

JAMES R. BROWN'S LECTURE WORK
IN RHODE ISLAND

Mr. James R. Brown was in Rhode Island for nearly a week, including two Sundays, the 3rd and 10th of December. He addressed fourteen different audiences, to wit: The Misses Brown School; the Episcopal Clergymen; Childs Business College; both day and the evening class; the Community House Forum; the Class in Political Economy of the Womans' Department of Brown University; the Town Council of the town of Johnston; three men's classes in political economy at Brown University; the Civic Forum; the Peoples Forum; the Committee of the Day Nursery; the Mothers Club, and the Painters Union.

To those who know Mr. Brown's ability as a speaker it is unnecessary to say that he carried conviction to any audience.—LUCIUS F. C. GARVIN.

HON. LAWSON PURDY and Hon. John J. Murphy were speakers recently at the Municipal League of Springfield, Mass. This city has a small but active Single Tax Club at a dinner of which Prof. L. J. Johnson was a speaker in December.

H. H. TIMBY, of Ashtabula, Ohio, was elected to the State Senate last November. His campaign was waged against the iniquitous tax laws of the State. His election was not considered possible in a district normally 7000 Republican. Mr. Timby is the only Democrat in the history of the State to win in this district in a straight two-party fight.

HON. JAMES G. BLAUVELT, of New Jersey, was one of the recent lecturers at the Bronx Open Forum, his subject being "How to Reduce Rents." It was printed in pamphlet form as a supplement to the *Open Forum Magazine* published weekly under the auspices of the Bronx Open Forum. Of this forum Hon. Edward Polak is the founder and active promotor.

BOOK REVIEWS

A REMARKABLE WORK BY A
YOUNG WOMAN

The topic selected by the Hart, Schaffner & Marx prize essay committee* for 1916 was "The Taxation of Land Values," and the first prize (\$1,000) appears to have been awarded to Yetta Scheftel. This essay has just been published,† and proves to be an extremely intelligent and extraordinarily painstaking "study of certain discriminatory taxes upon land."

The book contains about 500 pages, including a voluminous bibliography and an index. It is divided into ten chapters, four of which in turn deal in a very thorough way with Australian, German, English and Canadian experiments in the special taxation of land value or increment in value. These chapters are all valuable, and give evidence of much more research than can be accounted for by a mere passing effort to gain even a valuable money prize. The author must have read widely and bestowed careful thought on the essential points involved, and certainly, in the book as a whole, well earned that thousand dollars. Among living propagandists of land value taxation it would be hard to pick out one who could have been expected to have produced a better book for the purpose intended.

In the first chapter the author gives as the first purpose of the book the effort to disclose the essence and the *raison d'être* of the tax upon land value, a further purpose being to discuss the expediency of its enactment. We are told that the rationale of the land value tax is fourfold—ethical, economic, social and fiscal, but that the local taxes so far decided upon anywhere are predominantly fiscal in character, with the possible exception of the German *wertzuwachssteuer*.

In chapter VII the author discusses the land value tax in its fiscal aspect, holding

*The committee had five members: J. Lawrence Laughlin, chairman, University of Chicago; J. B. Clark, Columbia University; Henry C. Adams, University of Michigan; Horace White, of New York; Edwin F. Gay, Harvard University.

†The Taxation of Land Value, by Yetta Scheftel. 12 mo., cloth, 500 pp. Price \$2.00 net. Houghton Mifflin Company, Cambridge, Mass.

that, "according to fiscal authorities," one single tax is for a variety of reasons undesirable, great emphasis being laid "by authorities on public finance" upon the problem of separate sources of revenue according to the suitability for local, State, or federal purposes. This chapter contains an interesting and instructive discussion of many knotty points regarding the incidence of land value taxation and the possibility that where such taxation tends to be constant the tax, whatever its amount, is "amortized," being no burden on the landowner who has purchased subsequent to the imposition of the tax. Alluding to a possible difficulty in using the selling value of land as the basis of assessment at the same time the land value tax tends to reduce the selling value, the author concludes this is immaterial for practical purposes, however important it might be for the Single Tax policy or programme. The author here slips into an error in claiming that, if interest was figured at 5 per cent. a tax of 5 per cent. on the capitalized value of land would defeat the very purpose of the Single Tax, since the whole rental value or income would be absorbed. This is not so. A little further thought and experimentation will show the author that only one half—and exactly one half—of the annual rental income would theoretically be taken by any tax which equaled the current rate of interest, whether this was two, ten or forty per cent.

