

It is only by tracing things to their origin, that we can gain rightful ideas of them ; and it is by gaining such ideas that we discover the boundary that divides right from wrong, and which teaches every man to know his own. I have entitled this tract *Agrarian Justice*, to distinguish it from *Agrarian Law*. Nothing could be more unjust than Agrarian Law in a country improved by cultivation ; for though every man as an inhabitant of the earth, is a joint proprietor of it in its natural state, it does not follow that he is a joint proprietor of cultivated earth. The additional value made by cultivation, after the system was admitted, became the property of those who did it, or who inherited it from them, or who purchased it. It had originally an owner. Whilst, therefore, I advocate the right and interest myself in the hard case of all those who have been thrown out of their natural inheritance by the introduction of the system of landed property, I equally defend the rights of the possessor to the part which is his.

Cultivation is, at least, one of the greatest natural improvements ever made by human invention. It has given to created earth a ten-fold value. But the landed monopoly, that began with it, has produced the greatest evil. It has dispossessed more than half the inhabitants of every nation of their natural inheritance, without providing for them, as ought to have been done, an indemnification for that loss ; and has thereby created a species of poverty and wretchedness that did not exist before.

In advocating the case of the persons thus dispossessed, it is a right and not a charity that I am pleading for. But it is that kind of right which, being neglected at first, could not be brought forward afterwards, till heaven had opened the way by a revolution in the system of government. Let us then do honour to revolutions by justice, and give currency to their principles by blessings.

### TAXATION OR PROTECTION

(From the leading article in the DAILY NEWS, February 15th)

From whence are the new resources to come ? From possessions or from consumption ? The Protectionists are in full cry after their favourite quarry, and some of the weak-kneed Free Traders are joining them. The SPECTATOR is alarmed at the idea of making further demands on the taxpayer and, throwing over all its economic commonsense, calls for a ten per cent, *ad valorem* duty on all imports, food, raw material, manufactures—everything. We are to make all that we consume dearer in order that we may keep the taxes of the rich and the well-to-do lower. We are to consolidate our alliance with France and Russia and Italy by putting a tax on their exports in place of the free market we gave them when they were not our Allies. We are to reward the Overseas Dominions for their sacrifices by protecting the home producer against them. They will have a preferential tax as compared with France, but they will be taxed where hitherto they have had the privilege of free trade. The suggestion that this is to be done to reduce imports is obviously insincere. The way to reduce imports is to make them illegal in so far as they are unnecessary.

There is no question of taxing German trade, for we have no trade with Germany to tax. It will be time enough for us to decide whether we are to enter on an economic war with Germany when we have won the war on the battlefield. Till then at least let us avoid putting duties on our Allies' goods in order to save the pockets of the rich by making the general cost of living higher than the unavoidable conditions of the war make it. If we are to fight the Protection fallacy again let it be a fair fight and not a stampede on a false issue.

### IS POLITICAL ECONOMY SCIENCE OR PURE FAKE ?

(ALEXANDER MACKENDRICK in the SINGLE TAX REVIEW, January—February, 1916.)

In the last issue of the REVIEW you have headed an editorial with the above suggestive question. You may not be aware that a few years ago a debate extending over some months was carried on in the pages of one of the heavier London magazines, by Dr. John Beattie Crozier and Mr. H. G. Wells, under substantially the same title, "Is a science of Sociology possible ?" The first named economist maintained that sociology is a real science and can be securely established on certain natural human instincts or tendencies, while Mr. Wells insisted that owing to the fact that man is still in the making and always developing new and unpredictable qualities, no uniformity in his reactions to stimuli can reasonably be expected, and that therefore the basis of a true science is wanting. Mr. Wells then went on to argue, as readers of his books can imagine he would, that all that the society reconstructor can do is to proceed by the empirical method of picturing to himself ideal states or utopias and then endeavouring to mould society after the pattern he has set for himself. It is needless to say that both these distinguished writers urged their cases ably, and had Dr. Crozier been not only the broad and liberal thinker that he is, but a Single Taxer in addition, his triumph in the debate would have been complete. Lacking as it did, however, the precipitating reagent which the Single Tax philosophy provides, his collection of so-called principles seemed to produce a muddled mixture which might well have evoked just the question asked by your article.

