

tence. We cannot forbear quoting it, for every letter is golden:

"However complicated and perplexing the social or labor question may seem, we must never lose sight of the fact that there are a few simple and fundamental principles which, if understood, show the way clear to peaceful and evolutionary progress."

Vancouver's Troubles

WE are afraid that Prof. Robert Murray Haig, will have to be called in again as an expert on Vancouver's fiscal disabilities.

Its troubles, as diagnosed by the professor, arose from the tax exemption of improvements. Unfortunately, things have not turned out thusly. With a 50% assessment on improvements, pleasantly called "broadening the basis of taxation," the municipal deficits continue piling up; and, somehow, the ideas of further increasing the tax on improvements is far from popular. Here is what the Vancouver *Daily World* has to say about the situation, in an editorial of February 9, 1921:—

"With all the present sources of taxation utilized practically to the limit, Vancouver faces a deficit of over one million dollars, according to the tentative estimates presented to the civic finance committee this afternoon by the chairman, Alderman Owen. The mill rates have practically reached the limit allowed by the charter. There remains the possibility of taxing improvements to the full amount of the assessed value, instead of only fifty per cent. as at present; but the burden already carried by property owners makes it extremely doubtful that the council, in face of the storm of protest that would be aroused, could carry such a project through, even had the aldermen any idea of suggesting it,"

Apparently Vancouver is in need of another Haig tonic to restore enthusiasm for the special fiscal privileges of the vacant lot.

New Land Settlement Scheme

W W. HUSBAND, the new Commissioner General of Immigration, announces an interesting plan for distributing our incoming population. It has the approval of Secretary of Labor Davis. Indeed, most of our readers will sympathize with the wholesome and politically wise purpose of the scheme, however much they may question the methods proposed.

Commissioner Husband states his plan as follows:—

"There is land enough in this country for millions of small farms, land that the Department of the Interior is opening in the West for entry, land in the South and elsewhere that is now swamp but that can be drained and put to use, and still other land in the East that has been abandoned for farming by the draft of our population to the cities.

"Our plan is not to replace American farmers with for-

eigners, but to create new farms and make new farmers, thereby increasing the resources of the nation. Our immigration problem is largely a problem of distribution of the immigrants.

"The majority of our immigrants are peasants, and essentially farmers. American labor, under present conditions, would never take up in large tracts the land now idle, but by cutting them up into small farms and offering them to the immigrant, we will offer him a chance to realize his life's dream—to own land—and at the same time we will be rendering an economic service to the country.

"Our plan is not to scatter these people out in sparsely settled sections and put them up against the problems that our pioneers went through. Neither do we plan to start foreign settlement communities in the strict sense of the term, but we plan to group them, somewhat on the European village plan, and offer them the advantages of expert agricultural demonstration instruction through the Department of Agriculture, and to aid them in taking advantage of the Farm Loan act.

"By handling the immigration problem in this manner, we will do away with the 'red danger.' The farm, with the advantages we can offer, will be the best sort of an Americanization school.

"We must divert immigration from the crowded industrial centres. The change from European rural life to conditions in some of our big factory cities is too much for human nature to stand.

"Our employment service, which has been shot at so often, but which Congress saw fit to continue, can be made to be a great aid to the immigration service.

"The flow of immigration to the cities has been a matter largely of 'follow the leader.' A few of the early arrivals from each European district, have stayed in the cities and the bulk of the others, following naturally, lodged there. We believe the current can be diverted to the farming sections by the same process."

High ideals undoubtedly inspire the above plan and policy. But some very practical difficulties seem to have been left unconsidered.

On the one hand, for instance, the captains of industry will scarcely look with favor on a plan which proposes to draft away to the rural districts the imported labor so long considered as the rightful perquisite of manufacturing centres. On the other hand, American agriculturists are today clamoring for higher prices for their product, certainly not for more and lower-priced production at their very doors.

These are two big lions in the way. Is the Commissioner's pet lamb likely to survive the encounter?

But more serious than the opposition of selfish sectional interests are the economic laws that finally decide the success or futility of such schemes.

Mr. Husband laments the waste places in the country. Apparently he does not see the waste places in the city. The vacant lot and the uncultivated acre are twin offspring of the same evil,—a fiscal system that favors and stimulates with preferential bounties the unproductive holding of land, while it condemns and penalizes by tax discrimination the productive use of the land.

