solving their sanitary problems, all this and more is known to the reading public. Such a list of achievements far exceeds that of any but the really great.

But back of all this was the man with a philosophy. The trained mind that enabled him to see the possibilities of sanitation; and the grasp of affairs to make the application, led him to apply his philosophy of sanitation to economic as well as physical conditions. Mere observance

of health rules on the part of the individual, he found, did not avail against the community-bred mosquito with its deadly germs of malaria and yellow fever. Neither did individual industry and frugality suffice to overcome the handicap of maladjusted social laws.

It was this broad view and firm grasp of conditions that early brought General Gorgas to see the close connection between sanitation and economic life.

"I am a Singletaxer," he said, "because my life work has been that of sanitation. Sanitation is most needed by the class of people who would be most benefited by the Singletax. That poverty was the greatest single cause of bad sanitary conditions was very early impressed upon me. If I should again go into a community, such as Cuba, or Panama, and were allowed to select only one sanitary measure, but were at the same time given power to choose from all sanitary measures, I would select that of doubling wages."

Vacant lots and unimproved neighborhoods of cities like Panama and Havana gave him most sanitary trouble. He saw that if these vacant lots could be taxed out of the speculators' hands and into use, the problem would be largely solved. "I discussed this matter of taxation a good deal with the officials of Panama,"

he said, "urging upon them the desirability of a tax levy of this kind to cover expenditures brought about by the sanitary work." He finally got the Panama authorities around to the point of seeing the justice and advisability of such methods, but the organic law would have to be changed, and this always takes time.

Nor did the great man's vision stop at that. Doubling men's wages on the Isthmus led them unconsciously to a higher mode of living. So, he argued, would the doubling of wages in the tenement house districts of our large cities, as well as on the isolated farms, beget better sanitary conditions. Poverty drives people to huddle in unsanitary surroundings. It is only the poor who have to be forced by law to observe the rules of health. The well-to-do never live whole families in a single room; neither do they have rooms in their houses without windows or ventilation.

Sanitation is well on the road to a final solution. Other members of the sanitary corps will take up the work laid down by their great leader. And other social reformers will have to carry on the work of educating the public in right methods of taxation, in order that there may be a full solution of the industrial and social problems that lay so close to the heart of General Gorgas.

Specialists in Generalization

By Louis F. Post

Assistant Secretary of Labor

RIGHTLY enough industrial progress has been attributed to intense specialization. Progress might have been faster, however, and ever so much better, if intense specialization had been well balanced by intelligent generalization. But so devoted have experts been to the former that they have sadly neglected the latter. They have even been in the habit of sneering at generalizations as "mere theories."

This attitude toward industrial phenomena has been very like what that of a manufacturer would be if he were to devote his capital and his energies to the specializing branches of his factory and let assembling take care of itself. Such management would be idiotic within the

walls of each factory; nevertheless, it has until very recently been the habitual policy between factories. Business men have hardly yet realized that no establishment, not even a retail store, puts out finished products. Yet no establishment does put out finished products. Even an automobile, which would commonly be accounted a finished product, is only a specialized part of a road. Until the automobile and the road are "assembled" the automobile is not more truly a finished product than a wheel or a tire is. It is as unfinished as a locomotive unassembled with a train of cars and a track.

An attitude toward generalization similar to

that of manufacturers toward inter-factory assembling has been maintained by economic teachers. Their minute specializations have been so much at the expense of intelligent generalization, that bewildered students could not see the forest of industry for its trees. In our economic teaching we have long needed specialists in generalization. And now, with a new order of things into which the end of the war was on every hand expected to bring us, the need for such a specialty seems to be insistent and specialists in generalization are appearing.

By no means least among them is the author of "The Flow of Value," a book recently published by the Century Company. This book, which is both analytic and synthetic, and masterly so, is also intensely interesting. Probably no economic writings since those of the author of "Progress and Poverty" have been at once so interesting to the general reader and so instructive to the student. It unreels a moving picture which thoughtful business men will appreciate for its verity, and which the average man of intelligent tastes will enjoy alike for its extraordinary clarity and its novelty. The author, Lincoln Grant McPherson, may be regarded as almost a pioneer and certainly a leader among industrial specialists in generalization. His book stands out as the most complete with reference to industrial phenomena in the whole history of economics. Not so, it may be, by comparison with preceding works in their own historical setting, but because it is exquisitely adapted to the intensive study of industrial phenomena in their present stages.