Past and current objections to the levy of the tax on land value are also quite fully discussed in this chapter, and the general conclusion of the author seems to be that "whatever the social and economic effects may be, the proposal seems fiscally justifiable," the most expedient form being an annual direct tax.

Chapters VIII and IX are devoted to a consideration of the land value tax as a social reform measure, the author thinking it necessary to make some distinction between three main categories of land—land used for production of raw stuffs, land necessary for dwellings and industrial purposes, and such land as includes forests and mines. Considerable attention is paid to the existence and effects of land speculation,

the conclusion being that this may be injurious by preventing utilization, by controlling building or other use, and by causing over-capitalization of land. Evidently, the author says, "speculation in land is not an unmixed good." The effect of a land value tax in improving housing conditions is examined in Chapter IX, and note is made of the suggestion that proposals have been made for municipal ownership of land, as well as for public ownership and management of important locations giving access to natural resources, even where these have already passed into private ownership. On the whole, the author finds, the hopes of those who expected large results for land value taxation have been vain, "the reason, perhaps," lying "in the harmless nature of the change" so far accomplished anywhere. "It is unreasonable," she says, "to expect that a two or three per cent. tax on the value of land, or the remission of such a rate on improvements, would, in our complex social system of interlacing forces, bring forth the millennium. Nevertheless, as a fiscal measure, its influence toward reform, its tendency to check speculation in land, to relieve congestion, to appropriate some of the value increment for public purposes, and thus to relieve the burden to some extent on industry, outweigh the charge of discrimination against the landowning class involved in the proposition to put a higher tax on them than they had anticipated at the time of their investment." This language carries little comfort, it may be noted, to many of the most strenuous opponents of lower taxes upon buildings than upon land values or the total exemption of buildings and other real estate improvements from taxation.

Chapter X deals with the expediency of the land value tax in the United States, and here can be found an argument for more efficient valuation and assessment of land values, as well as a distinct suggestion that this may well be followed by full experimentation with local option in taxation.

The final paragraph in this well constructed and worth-while book runs as follows: "As yet, with the exception of a few isolated instances, reform in local taxation in the United States is still in its infancy. The

prospect of the institution of the tax upon land values, is, therefore, remote. The momentum of the agitation to introduce the tax will quicken, however, as the fiscal exigencies of the cities assert themselves. But, judging from the conservatism displayed so far by the people with regard to referendum measures, the adoption of the tax on land value can only be the outgrowth of the general fiscal reform movement, and not the vindication of the Single Tax doctrines."

This book should be widely circulated and read. It is a good piece of work. Behind its compilation there has been a motive perhaps indicated in the publisher's statement on the book's wrapper: "This is the first attempt to differentiate between the tax on land value and the Single Tax, to define the first-named tax and its underlying principles, and to present fully the experience of the countries which have introduced the system." Possibly the same committee that selected the subject of the essay now printed and here reviewed also suggested the form of treatment, and required some differentiation between land value taxation as hitherto accomplished and the kind of taxation that might be levied when and where the Single Tax was applied in its fulness.

The author touches upon this differentiation in Chapter I as follows: "the association of the tax on land value with the Single Tax is so prevalent and the sequences of this association so serious that it is necessary to differentiate between them. There is ground for the confusion of the two. On the one hand, the opponents of the tax on land value prejudice the public against it by identifying this tax with the Single Tax; on the other hand, the Single Taxers exult in the introduction of the tax on land value, regarding it as a vindication of their theories, and as the entering wedge to the Single Tax. No one will dispute the fact that fundamentally they have something in common. Both, for example, stand for an efficient, expert valuation system; both favor the exemption of improvements from taxation; both insist upon assessing land at its full value. Nevertheless, as enacted today, the tax on land value bears no closer

relation to the Single Tax than does the recently enacted parcels post system in the United States, for example, to State socialism. England, for instance, with her value increment duties, is no nearer the Single Tax regime than is this country with her public utilities legislation near collectivism."

