

### Reviews of "Natural Taxation."

On September 1 the Doubleday & McClure Company published a new and enlarged edition of Mr. Shearman's book.

All of the Boston daily papers have given notices of the book, those of the "Advertiser" and "Transcript" being exceptionally handsome in their treatment.

The "Transcript" review we published in our January issue; that of the "Advertiser" is given herewith, and in subsequent numbers we shall publish others. All these reviews will finally be republished as a supplement and preserved for special propaganda work. They are well worthy the careful perusal of all inquirers as to the practical application of Henry George's principles.

BOSTON DAILY ADVERTISER, AUGUST 27, 1898.

"This is a new and revised edition, issued to-day by a leading publishing house in New York, of a small volume (268 pages, in its present form) which first saw the light about three years ago, and since that time has been the storm center of more hot debates among political economists, professional and amateur—the latter class including, on a moderate estimate, 1,000,000 people—than any other book published on a similar subject within twenty-five years; always excepting, of course, Henry George's 'Progress and Poverty.' The author of the volume now under review has in the course of revision and enlargement made the present edition essentially a new book. Its advent has been expected for several weeks, with almost feverish impatience by Mr. Shearman's host of disciples, who are prepared to give it a most enthusiastic welcome; and by his very numerous economic enemies, who are prepared to tear it to pieces, if they can! From either point of view, its issue is a literary-economic event worthy of more than casual notice. The full title is 'Natural Taxation, an Inquiry into the Practicability, Justice and Effects of a Scientific and Natural Method of Taxation,' by Thomas G. Shearman.

"Mr. Shearman has enjoyed for a full quarter of a century an eminent reputation at the bar of the city of New York. He first came into what might be called national prominence as one of the counsel for Henry Ward Beecher in the trial, which occupied nearly six months and in which some of the most distinguished lawyers we have in the country were engaged on one side or the other, of the suit brought by Theodore Tilton against the most distinguished clergyman in this country. Mr. Shearman, besides being of the counsel for Mr. Beecher, was of them all his most intimate personal friend. Mr. Shearman's prominence in connection with Plymouth Church in Brooklyn, his untiring zeal as a Christian layman, is known to multitudes who have but little acquaintance with his fame as a lawyer or as a political economist.

"Of all the men now living, not con-

nected with any institution of learning in a teaching capacity, the author of 'Natural Taxation' is the most widely known and probably the most influential of writers and lecturers on this class of topics. He shares with Prof. Sumner of Yale University and Mr. Edward Atkinson of Boston the distinction of being the most adroit, brilliant, indefatigable and self-confident of economic controversialists. He is, to use an expressive colloquialism, 'a fighter from Fighterville.' Such a man necessarily provokes strenuous and even bitter opposition. Personally Mr. Shearman is universally respected, and by those who have the privilege of knowing him well, he is greatly liked, whether his friends agree with his opinions or not. But politically economically he is probably the best hated man in the United States, as he certainly is, in the same way, one of the most beloved of men!

"There is no question that Mr. Shearman is a man of immense ability. His capacity for accumulating knowledge on economic subjects is prodigious, and his industry is equal to his capacity. As a logician and rhetorician his skill is of the first order. Readers, whether they are convinced by him or not, cannot often fail to understand him. His style is clear and straight. He 'gets there.' It is a tonic style. It is brisk and breezy. He knows what he wants to say, he knows how to say it, and he says it. Whether this is altogether the best style for the scientific discussion of abstruse and complex questions or not may be doubted. Erudite professors, laboriously evolving and involving their theories in musty libraries, are likely to feel that it is not. But there is no disputing that it is just the right sort of style to make political economy 'good reading' for average readers, and especially for busy people who are daily in the thick of affairs.

"Mr. Shearman believes with all his might, mind, heart and soul in two things—free trade and the single tax. By free trade he does not mean tariff for revenue only, but real free trade, the abolition of custom houses and of the office of collectors of customs. By the single tax he means, as our readers doubtless understand full well, a system by which all public revenues, whether national, state, or municipal, are to be raised by taxes on the rental value of land in its unimproved state. Without expressing any opinion here and now regarding either of these questions, we say unhesitatingly that 'Natural Taxation,' by T. G. Shearman, is, always excepting the writings of Henry George, the strongest, and at the same time most readable, presentation known to us of the arguments for free trade and the single tax.

