

"He done his damdest. Angels could do no more!"—ALFRED D. CRIDGE.

PRIVATE PROPERTY IN LAND.

EDITOR SINGLE TAX REVIEW:

A great reform should rest upon good morals and good economics. Good economics will expedite the reform. Bad economics will easily retard or even obstruct it. The morals of the Henry George doctrine are perfect, but there persists to this enlightened day enough dead flies in its economics to make it irritating where it should be healing.

Your issue of November-December, 1912, reports the awarding of a prize among a dozen competitors for the best 250 word *definition of*, rather than an essay on, the Single Tax. Following are disconnected quotations from this prize definition:

"The purpose of the Single Tax is not merely to change the present system of taxation, but to abolish private ownership of land . . . We Single Taxers hold that . . . the land of the country must be the common property of all the people. . . . The right of private ownership can only apply to things produced by human effort." . . .

By reading the above statement, I am tempted to emphasize this one error (if it is an error) which innocently and unintentionally hinders the advance of the Science of Single Tax in the minds of thinking people.

But, it may be asked, did not Henry George believe in the abolition of private property in land?

To this it may be answered, "No." If he did, why was it that he suggested no modification of present land tenure or estate in land? If he did, how could he have said that the sole "sovereign" and sufficient remedy for the wrongs of private property in land was "to appropriate rent by taxation?"

I recently had occasion to ask the criticism of a College President upon several points; his only comment was two full pages devoted to Henry George's "error" that private property in land is wrong.

I am just reading the galley proofs of a

nineteen page magazine article on the Single Tax, more than one-half of which is devoted to the same point—combating an error of which Mr. George was never guilty, and which most of his thoughtful followers have "long since outgrown."—C. B. FILLEBROWN, Boston, Mass.

WHO SHOULD BE TAXED?

The difficulties we have in the administration of our tax laws spring partly from the complexity of the process, and partly from the nature of taxes levied. The system should be simple, should not include the levying of taxes against the collection of which there is popular objection, and should not discourage prosperity. Thus, an inquiry into the advisability of changing the bases of local taxation may be even more necessary than one into administrative methods and practices.

Taxation for local purposes, we can all agree, should be a process for getting money from persons in proportion to the value of government services they receive or could receive. If personal property rightly should be taxed, non-use should not justify exemption. If buildings and real estate improvements are proper subjects for taxation, non-use cannot be entertained as conferring a right to exemption. The same is true of locations. Government services are provided; it is the owner's lookout if they are not being availed of. Regardless of use or non-use of these three classes of property, the nub of the whole question as to a just basis of taxation is the decision as to who it is—what interest it is—that gets or might get the value of government from day to day or year to year.

Our tax laws attempt to treat each of three interests alike, as if each was in like case in regard to the services and advantages of government. This may not be so. A little analysis—a little investigation—a little straight thinking—these may show that one or other of these interests is alone in a position to receive, to rent or sell, or to allow to go to waste, the services of government. These have a value day to day. This value exists and is traceable.

Which interest has it? How can the fact be proved, and why is it?

The mere clearing up of the situation by a precise statement of the terms of the problem may be enough to disclose the answer. Who has the value of government from day to day? Surely the interest that has to be reckoned with by both of the other interests. Is one of these interests in a position, inevitably, at any time and place, to make terms with the other two which include payment for the services and advantages of government by the other two to *it*, and if so, which is the one interest which can do so? Can an owner of personal property say if government is efficient and complete my property must be considered more valuable? Can he say if my contribution to a joint enterprise is to be located in the center of public activity I must be credited with a larger contribution than if the opposite is the case? He can not, nor can the builder. If he furnish a building its value will not depend upon the character or efficiency of government, or upon the location of the building with reference to access to the services of government. The builder can not claim from the owner of personal property or from the owner of a location any greater consideration no matter what the facts may be regarding the kind and quantity of government advantages and services to be enjoyed by the joint enterprise if the three interests make a combination. The only interest which can claim and will very naturally claim special consideration by reason of the services of government to be enjoyed is the location-owning interest. This interest will, as a matter of course, claim a greater contribution if the location is such as to put the joint enterprise in the very center of public activity, where the services and advantages of government are most accessible and most freely offered, than if the reverse were the case. To deny this is to deny a fact as plain and as easily proved as any fact of human association, but to acknowledge it, nevertheless, is to acknowledge that taxation of personal property or real estate improvements is to require payments from two interests which, if separate from the third interest, must arrange for pay-

ment to the third private interest for all the services and advantages of government, and thus require a payment from the first two interests for what has already been paid for, or must be paid for, to the third interest, and is also to acknowledge that if equal payments in the shape of taxes are required from these three interests injustice is inevitably done where the three interests are not equally represented in ownerships of property. Those citizens who have more value in personal property or buildings or real estate improvements than they have in land or locations will pay too much—those who have more location value than they have value in personalty or buildings will pay too little.