Readers who look for discussions or precise approval or condemnation of reforms in which they are interested, will neither be satisfied nor gratified with Mr. McPherson's book. Its consideration of industrial phenomena is without definite reference to any possibility of reform. For instance, in its reference to "sources of substance," which is Mr. McPherson's name for natural resources—the "land" of the older economists—it takes no very easily observable account of the effects of monopolization. So, also, as to interchanges and distribution of the "utilities," etc., that are produced from "sources of substance." It takes no noticeable account of the effect upon them of different kinds of taxation. What it shows, and with

great precision, is the flow of the values of all industrial elements when there is no obstruction to their normal movement. Consideration of the effect of different kinds of obstruction, or of different modes of removing or regulating obstructions, does not come within the purpose of the book. But what the book does show in its minute analysis and masterful generalization of business phenomena—business in the comprehensive social sense—leaves nothing to be reasonably desired by those of us who would have values flow in unobstructed currents.

To understand Mr. McPherson's book requires nothing more than attentive reading; and to understand it is to grasp the principles and the details of that social service which consists in producing goods and distributing them fairly for the use of all who help to produce them. Whoever does grasp those principles will not have much difficulty in training his faculties to work out the institutional and other obstructions to that fair flow of value which the author hypothetically assumes to be non-existent.

Although the author may seem at times to have in his intellectual vision a blind spot for differences between ownership of "sources of substance" and of things produced from them by human industry, and for the relation of taxes to the one or the other, he is so devotedly loyal to his task of exactly analyzing and broadly generalizing industrial phenomena that the thoughtful reader who follows him faithfully will be brain-bound to accept the inferences which Henry George put forth a generation ago in the inspiring pages of "Progress and Poverty."

A careful reading of Mr. McPherson's "The Flow of Value," will be all the more appreciated if followed—or for that matter, if preceded—by a glance through "The Joke About Housing," by Charles Harris Whittaker, editor of the *Journal of the Institute of American Architects*, which has just been published by the Marshall Jones Company of Boston. Mr. Whittaker, too, is a specialist in generalization, and this excellent book of his on the "housing" problem is no joke, notwithstanding its title. It is one of the most serious and startling books that have recently come from the press. Whether intentionally or by accident it applies the industrial principles which Mr. McPherson

so admirably unfolds, to one of the most pressing and, but for Mr. Whittaker's book, one of the most perplexing of all the problems of human life that now disturb the social peace.

A Thought for Broadway

By Stoughton Cooley

“GIVE a thought to Broadway” is the slogan of an association of businessmen who are trying to awaken their associates and the public to the importance of taking advantage of the opportunities of that historic highway.

Well may a thought be given to Broadway, the street of adventure, the Great White Way, the scene of song and story, the best known thoroughfare in the city—yet cluttered with ramshackle buildings that would be considered a disgrace to a country village.

On the west side of Broadway, for instance, between 36th and 37th Streets, in the very heart of the shopping and theater district, the land is assessed at \$2,043,000, but the buildings are valued at only \$219,000, which is a gross overvaluation. Across the street five old buildings—three two-story and two four-story—are valued at \$75,000, while the land is worth \$2,224,000. On the west side of Broadway, between 37th and 38th Streets, stand five old buildings—two of them two-story and three of them one-story—valued at \$52,000, cumbering land worth \$2,159,000. In the next block north, between 38th and 39th Streets, and facing on Broadway are seven two-story buildings and one three-story building, valued at \$51,000, and occupying land worth \$1,606,000.

If less than a block frontage be considered, single buildings may be found all up and down the historic street, valued at \$2,000 to \$20,000, on land worth from \$100,000 to half a million dollars.

It looks as though it were time some one gave a thought to Broadway.

But not all Broadway is lined with “tax paying” shacks. The McAlpin Hotel, 34th Street and Broadway, is valued at \$5,000,000, while the land upon which it stands is assessed at \$4,450,000. The twelve-story Hotel Astor on Broadway between 44th and 45th Streets is valued, without the land, at \$2,200,000.

It is a curious coincidence that the Hotel Astor, which occupies 57,580 square feet, is on land assessed at \$3,495,000; while the corresponding land in the next block north and containing 55,160 square feet is assessed at \$3,063,000, and is occupied by old buildings that are valued at only \$395,000.

Apparently some one is giving a thought to Broadway. If any citizen dares to put up a modern building he is pounced upon by the lynx-eyed assessor who lays an annual fine of 2.48 per cent of its value.

