

the committee's special investigator, testified in opposition. The burden of Mr. Bloch's and Mr. Bright's testimony, if a little more coherently and consistently expressed than that of Mr. Kelsey, was so much the same that it is hardly worth while to go into it in detail. The gentlemen both showed a lack of economic understanding which does not seem possible for men of their prominence in city affairs. It is far more easy to believe that, like great financiers on similar occasions, they have forgotten what they did not choose to know.

The testimony of Dr. Haig, who is an instructor in economics at Columbia University and was the expert chosen to investigate conditions in cities and States where the exemption of taxation on improvements was in force, had been looked forward to as likely to be important.

Dr. Haig proved a disappointment, however. His knowledge of economics was so absolutely academic and statistical that he reiterated again and again his argument of the small reduction on rent resulting from the proposed measure, as if that reduction were only what the subtracted amount of the lesser tax would be. He refused to acknowledge what any of the other gentlemen testifying on the same side, however much they might have forgotten their economics, knew to be a fact from business experience, i. e. the fact that the reduction would be brought about by increased building and cheaper land. Dr. Haig thinks, in fact, that the proposition would discourage building but also added cautiously, that there might be places and times where, under certain conditions, it might have a certain value in bringing people and capital to a city. He refused to advocate local option in taxation, although he believed that the land values might furnish a source of city revenue that would be reliable. Dr. Haig thought that some of the ends desired could be better gained by an increment tax, although he does not think that an increment tax would bring in anything just now. He believes that a super-tax on land values would be a foolish thing at this particular time and in

the situation of real estate just now. Dr. Haig appeared to believe that the landlord can shift the land value tax to the tenant, although shortly after that he stated that possibly in the long run the tenant would benefit.

Apparently the study of economics, as a profession, tends to confuse the mind, as well as enlighten it.

It reminds one of what Dr. Dooley says about literature: "Literature is all right as a pursuit, but it's hell for the man who catches up to it."

Economics may be all right as a study, but it seems to be bad for the man who tries to make a living out of it.

REPORT OF THE COMMITTEE ON TAXATION OF THE CITY OF NEW YORK

EDITOR SINGLE TAX REVIEW:

Presuming that Miss Colbron's excellent comment on the New York enquiry need not preclude contributions from other readers, I venture to record a few of the impressions left on my mind after perusal of the volume.

The failure to accomplish a thing is never entirely a failure if it has taught us how better to approach the venture another time. The reading of these reports, and especially that of the Majority, has revealed to me as nothing has done before, the importance not only of having a righteous cause to support, but of being wise enough to present it in the one best way that may be selected out of a hundred more or less effective ways. We are all too easily attracted by the idea of carrying a reform not by the weight of its inherent justice, but by the force of our own smartness. The wisest among us have a tendency to exercise finesse, diplomacy, or statesmanship, and to attempt flank movements and surprise attacks, when a plain old-fashioned trial of strength as between the force of inertia and the cause we believe to be just would serve our purpose much better. And the danger of such movements just is, that they tend to make us lose the sense of

direction. Mr. G. K. Chesterton tells a story of a man who started out from the South of England in a yacht with the intention of discovering an island in the Southern Atlantic which he believed to exist there. His compass, however, went out of order and he lost his bearings, but nevertheless sailed on for many days until at last he sighted what he assumed to be the island he was in search of. He then proceeded to plant the British flag on what he took to be an ancient heathen pagoda, only to discover later on that it was the Pavilion at Brighton, and that he had landed again on the English coast a few miles from where he started. This is what I fear may happen to the Single Tax movement every time we permit ourselves to swerve from our direct objective, and entertain the idea of reaching it by aiming at something else. We may get the something else, and it may bear a specious resemblance to the thing we want, but it will not be the real reform we are in search of, and we may after much circumlocution find ourselves back in the place from which we set out.

To the Single Taxer with a taste for controversy, the Majority report offers much tempting matter for criticism:—as, for example, on page 22, where a comparison is drawn between the man who invests in a vacant piece of land, and another who puts the same amount of money in a bank. "Why," the report seems to ask "should the former not reap the same reward after a few years as the latter?" It should not be necessary to remind the signatories of the report that if the first hypothetical investor had put a bag of gold pieces in the back of a drawer for a few years and to that extent inconvenienced the public by deranging the currency, he would not have expected society to pay him interest on his "investment;" and that by withholding from use a piece of land he is injuring society in a much more positive way and has still less right to expect remuneration. Again, on page 24 the captious critic might point to an illogicality in the implication that "if rents

go up wages will go up also," and that, "if rents were to fall in New York as a result of untaxing buildings, it is probable that wages would fall also." The confusion of course results from a failure to grasp the thought that the same force that causes rents to fall normally may cause the price of labor to rise. But I shall not trouble your readers with further criticism of the report, but get to the main purpose of this communication which is to point out that we have got just what we have invited. We have wandered into by-paths of argument and have brought upon our heads the cataract of opposition we should not have encountered had we kept to the straight road.