To me it has always seemed that the whole difficulty arises from a failure to realize what at bottom a science really is. We should constantly remind ourselves that we use language wrongly when we speak of a science of engineering or a science of government. A science is not a statement of what man can, would, or should do, but is a formula describing the tendencies of natural forces acting either without obstruction, or modified by the tendencies of other natural forces. Astronomy may be regarded as the purest science we have knowledge of, for it tells only of the natural laws which regulate the movements of the Heavenly bodies, and which cannot be modified or altered by human action. If we were as watchful of our language as we should be, we would speak of all human achievements as "arts," with the purpose of distinguishing them clearly from Nature's unchangeable operations which, when reduced to formulae, are properly termed "science."

The mistake into which all the orthodox economists fell was that of starting their observations and beginning their search for first principles at a point where natural law had already been interfered with and where artificial law had given some men the power to obstruct the natural tendency of man to satisfy his desires with the least expenditure of effort. When the "science" of economics was born and began to look around for its subject-matter, it failed to observe that the "art" of government had arrived first and had disturbed and confused the data on which such a science must depend for support. The consequences have been just what might have been expected. The muddledom as between natural and artificial conditions on which the original observations were made, and from which subsequent deductions were drawn, has become worse at every attempt to simplify the "science" which is neither a true science nor an art, but an irreconcilable compound of the two. The most remarkable example of the confusion that has been caused by this failure to distinguish between two utterly different categories is to be found in a little manual of political economy by Professor J. Shield Nicolson, of Edinburgh University. In an apparent unconsciousness that he has wandered far out

of the region of political economy or indeed of any speculations that have the remotest connection with science, he devotes a chapter to a consideration of the uses of chemical fertilizers and artificial manures as an aid to farming. I confess it afflicted me with a kind of giddiness which it is hard to describe. Where am I? I asked myself. Am I being taught the natural laws which regulate human action, or am I simply told how to do things? Is this a scientific manual or a farmers' hand-book? Well might Professor Newcomb whom you quote, declare that "there are no economic principles to save statesmen the labour of working out each case on its merits," for what conceivable principles could possibly mediate between the component parts of a duality like this.

It is not surprising that Professor Seligman in his article on "Housing" in the NATIONAL REAL ESTATE MAGAZINE for November, should declare that "taxation is a much more complicated and subtle business than it appears to the ordinary tyro." Starting from a base, that is neither pure science nor human art, but an incongruous combination of the two, how should it be possible to formulate any principles of taxation that would hold men together in relations of equity? Was it not inevitable that the complication and subtleness should increase at each attempt at simplification, until all hope of clear definition had to be abandoned? The pseudo-science we have hitherto known as political economy has covered itself with confusion and proclaimed itself a failure. We who have caught sight of the real distinction between the science of human relationships and the art of government may well congratulate ourselves upon being the custodians of a great economic truth of which the world is not yet worthy, a truth so simple that the wayfaring man though a fool need not err therein, a truth so sublime in its remoter implications as to change the outlook upon life to all who have been privileged to lay hold upon it. Political Economy is a science. What passes under that name in many of our Universities is what you term it, "pure fake."

### NEW YORK CITY VALUATION

From the Annual Report, for the year ending March 31st, 1915, of the New York City Department of Taxes and Assessments, we take the following statistics:—

Valuation on January 1st, 1915.		\$
Ordinary land value .. .. .	4,643,414,776	
Improvements .. .. .	2,884,475,851	
Special franchises .. .. .	379,973,070	
Real estate of corporations .. .. .	200,897,090	
Total real estate (£1,665,041,200) ..	\$8,108,760,787	
Personal property (£72,289,900) ..	\$352,051,755	

These are the assessed full market values in each case. The land value is equivalent to £953,473,100, and the value of improvements to £592,294,800; the ratio of land value to composite value of land and improvements was 61·7 per cent.