From the owners of the old buildings on the 55,160 square feet between 45th and 46th Streets, the tax collector this year takes \$9,796; but from the owners of the fine, up-to-date Hotel Astor, covering 57,580 square feet, he exacts \$54,560. He takes from the owners of the Hotel McAlpin, a fine twenty-five story building, \$124,000. That is, between 37th and 38th Streets on Broadway the assessor puts a value of 72 cents a square foot on the building, while between 33rd and 34th Streets on Broadway, he puts a value of \$196.38 a square foot.

Why this difference in assessments? Why this fine upon improvements? The excuse offered for levying taxes is that the city has rendered certain services to those who occupy Broadway. It has paved the street, put in sidewalks, sewers and water, it employs policemen to keep order, firemen to prevent fires, and it renders all the services due from a city government. But it gives the same service on the block covered by the ramshackle buildings, as it does on the block with twelve and twenty-five story modern hotels. The pavement is the same before the Hotel Astor as it is in front of the old buildings in the next block north. The new building requires no more police, and even less fire protection, for there are many more fires in the old buildings than in the new.

If taxes are levied to pay for government service, and the same service is rendered on

two blocks, why the difference in the charge? If there is to be any discrimination, why favor the man who maintains an old shack or fire trap on a valuable site at the expense of the man who puts up a good building?

Who is at fault? The assessor cannot be blamed. He is merely carrying out the law. Neither can the Legislature at Albany. It is carrying out the will of the people as they make it known. But is this interpretation of the will of the people the right one? Do the members of the Broadway Association understand and approve of this method of treating property on

their street? Or have they merely been careless in their consideration of the subject?

When we were asked to give a thought to Broadway, the assumption was that better improvements were desired. Yet there is on the statute book a law levying a fine of 2.48 per cent upon builders for every dollar's worth of materials consumed and every dollar's worth of labor employed.

Might it not be well for the association to give a thought to Albany, in order that they may secure the repeal of the law that fines every man who does the very thing the association wishes done?

Economic Causes of Disease*

By William C. Gorgas

Late Surgeon General, United States Army

I was invited by friends in Cincinnati to meet this evening a small body of Singletaxers, have a little dinner and talk upon the subject dear to us all. I am surprised at the gathering. I had no idea that Singletaxers were so numerous here. I presume that my friends consider this numerous body the few referred to, and that of the many thousands of Singletaxers in Cincinnati, only these could be accommodated by the size of the hall.

I have friends here this evening with whom I have been associated more or less for twenty years, and yet never heard them say a word concerning Singletax. It is a great pleasure, at least, to know that they are Singletaxers. I have met many tonight, the knowledge of whose views on this economic subject had come very nearly escaping me. It will give me very great pleasure in the future to broach this subject when I meet them.

Part of the promise for the evening has been fulfilled by my having a very pleasant time.

Sanitation in my mind has been very closely associated with Singletax. I am a Singletaxer, I think, because my life work has been that of sanitation. Sanitation is most needed by the class of people who would be most benefited by the Singletax. That poverty was the greatest single cause of bad sanitary conditions was very early impressed upon me. If I should again go into a community, such as Cuba, or Panama,

and were allowed to select only one sanitary measure, but were at the same time given power to choose from all sanitary measures, I would select that of doubling wages. This, in my case, is not altogether theory. In our tropical possessions, in Cuba, Porto Rico, the Philippines, Panama, the result has always come about that we have largely increased wages; the result has also come about that in all these cases we have greatly improved sanitation. At Panama, the Commission found that in order to attract labor, and keep it on the Zone, they had to increase and, within a very few months, double the wages of the manual laborer. It does not take more than a moment of thought to show to you how such a measure acts and reacts. Results take place in many directions, but particularly with regard to increasing the ability of the people to live well and get better food and better clothing. While dwelling upon thoughts such as these, I came across "Progress and Poverty." I was greatly impressed by the theory and was soon convinced that the Singletax would be the means of bringing about the sanitary conditions I so much desired, and was striving for. It was impressed upon me in a concrete form everywhere, in the United States, in the tropics and particularly in Panama: the great benefit that some such scheme of taxation would confer upon sanitation.

