

Probably seventy per cent. of the cases in dispute before boards of taxation are over personal taxes, notwithstanding the tax imposed by no means begins to cover the value of personal possessions.

It is manifestly impossible to inspect every home, store and factory; and, if this were possible, it would be impossible to get an adequate inventory of their contents. Especially would it be impossible to get at the value of the contents of safe deposit boxes and such other secret storage places as are utilized to keep most costly valuables.

Even if every avenue for inspection were opened and sworn detailed statements made of all personal property they would be impossible of verification annually without enormous expense."

Toward the conclusion of his very admirable article, Mr. Fettinger says:

"It would seem that the land tax is immeasurably superior to the income tax in reaching unearned incomes. Yet the income tax might reasonably be utilized to cover inheritances when they run into large amounts."

The entire article is well worth while. It is good to hear a public official speak in these terms. That a tax official should show a knowledge of the fundamental laws of taxation is unusual, but refreshing.

Great is Efficiency

ANOTHER great idea has been launched. It is embodied in the Industrial Extension Institute. Although it pays the metropolitan dailies for space, we give it this notice gratis. Its slogan is greater productivity, its sponsors are men who steer great commercial enterprises, most of which are engaged in cutting wages and hence reducing consumption to the best of their ability. But still they cry for more intensive production—otherwise the "low paid competitive forces of foreign lands" will put it all over us. They predict that the fight of the next ten years will be as tragic as the war. Harken to these words of menace and of wisdom. "The foreigner who sells his goods in the market you should have *takes what belongs to you.*"

What a charming philosophy! What a world "red of tooth and claw" these gentlemen foresee. "Do or you will be done by," is their substitute for the golden rule. Of course it's all only an "ad" to induce ambitious would-be captains of industry to take training courses in the aforesaid Industrial Extension Institute, but the significant thing is that a lot of men who are important in the business world underwrite this kind of economic fallacy and spread their poison gas among the men and women of the rising generation. Small chance has disarmament or even reduction of armament in an atmosphere generated by minds which look upon the artisans of foreign countries producing useful goods for exchange with the same hostile eye that they regard embattled foes. If the world war proved anything it showed that we had developed productive capacity far beyond the power of consumption. Unless unemployment

is to be the characteristic feature of the next decade, we must find some way to increase effective demand but no institute has been founded to do this. Fortunately it needs no institute. All that is necessary is to tear down the barriers that now separate the landless millions from the land, and they will furnish demands so unlimited that the world will wonder why it should have been racked and torn for ages by a disease for which the remedy was so simple.

Vacant Land

WE ARE told that Nature abhors a vacuum. Flip-pant economists reiterate the truism "vacant lots buy no groceries." Sidewalks in front of vacant lots seem to accumulate more than their share of slush and snow and their owners can seldom be compelled to keep them in viable condition. Empty lots are the breeding grounds of noxious weeds and the reservoirs of rubbish. But in spite of these various causes of unpopularity, a certain toleration has been extended to them and their owners because they represented the vague thing called "value."

Now comes a most responsible corporation, the "Lawyers Mortgage Co," and issues a pamphlet "The Science of City Mortgage Lending," which treats them most spitefully. It actually plumes itself on its contemptuous attitude and prints in red letters the announcement that it "rejects vacant land as security for mortgage loans."

How desirable it would be if the public generally which puts so much real money every year into speculative purchases of real estate would inwardly digest the wisdom contained in the foregoing passage from Mr. Hand's pamphlet.

VACANT LAND

"Why should this be rejected? First, because vacant land—until a demand arises for its use—lacks utility and hence intrinsic value, this being the resultant of net rent capitalized. While vacant land may be said to have value in that it can be sold and converted into money, the more correct statement would be that vacant land has a speculative price which represents the community's discounting of its probable value when built upon and rented, such price being merely an estimate of the future, which may or may not arrive.

The clearest demonstration of the absence of any intrinsic value in vacant land on the outskirts of a city is obtained when the growth of a city is checked or reversed by a panic or depression. With decreasing business and population a city literally shrinks, the process being the converse of a city's expansion from the centre under the pressure of increasing business and population. While these conditions hold, a general decline in the value of all city property occurs, which is least at the centre of the city and increases in intensity towards the circumference, so that vacant land on the outskirts becomes practically unsaleable and hence valueless even for conversion into money.

