

DOUBLE TAXATION

I MAINTAIN and challenge contradiction—

First: That all governmental services; i.e., police and fire protection, schools, parks, highways, sewerage and security of land tenure with its civil, social and economic advantage are reflected in the value of the land so benefited.

Second: That in the absence of government, regardless of population or the natural attributes of the soil; be it impregnated with precious gems; underlaid with seams of precious metals and be most generous in other natural bounties, land values are not possible.

Third: That to levy a tax on labor products, either during the process of production or after coming into possession of the final consumer, is double taxation; first by the landlord in ground rent and then by the State for the same service through personal property, inheritance, tariff, internal (infernal) revenue and income taxes.

And now to add to the confusion of the tax problem which is so perplexing to the "master minds" that dominate the legislature in Springfield, it is proposed to levy a State income tax. It is a dangerous experiment. It may be the means of inducing people to study the question of taxation and then discover that taxation is not necessary to provide the State with an income for its maintenance. If so, it will be a blessing in disguise.

—ALEX PERNOD, in *Daily Calumet*, Chicago, Ill.

UNDERCONSUMPTION

THE main argument for repeal of the surtax on income is that this tax is one of the chief causes of "poor trade, tight money, diminished enterprise and employment." As it was stated by a prominent advocate of repeal in a speech before the Pittsburgh Traffic Club: "Capital has been driven from the highways of trade because the government lies in wait and exacts a large toll, going up to three-quarters of the wayfarer's income." This tax, he declared, forces the investment of capital in untaxed bonds, thus depriving trade and industry of capital urgently needed.

Both of these statements are unfounded. It is not true that our present industrial depression, with its 5,000,000 idle workers, is due to lack of capital caused by the income tax. In the first place, there is no immediate need for capital to build more mills and factories. Our existing factories in practically every line of industry can produce more goods in nine months than we can consume in a year. With thousands of mills closed or running on half-time, with many of those producing unable to find markets for their products, it is evident that what the country needs to restore prosperity is not capital for new industries, but increased purchasing power by the 100,000,000 consumers. Present conditions, we are told, are due to overproduction. This also, of course, is not true. The real trouble is underconsumption, since millions of men and women need more and better food, clothing, furniture, and all kinds of goods. In any case, it is clear that putting more capital into indus-

try could not materially help, so long as the mass of consumers cannot buy back the value of their labor product.

—WHIDDEN GRAHAM, in *The Nation*.

BOOK AND PAMPHLET NOTICES

A VALUABLE WORK ON HOUSING

"The Joke About Housing," by Charles H. Whitaker, editor of *The Journal of the American Institute of Architects*, a book just issued, gives an understanding of the basic reason for the housing shortage throughout the world. It will help the Realtor to talk more intelligibly with his clients about housing costs.

We quote therefrom: "Housing reformers and philanthropists have persisted in keeping the housing question in an isolation hospital, where it was considered as a peculiar problem to be solved by building cheaply, skillful planning and continually discovering how to put more people in the same space. Thus the disease was never diagnosed in relation to wages, rentals, taxation, cost of land and cost of living and the whole mechanism of industry. Seen in this true relationship as a sick member of our whole system it will be at last understood.

"The present serves to illumine the spectacle more vividly than ever before and one seems to see the human race shackled and manacled to an idea, yet blind to the fact that the idea spells disaster, perhaps death, to civilization, blind to the burden under which it staggers along; and blinder still to the reason why the burden continues to increase."

Every Realtor should get this book and read it at once, and learn among other things what this "idea" is to which Mr. Whitaker refers, and which is holding real estate development within narrow limits. It is printed in large type and may be read in an evening, or so. It is published by Marshall Jones Co., Boston, Mass.

A NOVEL SUGGESTION

We have received a pamphlet entitled "Lawyers and Legislators," by Percy Werner, reprinted from the *St. Louis Law Review*. Mr. Werner makes a novel suggestion. He urges that as the drafting of laws is no part of legislation there be established a permanent Legislative Drafting Bureau, to be composed of lawyers. He argues that in this way we could get rid of a lot of defectively drawn and hastily conceived legislation; also that the popular notion that legislators should be lawyers would give way to a better conception of what is the lawyer's province. Mr. Werner links his very novel proposition with a plea for proportional representation. His arguments are strong and convincing.

A PAMPHLET BY JOHN HARRINGTON

This is a pamphlet of 26 pages, by John Harrington, of the Wisconsin State Tax Commission, which we have no hesitation in commending as one of the best expositions that have come to our notice in recent years. Its title is "A Tax That is Not a Burden—The Single Land Value Tax."

We quote the opening paragraphs:

"While "Progress and Poverty" is the great exposition on the so-called "Single Tax," it did more to clarify and coordinate my views upon and knowledge of citizenship, social relations, questions of labor and capital, socialism, and government, than all the other books I read before or since. I think this effect can come only from reading it slowly, consecutively and studiously, as a student must read a law book. Mere "skimming," and "reading in spots," seem to result only in confusion and disappointment. This sort of examination of the book may account for a certain sort of dislike and antagonism often expressed by intelligent and well-read men who say they have read it.

The book is full of surprises. As an illustration, I recall with what surprise I read at the beginning of Chap. III, Book I, that wages are not drawn from saved and accumulated capital. 'Surely this cannot be so,' I said. I had gathered from my previous study of political economy and general reading that of course labor was paid by and