In a city, such as Panama or Havana, the vacant lots and unimproved neighborhood were

*Address delivered at a dinner at the Business Men's Club, Cincinnati, Ohio, Sept. 28, 1914.

the localities which always gave us most sanitary trouble. I was soon convinced that if any scheme were brought about whereby it would be disadvantageous for speculators to hold vacant places out of use, this scheme would be of the greatest value for sanitation. It was not possible to effect this change in method of taxation in the cities referred to. I discussed this method of taxation a good deal with the officials of Panama, urging upon them the desirability of a tax levy of this kind to cover expenditures brought about by the sanitary work. I finally got the Panama authorities around to the point of seeing the justice and advisability of such methods, but the organic law would have to be changed and this always takes time. I hope that something of the kind may yet come about in Panama.

The real scope of tropical sanitation which has been almost entirely developed within the last fifteen or twenty years, I believe, will extend far beyond our work at Panama. Everywhere in the tropics, to which the United States has gone in the past fifteen years, it has been shown that the white man can live and exist in good health. This has occurred in the Philippines, in Cuba and in Panama, but the demonstration has been most prominent and spectacular at Panama, and therefore has attracted there the greatest world-wide attention. Here among our large force of laborers we had for ten years some ten thousand Americans, men, women and children. Most of the American men did hard manual labor, exposed to the sun, rain and weather conditions day in and day out, yet during that time their health remained perfectly good, just as good as if they were working at home. The same remark as to health would apply to the four thousand women and children who lived at Panama with their husbands and fathers. Both the women and children remained in as good condition as they would have been had they lived in the United States. This condition at Panama, I think, will be generally received as a demonstration that the white man can live and thrive in the tropics. The amount of wealth which can be produced in the tropics for a given amount of labor is so much larger than that which can be produced in the temperate zone by the same amount of labor that the attraction for the white man to emigrate

to the tropics will be very great, when it is appreciated that he can be made safe as to his health conditions at a small expense. When the great valleys of the Amazon and of the Congo are occupied by a white population more food will be produced in these regions than is now produced in all the rest of the inhabited world.

But unless we can so change our economic laws, that this wealth will be more fairly distributed than it is now by the races occupying the temperate zone, mankind will not be greatly benefited. I hope and believe that ere this change in population comes about the Singletax will have caused such changes in our economic condition that wealth will be fairly distributed. I mean by fair distribution that condition in which each man gets exactly what he produces—no more, no less. This is all we Singletaxers ask. We do not wish any man to have a dollar more wealth than he himself has produced, or to take from any other man a dollar of the wealth that this other man has produced. We look forward to this time as not being so very far off, and when such time arrives, we believe that poverty will be abolished from this world, except in so far as there will always be some lazy individuals who will not work and who do not care to produce. But this number will not be so large as to affect the general principles just enunciated.

I have been invited this evening to meet a body of Singletax friends. My thoughts have naturally run on Singletax lines. I have spent the afternoon in going through your new municipal hospital. I have been greatly impressed and think I have seen about the best arranged hospital that I have ever been shown. I was also told that the city of Cincinnati was to have control of and was to finance the medical school in connection with the hospital. This seemed to me most desirable and advantageous for all parties concerned. Thinking in Singletax lines, it occurred to me that when revenues were generally raised under Singletax principles, every municipality could afford to have just such a beautiful hospital as the one I was seeing. I could foresee something of the kind for Panama; even now Panama could afford such a hospital, if its revenues were raised by Singletax methods.

The Terrors of Abundance

By Stephen Bell

Associate Editor, Commerce and Finance

THOMAS O. MARVIN, Secretary of the Home Market Club, Boston, has written a long and labored letter to the *New York World*, in which he seriously advances the proposition that it would be better to cancel the \$12,000,000,000 indebtedness of Europe to this country than to accept payment in goods. He believes such payment would close American mills and factories and force American workmen into idleness and starvation. "We must provide work for the American people in full abundance," he says, "or the conditions which have prevailed in Europe will overwhelm us here."

We had supposed it was a scarcity of goods, rather than the abundance that would follow such imports, which was troubling Europe.

If Mr. Marvin is right in his belief that the imports of vast amounts of goods from abroad will ruin our industry, he should lose no time in warning our allies of the economic suicide they are about to commit in collecting the German indemnity, for it is certain that this can be paid only in goods. The total gold in Germany would not pay three months' interest on the indemnity that is talked of.

If the mere exporting of goods enriches a country and impoverishes the importing nation, they are about to compel Germany to become rich and powerful again. It is most monstrous that Germany, after having laid waste the richest part of France, should be allowed to plunge that unhappy country into still greater depths of poverty and woe by pouring into it floods of German-made goods under the euphonious name of reparation indemnity. It is evident that the French do not understand that they are courting national calamity by insisting on Germany's paying damages, and Mr. Marvin should enlighten them. Germany, too, is singularly blind to her own interests, for the indemnities the Allies seek to fasten upon her would insure to her for many years to come a favorable balance of trade that would dwarf that of the United States.