The answer to the question of what gives one of three interests the right and power to receive, or to rent or sell, or to allow to go to waste the services and advantages of government is plain enough. The power springs from natural law, which is superior to all human laws. The natural law of human association is that wherever private ownership of locations is the fact, a premium will attach to each location tending to equal the difference between its advantages from any cause and those obtainable at the best location to be had for nothing or at a nominal price. This the economists call the law of economic rent, and it is as undisputed as it is indisputable. Location values naturally include the value of government from day to day and year to year. He who commands the use of a location commands the services and advantages of government. He can avail himself of them, or he can rent them out, or he can do neither and allow them to go to waste. His is the one interest which is in a position to profit by government—his is the one interest which has the ability to pay for government which accompanies the possibility of receiving or disposing of its advantages. His ability to pay is not the ability of mere ownership from which deductions can be made by the power of government to confiscate possessions. It is the ability to pay which springs from something more than mere ownership—which springs from the ownership and services of government,

the latter being certainly provided out of the taxes which are collected.

The case against the equal taxation of personalty or real estate improvements and location values is not, however, completed when one proves the essential injustice of the scheme. Current injustice in taxation is an error, but not one that by itself causes any serious trouble. The really serious aspect of our system of taxation for local purposes is that it stands directly in the way of prosperity and social and economic justice. The prosperity of any community depends upon two things mainly. First, the terms upon which access to usable locations can be acquired; Second the retention by earners of their incomes free from government hindrance or exaction. It is provable that the confining of local taxation to taxes upon location values would result in making it much easier for locations to be used and tremendously increase the adequateness of their use, while the exemption from taxation of personalty and real estate improvements would leave to earners all their incomes. It is important to note, also, in these days when taxation seems to be such a burden that the success of a system of taxation upon location values only would depend not upon a minimum of taxation, but upon a maximum. Up to a certain point, under such a system, the community that levied the heaviest taxation would offer the best prospects for residents, for workers and business men. This may be a novel suggestion, but it is a sane one, and easily fortified with proof.

Very true it is that "no consideration of the question of taxation can be complete unless it include reference to suggestions constantly being made for changes in the bases of local taxation," to quote the recent report of a Bergen County civic club committee on taxation.—GEORGE WHITE, Hackensack, N. J., November 26, 1912.

L. J. QUINBY, of the Omaha *Chancellor* calls it "The Minimum Wage Assininity." It is refreshing to hear Single Taxers call fool measures like this by their right names.

THE ANALYSIS COMPELLED BY THE SOMERS SYSTEM.

(For the Review.)

BY E. W. DOTY, CLEVELAND, OHIO.

The Somers Unit System of Realty Valuation is primarily a computation system; that is, it is a method by which the value of bulk may be computed from the value of a given quantity.

The most notable effect of the substitution of a systematic method of performing any task by hap-hazard methods, is analysis. This is especially true of the Somers System. One of the early results of the analysis compelled by the use of the Somers System, is a knowledge of the effect of street accessibility as a measure of the value of contiguous land. It does not require a very profound study after one has mastered the salient features of the computation side of the Somers System, to discover that the effect of the street upon contiguous land grows less as a lot recedes from the street line. The expression of the drop foot by foot from the street line as shown in the Somers System table for depth is but the common expression of all investigators of the subject; that it is expressed in figures so that this common knowledge may be applied the same for every similar situation is important, because it turns the theory into a workable tool.

There could be no computation system if it were not for some law that will be accepted as a rule of action by all who are compelled to perform a given task. It may be observed, if one cares to investigate, that there is an evident attempt on the part of all assessors and land appraisers to carry out what may be called the law of appraisal. This law is stated as follows:

"There is a mathematical relation between the value of any two sites affected by the same street influence or street accessibility."

The Somers System includes tables that set forth the mathematical side of this problem. These are computations which have resulted in a set of tabulations so arranged as to save the computer a vast