A loan on vacant land then is a loan against *possible future needs* and clearly a speculative transaction. The only exception would be where the loan is made as a preliminary advance in connection with the erection of a building for which a demand exists. The mere erection of a building obviously will not give to land a value previously non-existent, since if the building does not rent, neither the building nor the land has value. If, however, the building rents for sufficient to earn average interest on the cost of land and building it proves that a demand existed for the use of the land.

While speculators in vacant land buy in and sell out at different levels, their profits or losses depending upon the relation of price fluctuations to carrying charges, it may be confidently stated that but little land when first built upon sells for more than enough to cover the taxes paid and interest on the taxes during the many years through which the land has been held unproductive, leaving nothing to cover the "intrinsic" value of the land itself.

Second, vacant land should be rejected because it has no income. When vacant land is loaned upon, interest and taxes must be paid but no earnings arise from which to pay them. The practical disadvantages of this in an individual case of foreclosure and enforced ownership are sufficiently obvious, but such an annual carrying charge in the case of a Mortgage Company guaranteeing many millions of dollars of mortgages on vacant land might, in the event of a financial or commercial depression, become exceedingly serious."

More and more does time prove that the Single Tax attitude toward land speculation is good morals, good philanthropy and good business. To anticipate the needs of a community and seek to satisfy them is praiseworthy, but to forestall those needs in order to take toll of public necessity is to deserve no consideration whatever.

The Shepherd of the Unemployed

WE salute Urbain Ledoux, of Boston, who has sprung in one day from obscurity to fame. He has accomplished the impossible. He has dramatized economics. He has put up for auction on Boston Common disemployed men, some of them ex-service men, and offered their labor for sale to the highest bidder. He got a column on the front page of the metropolitan dailies before the censorship got information as to what was happening. Our guess is that he will be ignored hard for the future, because such plain lessons as this are not particularly desired.

And yet this demonstration is a weapon which cuts both ways. If it evokes public sympathy on the one hand, it will probably make many men who are holding out for living wages hesitate on the other. These men, when rents are still rising and whose actual living expenses have fallen but little, do not see why they must cut down the price of their labor when everything else is up. We know

all that is said about the fall in wholesale prices, but retailers have been slow to reduce costs.

What Mr. Ledoux has done is merely to show in a concrete way what Single Taxers have been preaching to deaf ears for nearly fifty years, that, under land monopoly our individual system is even harder than chattel slavery. When slaves were bought and sold, the young and the aged were taken care of out of regard for human decency, but under our system labor is a commodity, whatever the courts may say, and it is bought without regard to the fate of the human machine that renders it. We had some hope that when labor's golden opportunity came during the war, leaders of enough intelligence would arise to understand how unsubstantial would be mere gains in wages and reduction of hours of labor, and that some attempt would be made to strengthen the worker's economic position. Any expectation which we may have cherished in that direction is gone, and the landless laborer stands helpless today before an embittered employer who is wrathful over the impudence of labor's demands when the laborer had the employer at a disadvantage, and the air is filled with threats to make the laborer understand where he "gets off."

A School for Social Research

THE new School for Social Research has been organized in this city. We have received what we may call its prospectus, with list of lectures and topics. The former begin October 10th. We note the names of Herbert J. Davenport, who deserves to be well regarded as a clear and original thinker along economic lines, Thorsten Verblen, who is usually interesting if rarely clear, and others. Mr. Verblen can never tell in simple English what he is driving at, though his satire has a literary quality which sets off his work from the duller pages of his more stupid contemporaries.

A phrase that arrests us is this:

"Political economy based upon the agricultural-handicraft life of the past, or framed in terms of Robinson Crusoe's isolated economy gives us no guidance for dealing with these situations." By "these situations" we understand the writer to mean, of course, the more complex conditions of modern industrial life.

Now let us see about this and if it is so or not. Robinson Crusoe was an isolated laborer on an island. Along came Friday. Now he was no longer isolated. The two were now a community. They exchanged services either as free men, or as slave and master, or as landlord and employe. Political economy, with all its implications, is now born. If there is a difference in the desirability of land, there arises the need of arrangements for its use and distribution; a Land Tenure is established. Then follows in the wake of this all the questions which we know under the terms Division of Labor, Production and Exchange, Co-operation, Wages, Capital, etc. They exist in the precise relation of the greater complexity of modern con-