His philosophy also presents another aspect which is disquieting to one who desires that the

United States do its duty by Europe. Would we not by refusing to accept payment in goods condemn the nations of that war-torn continent to the continued poverty involved in retaining the goods?

Mr. Marvin has sadly unsettled and disturbed our economic views and perspectives. His idea that the American people need to be provided with work sets us to wondering who provided our ancestors with work in the early days when Great Britain was exerting herself to discourage manufacturing in the colonies, with a view to retaining them as a "dumping ground" for her own products. Yet it is notorious that they had plenty of work, brought up large families, and had wages even then that were far higher than in Europe, so much so that British and French soldiers who fought here in our Revolutionary war were amazed at the comfort and plenty at the command even of the poor.

We are glad to have our views in one respect, however, quite clarified by Mr. Marvin. The cry of distress that goes up from Europe cannot be caused by a lack of goods, for the nations there are busily engaged in excluding goods of one kind and another, while all are seeking to export. It must be that they are already suffering from the surfeit of goods against which Mr. Marvin would protect us.

WHAT OTHERS SAY

Adjusting Communal and Individual Rights

We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual.—*Henry George.*

The Heart of Co-operation

"We are doing a good business but the members are not interested," that is what we hear every day. It is a prevalent danger sign. Too many groups of people are running stores, but they are not run-

ning societies. The store should be but an incident of the society—Co-operation is the main thing, not groceries. A group of people who organize to run a store for themselves, and who have no vision beyond that, had better close it up: "Failure" is written in big letters over the door. That is the reason why the names "Co-operative Store" and "Co-operative Company" are not desirable. They introduce the psychology that the business is all there is to it. "Society" or "Association" is better.—*James Peter Warbasse in Co-operation.*

The Greatest Profiteer

What is a profiteer?—A person who sells something at a price out of all reasonable proportion to the cost of production. It may be difficult to determine what is a reasonable proportion between price and cost of production; but if there is no cost of production we can all agree that no price is reasonable or justifiable. Land alone has no cost of production. The greatest profiteer of all is the landowner who charges his fellowmen for the use of what Nature provides freely for all. Let us stop this form of profiteering by making land common property. This can be done by taking the value of the land from the private owner in the form of a tax—in other words taxing land values.—*Land and Liberty, London, England.*

A First Step in War Prevention

Until a short time ago there had been no means of communication between the masses of the peoples of American countries.

The only relations existing were those established by the financial, commercial and industrial interests, and, as every one knows, these interests are not always actuated by a desire to promote the welfare of the people, nor do they represent the higher and nobler ideals of the peoples of the American countries. These interests are actuated by three motives; namely, profits, profits and more profits.

The wage-earners of Pan-America must unite for their own protection, for in our present day the organization of the wage-earners on a purely national scale will not be adequate for the protection and promotion of their interests and for the attainment and realization of their hopes and aspirations.—*Pan-American Federation of Labor call for Labor Congress in Mexico City, July 12.*

The League as a Peace Maker

One of the worst results of the Great War is that it has made, though temporarily, every nationality, every race, every class of people suspicious of all others. To restore the mutual trust of mankind is a main object of the League of Nations, and until the spirit of the League is deeply implanted in every soul we must support the League with local alliances and ententes. American alarmists

might claim that a combination of Japan and Australia would make the position of the United States in the Philippines untenable. But the public opinion of America is unanimous in wishing to give independence to the Philippines as early as it is practicable. In the meanwhile, the Japanese are well satisfied with the present arrangement of being free to engage in any industry as a joint operation with American capitalists. The terms of the suggested alliance are sure to include that the newly entrusted islands should not be used for offense against any nation.—*Dr. M. Honda in the Japan Advertiser.*

Blocking House Building

£1,200 per Acre in Alfreton.—The *Nottingham Guardian* of 6th March, 1919, reports that at a meeting of the Alfreton Urban Council on March 5th the Survey Committee presented a report on the projected housing scheme, and recommended a survey of two plots, one in Swanwick and the other in Alfreton. The chairman said the Council should make public the correspondence which they had had about the land. Houses were urgently wanted, and if they could not get them the public would be asking the reason. They heard much about the brotherhood of man and comradeship in the trenches, but these were lost sight of when houses were wanted. The fault lay entirely with the landowners, one of whom had actually asked £1,200 per acre for agricultural land. In Alfreton there are 3,460 acres of "agricultural" land out of a total area of 4,626 acres. In 1911-12 the local rates amounted to £19,622 to which the "agricultural" land contributed only £582, an average of only 3s. 4d. per acre.—*White Paper 119, 1913.*