"In his introduction Mr. Shearman meets the objection of those who say that there can be no science of taxation; that,

as Prof. Perry asserts, 'Nature has given no whisper, that we can hear, about any taxes;' or with Prof. Sumner, that, 'There are no natural laws of taxation.' Our author says, on the contrary, that if this be true, then nature can have nothing to say about government, and all talk of the science of government is folly. For government implies taxation, as truly as the existence of animated nature implies food. Taxes are the food upon which government lives. Without taxes it must die. Continuing this analogy, he tells us that just as the human body can sustain life for a long time upon poor food, taken irregularly, at wrong times and in wrong proportions, so government can be sustained for an indefinite period upon bad taxes—oppressive, unjust, badly collected, and in many respects injurious. But, as bad food breaks down the health and shortens the life of the body, so bad taxes destroy the health and sometimes even the life, of the state.

"Then he proceeds to ask and answer the question, 'What are bad taxes?' All taxes are bad, in Mr. Shearman's opinion, which bear most heavily upon those who are least able to pay, and who derive the least benefit from government. Any tax is bad which takes from the poverty of the poor to add to the wealth of the rich. Any tax is bad which can be easily evaded by fraud or falsehood, and is, therefore, paid only by the honest and truthful. Any tax is bad which can only be collected by oppressive and degrading methods. Any tax is bad which unnecessarily hinders the increase of wealth and comfort among the people as a whole. Any tax is bad which corrupts the morals of the people or which necessarily brings into existence a class which finds its profit in promoting wastefulness and extravagance in public affairs. Finally, any tax is bad which makes the real taxpayer pay it twice over, while the government receives it but once. So says Mr. Shearman. As our readers will understand, we are here giving the author's language as well as ideas.

"Perhaps at this point the reader will feel like crying out that if this fierce indictment be true, all taxes are bad. And, indeed, in one sense, we presume nobody would dispute that proposition. Unlike the more or less apocryphal Kentucky colonel who reproved his promising son for complaining that the whiskey was bad, 'My son, there is no bad whiskey; but some whiskey is better than others,' all of us, including Mr. Shearman, would probably say, 'All taxes are bad, but some taxes are worse than others.' However, our author, without going so far as to claim that taxation is desirable per se, confidently believes that there is a possible and practicable form of taxation which is not only better, or less bad, than all others, but is free from the objections above enumerated.

"But before coming to this great and

chief point, he passes in brief, caustic review various forms and schemes of taxation now in use. He devotes one chapter to what he is pleased to call 'crooked taxation.' By that he means what we are more familiar with under the name indirect taxation. Here he grows very hot under the collar. On every page we see lightning flashes and hear thunder rolls of the terrible fight which Mr. Shearman was constantly putting up a few years ago against the wicked protectionists. There are various kinds of taxation which he abhors, which his soul cannot abide, which he considers 'crooked'; but in his opinion the worst, the hatefulest, the crookedest is protective tariff taxation. The temptation to quote from this chapter is not easy for even a protectionist, like the present writer, to resist; for there is such a wholesale heartiness, such squareness and fairness, yet withal such refreshing cocksureness, about our author's way of going slap-bang for the protectionists, that they cannot help respecting him as a foe man worthy of their steel—their steal, he would call it!—and rather enjoying the scrimmage.

"But we must pass to less familiar matters. Suffice it to say under this head that he objects to indirect taxation, that it tends to make the rich richer and the poor poorer; to shift the burden from those best able to bear it to the least able; to remove all checks on the extravagance of government; to force into existence a class of wealthy men whose income depends upon legalized robbery; to complicate the business of the country; and to promote bribery and corruption, by making business profits directly dependent upon political action."

"Going on, Mr. Shearman finds many forms of direct taxation only a degree less objectionable than indirect taxation. He points out the bad features of taxes on personal property, of the income tax and of the succession tax. He is particularly severe upon the taxation of evidences of debt as being 'double taxation.' In that respect, at any rate, his views will be heartily indorsed by multitudes of business men, who may not be ready yet to go with him the whole length of his journey to the goal of the single tax on the rental value of land in its natural state.

