

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