NEWS

California

Charles F. Hunt, of the Committee to Get Signatures, writes that the Singletax petitions, 62,000 in all, have been filed. As only 55,094 are required there is ample provision for any defective names that may be found. Every effort will now be put forth to roll up votes for the Amendment in November. The Anti-Single Tax League is entering actively into the campaign, and appears to have ample funds for all needs. In this it is more fortunate than the Single Tax League which is dependent upon voluntary contributions throughout the country. It is to be hoped that a liberal response will be made to its appeal, in order that a good showing may be made at the election.

On the back of the sheet bearing the Constitutional Amendment is a map of Kern County, California, showing the location of lands belonging to

four owners. The county contains 5,852,000 acres, of which 391,497 acres belong to the Kern County Land Company. The Times-Chandler Ranch contains 251,698 acres, which are taxed at about 3 cents an acre. This is suggested as a reason why the *Los Angeles Times* is so bitter in its opposition to the Singletax. The *Times* is one of the papers that persists in repeating falsehoods regarding the Singletax movement after they have been shown to be false. The third large estate in Kern County is the Miller and Lux, embracing 125,488 acres, assessed for taxes at \$17.70 an acre; but much of it held at \$100 to \$500 per acre. The fourth big land owner in the county is the Southern Pacific, which has 579,096 acres, including oil and mineral rights. This exhibit is offered the voters of California as an example of land speculation on a large scale.

Illinois

The Single Tax Party holds its second annual convention at the Auditorium Hotel, Chicago, July 10-13. The call issued by the committee of arrangements urged "the members of the Single Tax Party and all Single Taxers who desire to join the Party," to attend.

The convention called by the Committee of Forty-Eight for the purpose of launching a National campaign meets in Chicago July 10. Conferences between the Singletaxers and the Forty-Eighters have taken place, with a view to bringing the two bodies together.

The Committee of Manufacturers and Merchants on Federal Taxation announces a vigorous and nation-wide campaign in behalf of the Ralston-Nolan Federal Revenue Bill. On May 25th, 9,500 business firms and 130 commercial organizations had endorsed the bill. The Committee continues to repeat its question: "With billions of unjust and injurious taxes bearing upon manufacturers, merchants, and business men generally, why should the owners of from \$50,000,000,000 to \$60,000,000,000 worth of vacant lands and idle natural resources escape without a cent of Federal tax?" Those wishing literature on the subject should address the Committee at 1346 Altgeld street, Chicago.

New York

Housing is the most important social topic in the city of Greater New York. More than a hundred thousand families are hunting apartments, and the pressure for space is likely to grow stronger with the approach of winter. The rent legislation at Albany limiting advances to 25 per cent, unless the owner can show reason why there should be more, has restrained a few landlords, but it has not brought relief to those who have no apartments at all. Nor has it aided construction of new

buildings. The head of the Mayor's Housing Committee is pessimistic. Contractors and unions are still at daggers' points, and the price of materials clings to the high points. Various attempts at economy have been made, and efforts to obtain cheaper money are under way. Several builders, notably United States Senator Calder, Allan Robinson, president of the City and Suburban Homes Co., Wm. E. Harmon, and others have declared their belief that remission of taxes on new buildings for a term of years will offer the greatest inducement to builders. As the tax rate varies from 2.48 to 2.54 an exemption of twelve to fifteen years compounded would equalize the advance in cost over pre-war prices. Mr. Harmon, in a published letter to Frank Mann, Tenement House Commissioner, says his firm would produce housing space aggregating in cost not less than \$2,000,000 within a year from the enactment of a law exempting new buildings from taxation for not less than five years. Continuing, he says:

All efforts directed toward the adoption of a practical program have shown that the various interests, whose coöperation is necessary, are earnestly endeavoring to work together. Results, however, are dreadfully meager and unsatisfactory when placed against a need that is appalling. I am confident that the offer made here of producing houses will, if given sufficient publicity, bring a tremendous response among our wide-awake builders. I am not addressing this in order to excite your interest, of which I am certain, but to let the public know a way out of the present situation, and in my opinion the only way out. The city loses absolutely nothing by exempting taxes on houses that would never come into existence except for the fact of the exemption. New York certainly can afford to make the experiment if it is going to save the situation, as it surely will.