For example, why should it have been necessary for the opposition to tell us that land-owning is a productive industry, and to overwhelm us with argument on this score? We have surely never denied that the landlord performs a useful function in the economy of society? The dealer in land by promoting its development in the interests of the community, is serving a purpose in the structure of society which need not be denied or underestimated. Every time, then, that we declaim against landlordism, we tempt our opponents into fields of argument where we are likely to be worsted. Similarly, when we affirm that all the advantages of communal life in cities accrue to the profit of the land-owner, we simply call attention to the indisputable fact that it is because part of it can be retained as business profits, salaries, and wages, that the influx to cities is so constant. The question, too, as to whether the concentration of the tax-burden on land value will or will not lead to congestion, is open to so much pro and con argument that it becomes obvious that except to the man who has faith in the tendency for things to work out rightly when once a basis of justice is attained, no solid ground can be found on which to make a definite forecast. Finally, it is evident we have erred in emphasizing too much the results to be expected from the exemption of improvements from taxation, as we thus

open a field of argument that is practically interminable. It may well be that the countervailing forces at work in society will over-balance the expected lowering of rents, and we are certainly safer to avoid too confident prophecy and so save ourselves the entanglements of discussions which at best are more or less mystifying.

What then remains as the main course charted for us by Henry George? Simply to hold fast to the position that land value is a social product; to assert society's right to appropriate that value as its normal revenue; and to emphasize the fact that all present owners of land have bought themselves free of the existing tax on land, and that, in the words of the Minority report, "they can only be made to bear any portion of the tax burden by taking from them a larger percentage than they figured on when they bought the land, or in other words when they invested in tax-collecting privileges."

I have not forgotten that the purpose of the Commission was not ethical but fiscal—that of discovering how to raise more revenue. I submit, however, while denying the reality of the alleged though chimerical distinction that the taxing of land-values may be supported on purely fiscal grounds as logically as on its moral basis. The sufficiency of the fund; the simplicity of assessment; the inexpensiveness in collection; the impossibility of evasion; the laying of the burden equitably according to benefits received by public expenditure; the stimulus to industry and the consequent increase in the general ability to support local expenses; all these arguments may be advanced on purely fiscal grounds.

The Single Tax movement can lose nothing by giving the fullest credit to all who are willing to lend themselves to its service even in the smallest degree, and it may not be unprofitable to consider what might have been gained by the course suggested, especially, in the way of gathering strength and encouragement from the enemy. For example, Professor Seligman, (page 112) bore witness as follows as to his position in regard to a heavier tax upon

land-value: "While I hold the arguments of the Single Taxers to be erroneous, I agree with the majority of the modern economists in the belief that land values afford an especially suitable basis for local taxation. I do not believe that land values should form the exclusive basis of taxation, but I do think that under certain circumstances a larger revenue may be derived from that source than is the case at present." These words indicate a drift which is shown to be shared by other Professors and real estate men to quite an extent, and which Single Taxers might well appropriate in reinforcement of their own position. Another distinguished contributor to the work of the Commission has said, "A much stronger case could have been made out for the Single Tax had the question been framed in a somewhat broader way. Several of the more intelligent real estate men made statements in the informal conferences which seem to indicate a very striking awakening to the significance of the modern movement toward heavier land taxes." I trust some of your readers will agree with me that there are many indications like these of a growing sympathy towards our principles even among those who have hitherto been our strongest opponents, and that it should be our object to capture and conciliate such leanings rather than to divert them by raising debatable side issues.

In conclusion, let me say that if it is admitted that the value of land is always an untaxed value with respect to old taxes, and if, as is stated in the report, land in New York changes hands on the average every twenty-seven years, then it is evident that as each successive purchaser buys himself free of all taxes imposed previous to his purchase, the tax on land-values even though carrying the whole weight of local burdens, would in one or two generations be entirely burdenless to the then owners of land.—ALEXANDER MACKENDRICK.

REPLY TO ALEXANDER MACKENDRICK

There is of course much to question in Mr. Mackendrick's communication. The Single Tax however presented is a challenge