A remarkable feature of the tables showing comparative results over a period of years is the steady diminution in the assessed value per head of population in the case of land value, value of improvements, and special franchises. For example: the land value per head was \$915 in 1911; the figure has gradually decreased to \$816 in 1915. Improvements were \$533 per head in 1911, \$535 in 1912, and then diminished year by year to \$507 in 1915. In the case of special franchises, the decline has continued since 1908, when the value per head was \$111; in 1915 it was \$67. The real estate of corporations is the only class of property which shows an increase, reaching \$35 per head in 1915. These figures are, of course, the averages for the whole city and express the assessed value in ratio to population; but population (4,983,385 in 1911 and

5,693,667 in 1915) has grown in greater proportion and the average per head has fallen. It would be interesting to have some explanation of this reduction, as it may be due to a number of factors: in the case of all items in the assessment, to more accurate valuation; and in the case of land value, to the effect of taxation upon selling value, or even to an increase in the general level of wages. These latter factors would, however, cause an absolute increase in the value of improvements, and in their case the cause of a decrease from \$533 to \$507 per head within five years must be sought in other directions. Referring to 1914 alone, the Commissioners say: "During the past year the market for real estate has been very dull owing to the business depression, and Manhattan has suffered further from the shifting of values and from the decline in the value of buildings due to changes in the character of neighbourhoods."

The tax rates in 1915 varied from 1·87 cents in Manhattan to 2·24 in Richmond. They are imposed by the several Boroughs and are the sum of two and sometimes four separate rates; the rate for general city purposes (1·786 in 1915) which is uniform throughout New York City; the rate for county purposes, which varies in the five counties; the rate for State purposes, which is uniform throughout the city; and lastly, a rate to pay an assessment levied against an entire borough or boroughs to pay all or part of the expense of a local improvement. The total tax on real estate in New York City in 1915 was \$153,673,531 (£31,555,000) and was equivalent on the average to 1·895 per cent., or 4·55d. in the £ of assessed capital value. As the land value was \$4,643,414,776 (£953,473,100) the total tax on the value of land alone works out at \$87,992,700 (£18,068,300) and to that amount vacant land contributes its share at the rate already mentioned, viz., 1·895 per cent. or 4·55d. in the £. The tax on personal estate was \$6,622,169 (£1,359,800).

The appendix to the Report contains an interesting account of the steps taken to apportion throughout the State of New York the direct State tax, which in 1916 will be at the rate of 0·17 cents to the dollar—equivalent to 0·41d. in the £. In equalizing the burden of this tax the State Board of Equalization make allowances for the fact that the assessments of real estate in the various counties (which are made by the counties themselves and not the State) may depart more or less from the real market value, and have to revise the valuations of real estate by adding or deducting such sum as in its opinion may be just and necessary to produce a just relation between the county valuations of real property in the State. As long as the different counties adopt their own standards of assessment, the result must be that, in the absence of such equalization, property would be unfairly penalized wherever the assessment was most accurate, and careless or haphazard assessments would be encouraged by causing property to be exempted from its due share of the State tax. The New York City Tax Commissioners point out that since 1911 the State Board of Tax Commissioners has been greatly aided in preparing a proper equalization table by two amendments of the Tax Law obtained in 1911, and that the results of this salutary legislation have been apparent in the equalization table of 1914. They add that while a direct State tax comes as a heavy burden at this time, it brings with it the incidental advantage of increased pressure upon the State Board of Tax Commissioners and local assessors to equalize real estate assessments throughout the State. This indicates that the correct methods of valuation in New York City are influencing assessment reform throughout the rest of the State, and at the same time confirms the contention that one of the best aids in the business of valuation is the imposition of a tax on the assessment of the property. In the counter-play of opposing interests and the influence they can bring to bear, the tax proves a most efficient valuer. A. W. M.