Single Taxers will not be likely to find fault with the author's occasional flings at Single Tax as a "bugbear" and as "confiscatory," or with the suggestion that their pernicious activity retards rather than helps along the cause of more full land value taxation. Perhaps this kind of thing contributed to the acceptance and publication of the essay. The author set out upon a line which ignored any real examination of the major premises of the Single Tax argument, and has ingeniously contrived to do a useful work in popularizing the increase of taxes upon land value, combating successfully the arguments of land value tax opponents while apparently condemning all thought of advocacy of Single Tax in its fulness.

Single Taxers can make use of this book very freely in their propaganda work, and as occasion arises can point out that in it no attempt has been made to examine the ground for believing that the private ownership of land value, as a system, even without any regard to such concomitants as the effects of land speculation or inadequate use of valuable land, is, in the forum of morals, utterly intolerable. The possession by some citizens of land worth \$2,000,000 per acre per year while others must resort to land worth but a fraction of a dollar for the same area and time, is so glaringly inequitable that a remedy is loudly called for. Even if private ownership of land values presented a condition in which labor and capital could freely occupy and use land—even if no land was held out of use or at too high a price—nevertheless, natural law being what it is, land value premiums would arise which would inevitably tend substantially to take from capital and labor all that part of their product due to location advantage—in other words, all the excess of product over what they could obtain at valueless locations. How can such a condition be for a moment acceded to, once it is perceived

and challenged? In this book, too, no thought whatever has been given to the logical sequence of an acceptance of the orthodox theory of the law of economic rent—namely, that in so far as valuable land is held out of use or inadequately used, the margin of cultivation is lowered, and the net return to all producers is less than it normally should be. And, finally, the reader of this book will find but little attention paid to the claim of Single Taxers that the landowner is peculiarly the one who is able to receive the full benefit of all social progress and improvement—all beneficent changes in transportation facilities and the installation and operation of public utility service of the best character at the lowest cost. Only after these and other kindred considerations have been fairly dealt with can it be said that the Single Tax has had an unprejudiced examination and discussion.

In replying as she has done to a statement of Professor Seligman as to an "accepted policy of social justice" justifying the demand of landowners to be let alone, the author of this book has condemned in advance total reliance upon her conclusions. Here she says "a student of the changes that have recently taken place in the policy of legislation should no longer wonder that the accepted policy of social justice is not permanent. The end, which in this case is social welfare, justifies the means." This is well said and reaches far.—GEORGE WHITE.

HON. J. J. PASTORIZA is a candidate for mayor of Houston in the Democratic primaries to be held on Feb. 23.

MR. BOLTON HALL has been lecturing to the Maine University students, and is delighted with the boys and girls, whom he calls a "fine lot." He was especially gratified by the intelligent and searching questions that greeted him on the conclusion of his address.

THE Massachusetts Single Tax League entertained at dinner in Boston on Jan. 20, that splendid veteran of the Single Tax movement, John Z. White. Mr. White delivered a great address.

RECENT DEATHS

There have been a number of deaths in the Single Tax movement since the last issue of the REVIEW appeared.

Herman Gutstadt, one of the best known Single Taxers of California, who was born in Germany sixty-three years ago, and who for a long time worked zealously for the cause, is gone. Mr. Gutstadt was one of the organizers of the American Federation of Labor and was a delegate to its first national convention. The following communication from Samuel Gompers, now president of the American Federation, on learning of the death of Mr. Gutstadt is of interest as showing the regard in which he was held by the national labor leader.

"It is impossible for me to find words to express the shock I experienced upon reading your telegram announcing the passing of my lifelong friend, Herman Gutstadt. He was of the highest type of men, intelligent to a marked degree, courageous in defence and advocacy of the rights of man and the justice due all. His heart beat in sympathy with the highest aspirations of humanity. He was deeply devoted to his family and there was a sincerity in his friendships all too seldom found. The cause of labor and justice, and I personally, lose a great and true friend. My deepest sympathy and condolence to you and to all who knew him, for to know him was to love him."

The death of Robert Tyson, of Toronto, occurred on Jan. 20. His work for Proportional Representation made his name known far and wide. He acted as secretary for the Proportional Representation League from 1901 to 1912, and while earning his living as a court reporter gave of his time and service to the cause of electoral reform and Single Tax. He was a frequent contributor to the Single Tax REVIEW in the early years of this publication. His years at the time of his death were seventy-one, and few lives have been more wisely spent, since he lived for the service of his friends, and wrote and worked incessantly.

The death of David D. Shirley in Denver at the age of 62 takes another veteran of the west. He came from Iowa in the early days