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LAND AND BUILDING TAXES: THEIR EFFECT ON ECONOMIC DEVELOPMENT. *Edited by Arthur P. Becker.* Madison: University of Wisconsin Press, 1969. Pp. xv + 308, $8.00.

The price system, despite some conspicuous shortcomings, appears to be a rather efficient allocator of professional economic expertise. Back in the mid-twenties, the Robert Schalkenback Foundation was formed for the purpose of reprinting some of Henry George's books and fostering the single tax doctrine. Along the way, the Lincoln Foundation contributed its tax-exempt resources to the same effort. With money, one can have regular conferences, a publication program, and even a bureaucratic structure—in this case the Committee on Taxation, Resources, and Economic Development (TRED). Up to the present time, TRED has held 9 annual conferences and has published 5 books. The purpose of all of this activity, made possible by the cooperation of a segment of the public finance profession, is to interpret, modernize, and propagandize Henry George in the light of current American tax institutions and goals.

Land and Building Taxes is the fourth in TRED's series of publications and is devoted to the issue of site value taxation and economic development. Among the 11 contributed articles, 6 deal with theoretical and operational aspects of taxing land and buildings, while 5 are concerned with case studies of site value taxation—1 in California and 4 in foreign countries. As with any collection of original essays, there is diversity. Some are challenging, but a few are somewhat dull; some are relevant, others are esoteric, and a few (especially the case studies) are tangential to the subject. Nevertheless, the quality of professional expertise is unquestionably high. Anyone can profit from reading articles by such authors as Arthur Becker, Richard Bird, L. L. Ecker-Racz, Daniel Holland, and J. A. Stockfish, even if one is not an ardent proponent of site value taxation.

Becker and Stockfish competently handle the theoretical issues of site value taxation; James Heilbrun discusses issues of tax yield; Arthur L. Grey, Jr., considers urban renewal objectives; Ernest A. Engelbert is concerned with metropolitan development; and Max Neutze with construction. Case studies deal with the financing of irrigation districts in California (Albert T. Henley), the use of different property tax systems in Australia and New Zealand (A. M. Woodruff and L. L. Ecker-Racz), the property tax in Chile (John Strasma), and the valorization tax in Colombia (William G. Rhoads and Richard M. Holland).

As far as the general theme of the book is concerned, which is, more or less, an enthusiastic endorsement of site value taxation, what can be granted? Probably no one would question that we would be better off in this country if the burden of real property taxation had been placed predominantly or even exclusively on site value rather than on improvements. We would be better off in terms of equity, redistribution, and economic growth. And the argument is even stronger for some developing countries, where there is a much greater concentration of wealth in the ownership of land and a more severe problem of activating land resources into more productive use. Nor is it too late to recognize the error of our ways and to make an effort toward improving the equity and economic effects of the real property tax.

But at the same time, no one should be deluded into believing that a shift to site value taxation would bring about any kind of a millennium, either in equity or in growth. Society's aggregative influence on the appreciation of wealth is certainly not confined to land resources. It was not so confined in Henry George's time, and it is even less so today. Thus, if we are to make an effort to tax the accretion of wealth, or more correctly, that part of the accretion that is attributable to public capital and to the work and investment of people other than the owners, it should be wealth across-the-board, not just wealth in the form of land resources. If the landlord is a social thief, then there are a lot of other thieves in society. Otherwise, how would it be possible for 600 corporations to own one-half of all the corporate assets, and for one-third of 1 percent of all the families to own 15 percent of the wealth? This is not the result of the property tax. To the degree that there is a tax villain, it is an abysmally inadequate system of income and wealth taxation.

Would not all of us be better off, therefore, if TRED's money and resources were to be used at the core instead of at the periphery—on the broad issue of redistributive justice? The only trouble with this proposal is that virtue must be its own reward for this type of venture. To challenge the distribution of income and wealth is a lonely and unprofitable occupation. In particular, no foundation support is to be expected, for the tax-exempt foundations themselves play a significant role in thwarting the taxation of unearned income.

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