"Chapter IX is the great chapter. It is entitled 'The Natural Tax.' It begins on page 115. Mr. Shearman opens this chapter by conceding that there is no reason to be surprised because it has hitherto been declared that there is no scientific or natural method of taxation. This opinion arises, he thinks, from the fact that every form of indirect taxation is unjust to the poor, and that every form of so-called direct taxation now in general use is unjust to the honest. Nevertheless, he says, if we can find in actual operation, in every civilized country, a species of taxation which automatically collects from

every citizen an amount almost exactly proportioned to the fair and full market value of the benefits which he derives from the government under which he lives and the society which surrounds him, may we not safely infer that this is natural taxation? And is not such taxation capable of being reduced to a science?

"Having asked this question, the author affirms that such an automatic, irresistible and universal system does exist. All over the world men pay to a superior authority, he says, a tribute, proportioned with wonderful exactness to these social advantages. Each man is compelled to do this, by the fact that other men surround him, eager to pay tribute in his place if he will not. The just amount of this tribute is determined by the competition of all his neighbors; who calculate to a dollar just how much the privilege is worth to them, and who will gladly take his place and pay in his stead. Every man must, therefore, pay as much as some other man will give for his place; and no man can be made to pay any more.

"This tribute, Mr. Shearman explains, is sometimes paid to the state, when it is called a tax; but it is far more often paid to private individuals, when it is called ground rent. Where there is no government there is no ground rent. As government grows more complex and does more for society, ground rents increase. Any advantage possessed by one piece of land over another will, it is true, give rise to rent; but that rent cannot be collected without the aid of government. And no advantage in fertility is ever equal in value to the advantage of society and government. An acre of sand on the coast of New Jersey, at Atlantic City, Cape May or Long Branch, is worth more rent than a million acres of fertile land 500 miles distant from all human society. The sixteenth of an acre of bare rock in New York City is worth more than a thousand acres of the best farming land in Manitoba.

"Having thus laid his foundation, got his ground ready, so to say, the author insists that nature and science, while condemning every other method of raising public revenue, by making equality and justice impossible under any such method, point with equal clearness and precision to the taxation of ground rates as not merely a just method of raising revenue, but also as the only just one. Scientifically speaking, he contends, a tax upon ground rents is not a tax at all; it is merely the collection, by the state, of a tax already levied by an automatic process. Until this source of revenue is exhausted, he tells us, every other tax is double taxation. So long as this fund remains, every other tax is of necessity unjust, as truly as it would be unjust to squander the proceeds of any tax among a few favored officials and then levy the whole of the same tax over again upon the people.

"In another paragraph, Mr. Shearman argues that the absolute soundness of the theory upon which the tax on ground rates is based is further established by the fact that its efficient collection requires no objectionable methods. Such a tax already exists in the United States; although it is covered up by a multitude of other taxes. We all know by experience that such a tax is entirely free from the oppressive and corrupting incidents of other taxes. It calls for no personal returns, no taxpayers' oaths, no exposure of private affairs. The collector of such a tax would not have the slightest excuse for inquisitorial proceedings, for the examination of private books, for entry into houses for personal searches or for asking a single question of the taxpayer. Women and children would be taxed no more heavily than men. Trust estates would pay no more than others. There would be no exemptions, no favoritism, and no preference given, either to the rich or to the poor, Mr. Shearman affirms. He admits that mistakes would of course occur, and that bribery of assessors would be possible. But those are an extremely small part of the evils of all existing methods of taxation.

"Answering the objection that it would not be practicable to ascertain the value of ground rents, the author reminds us that, of course, absolute accuracy is not to be expected in anything. But a close approach to accuracy is possible, he claims, in taxing ground rents, and is not possible in any other tax. Where land is rented separately from its improvements, the tax can be collected with almost ideal accuracy. The tenant can be required to pay it, being allowed to deduct it from his rent. He will have no motive for understating the rent, and if he overstates it the loss will be his own. Where land and improvements are rented together, the value of the land alone is always approximately ascertainable. Real estate dealers in the district would have little difficulty in estimating the price at which any tract of land could readily be sold, and this would be the proper basis for assessment. Where land is owned by the actual occupier, dealers can still estimate its market value. Titles to town lots are continually changing, thus fixing a standard of prices, while in rural districts there is much less variation in prices, and all the neighbors know the relative value of each farm. Whatever inequalities might remain, it is certain, Mr. Shearman assures us, that they would be vastly less than those which are now common."

#### Same Thing.

First Reformer—I suppose you are in favor of the movement for a single tax?

Second Reformer—I have taken a position much in advance of that. I am in favor of having no tax at all.—"Boston Journal."