The drift from country to town is of the same origin as the drift from suburb to slum. It is also as conspicuous in

the countries that supply the emigrant as in those that receive him. It is due to the failure of our social laws to adapt themselves to natural laws in the matter of the relation of man in society to the land.

The new Commissioner may build his pretty sand-castles on the beach; but the tides of economic law will irrevocably sweep them away.

What this nation sadly needs is not wishy-washy sentiment and impractical ingenuities, but real statesmanship that, as a primary measure for reconstruction, will break down the artificial barriers, the absurd fiscal barbed-wire entanglements, that at present bar labor and enterprise from their natural opportunities in town and country. Only by such basic action can our civilization be restored to its orderly progression, and the natural equilibrium and interchange be re-established between town and country.

Something For Nothing

ACKERMAN is the name of a retail hat store on Fifth Avenue. The proprietor has some knowledge of economics. He says in a recent advertisement:

"I pay a high rent—simply because the location is worth it. I'll wager that more men pass my two doors every day and more men come in and buy than either pass or patronize any other hat store in town—and that likewise that day in and day out I sell more hats per square foot of space than any other shop. The result that my high rent figures out less on *each hat sold* than could ever be the case in any cheaper location.

It isn't the amount of rent per square foot that counts, but the amount of rent *per-dollar-of-business* done.

Now the question arises, who gets this value that attaches to this greater volume of trade? Mr. Ackerman seems to be perfectly satisfied with the arrangement, but he doesn't get it—the greater part of it going to some one who does not produce it, for hats of the same quality maintain about the same average price everywhere. The men who pass the store, and Mr. Ackerman who occupies the space in which he shows his hats, appear to be the only active factors in the operation. We must assume, of course, a third individual who has supplied the wood and glass windows that make the store, but this third person, the store owner, would get no more for this material, and no less, were it set up anywhere in the city. Evidently, what he gets over and above this is the location value to which these numerous hat buyers (and Mr. Ackerman incidentally) contribute all there is of it.

Now if Mr. Ackerman and his customers are satisfied with that arrangement, they belong with the people Abraham Lincoln talked about, who, if they like that sort of thing it is just the sort of thing they like. But it is not sensible. A society built on that kind of participation in the joint product of industry is bound to have trouble.

Mr. Ackerman's landlord did not contribute the location, nor is its value due to that person. He may be a very re-

spectable member of society, but he is getting something for nothing, and in other relations men have "a short and ugly" name for people who do that. Nor can he escape his share of responsibility by pleading that the iniquity is "institutional." He is a voluntary part of such iniquity.

Learning Slowly

THE result of a referendum on federal taxation taken by the Chamber of Commerce of the United States resulted in the defeat of the excess profit tax by a vote of 1718 to 44. The referendum also shows a defeat for the sales tax, which in view of the agitation carried on for the imposition of some form of this kind of taxation, is reassuring. Sentiment also showed a decided reaction against any increase in income taxes. The vote favoring the decentralization of administration of income taxes was also decisive, 1321 to 390. Merchants and manufacturers could thus avoid expensive trips to Washington to take up tax matters which could be adjusted by local authorities.

Next to a proposal for a sane system of taxation is dissatisfaction with all current modes. One must precede the other. But how long shall we have to wait for the majority of business men to discover what others have pointed out these many years?

A Suggestion For Mayor Hylan

THE City's 250 million dollar subway investment is a 'frozen credit, because of an inadequate fare.

"To make the subway a source of revenue would release this credit from the debt limit, and it could be put to work by the City at once."

Thus agrees the "Subway Sun," a copy of which is posted up in every coach of every subway train in New York.

But of course the subway *is* a source of revenue to some interests, however much the stockholders may lose and grumble.

Is this such a secret?

The only opponents of higher subway fares are by no means those who have to purchase tickets. Real estate interests have already protested against a rise that might affect the traffic and thereby the value of suburban property. The connection between a cheap efficient subway service and realty values is frankly acknowledged.

Why not, as the *New York Times* argued not so long ago, take the logical step of charging to realty values (or more properly, land values) the cost of maintaining essential traffic service, just as the office buildings in the city provide and maintain a safe and efficient elevator service.

Realty interests, which have studied and exploited public service improvements in this city, know perfectly well that the preservation of low fares, or even the abolition of all fares on the subways, even if made at the cost of a special levy on real estate, would be a profitable operation.