Washington

The passage of the water-power bill is expected to make available a vast amount of power on public lands. The bill provides for a fifty year franchise from the Federal Government, at the end of which time the Government may renew the permit, transfer it to another company or take possession. Rates are to be determined by State Public Utilities Commissions, if within a State, or by Federal authorities, if interstate. The Government is to be represented by a secretary acting for the Secretaries of War, Agriculture, and Interior. The value of the plant at the expiration of the franchise is to be fixed by agreement between the owners and the Secretaries named above, or, failing that, adjudicated in the United States Courts.

A provision in the Merchant Marine bill to encourage the building of ships is offered in the shape of an exemption from certain taxes of ship

owners whose vessels engaged in foreign trade. For each of the taxable ten years, beginning with the first one following the passage of the Jones' Act, an owner will be allowed to deduct the net earnings of these vessels during the year from his annual income tax returns, provided he reinvests the amount of the excess profits and war-profits tax in the building of new ships.

Harry W. Olney, who has for some months been working upon a plan to send personal letters to newspapers, business men, and leaders in politics, labor, farming, and the professions, has incorporated his work with that of the National Single Tax League, and will conduct his letter campaign from Washington, Lock Box 663, 11th Street Station.

Great Britain

It is apparent from what has transpired since the deadlock in the Select Committee on the Land Value Duties, that there has been from the beginning a determined effort on the part of the landed interests to block the operations of the Act of 1910. There was no force exercised by the Government to compel the committee to function. Time was frittered away in captious hearings. Proceedings were instituted by owners that dragged on for years and nothing was done by members of the committee to accomplish the avowed purpose. And now that the incomplete work has been brought to a halt there appears to be uncertainty as to whether the data gathered will be rounded into shape for such use as may be made of it, or left in its present chaotic state to be scrapped at some convenient moment.

Land settlement for the ex-service men has progressed so slowly that considerable complaint has been heard. An official statement issued by the Board of Agriculture on 30th April gives details of the position as regards land settlement in each county in England and Wales. The aggregate figures show that 33,717 ex-service men and 11,871 civilians have made application for 803,509 acres. Since 18th December, 1918, only 6,761 of these applicants have been provided with holdings, of which the aggregate acreage is 99,682 acres.

Housing relief proceeds with difficulty on account of the exorbitant prices for land, and the refusal of some owners to sell. All this has a stimulating effect upon Singletaxers, who are pressing their cause upon the attention of the public. At a public demonstration in Westminster against the Government's budget, the following resolution was moved:

This Meeting protests against all taxes which penalise production, interfere with exchange and increase the cost of living; and condemns the Government for not taking advantage of the Budget of the year to levy a direct tax on the value of all land in place of the unsound and ill-conceived land value duties now to be repealed,

and in substitution for the heavy burdens imposed on the earnings of industry and the food of the people.

South Africa

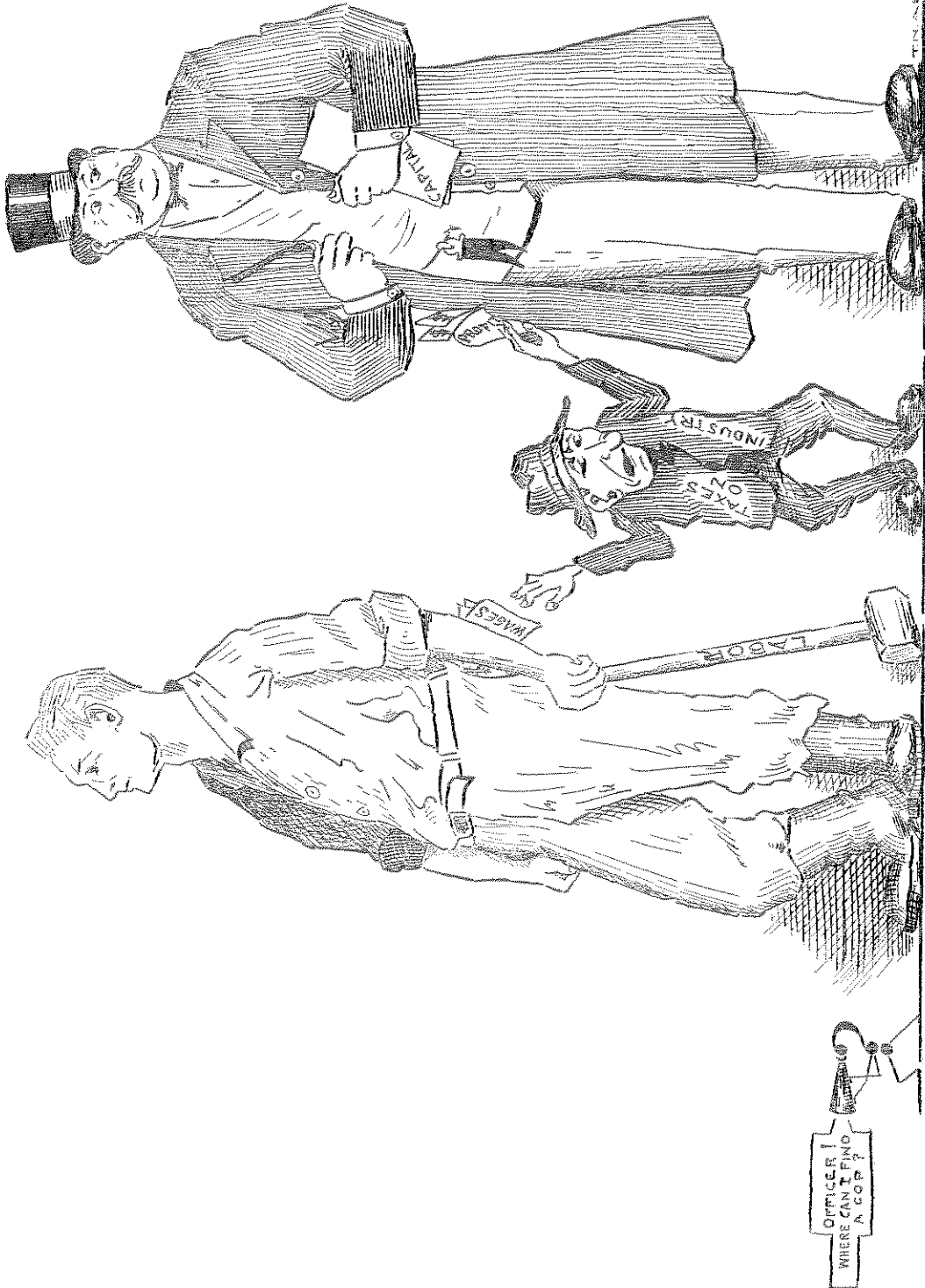
The taxation of land values continues to attract public attention. Colonel Cresswell (Labor) in the Legislative Assembly at Cape Town, April 19, moved:

"That, in the opinion of this House, the Government should immediately consider the advisability of causing a valuation to be made of the unimproved or site value of all land within the Union as a preliminary to the imposition of a tax on unimproved land values, with a view (1) to unlocking the land and its resources and promoting land settlement and increased production, and (2) the more equitable distribution of taxation by taxing wealth socially created and promoting agricultural and industrial development and arresting the growth of the poor white population."

Colonel Cresswell, speaking in behalf of the motion, said the Labor party believed in the right of private property, and that every man should enjoy the fruits of his labor. But the Labor party held that it was only right that those who owned the land should pay toward the revenue of the country in proportion to the privileges they enjoyed. It was wrong that people should be allowed to hold one-third of the Transvaal idle until the demand was so great that the people would have to pay heavy prices for it. The Minister of Finance said that land was changing hands at fabulous prices. If the motion was directed against the holding of large blocks of land for speculative purposes, he said, it would have general support. Final action was not taken.

In the Field

Reports from the meetings at which James R. Brown spoke on his western trip are unanimous in commending his method of presenting the question of taxation. Theoretical speculation, denunciation of land owners and big business may amuse the few who happen to understand what the speaker is driving at, but they alienate the sympathies of those who are most in need of instruction. A plain explanation of the nature of taxation, however, coupled with Mr. Brown's lively wit and optimistic good nature, bring a quick response from an audience. It would appear from some of the letters received that inquirers previously had met with what they mistook for rebuffs from Singletax speakers, when the whole trouble was due to a misunderstanding, and was quickly removed when the subject was couched in terms they understood. Taxation of land values will make better progress when speakers present it as a modification of the present system, based upon common business principles, rather than as a revolutionary idea associated with the millennium.



THE PICK-POCKET