

GEIGER, GEORGE RAYMOND. *The Theory of the Land Question*. Pp. 237. New York: Macmillan Co., 1936. \$2.00.

The Theory of the Land Question is a lucid and vigorous reiteration of the Ricardian theory of rent, together with a convincing exposition of the social implication of its private appropriation. There is nothing that is essentially new in this exposition. The author disclaims originality of either thought or interpretation. But he deplores the extent to which many present-day economists have ignored and even denied the fundamental differences between capital and land, and criticizes their endeavor to reconcile these economic concepts with current popular usage. It is largely because of the frequent distortions of the classical economic theory of rent that he considers it both timely and appropriate to restate certain elementary economic truths.

Accepting the Ricardian interpretation that rent is a differential surplus, the author reviews the long controversies that have been waged as to whether land is price-determining or price-determined. He argues, with considerable force and conviction, that land is a passive and not an active factor in the mechanics of distribution, and that rent represents income arising from obligation rather than from production. Moreover, he restates critically the time-worn arguments that have been advanced to differentiate land from capital. "Land is not product, but possibility, opportunity instead of achievement. It is the foundation and not the result of human energy" (p. 80).

Most economists would no doubt accept these broad generalizations, but according to Geiger they are reluctant to acknowledge their social implications. Yet in his treatment of the historical aspects of the land question he shows that civilizations have decayed because land monopoly has made for economic exploitation, whether under institutions of slavery, serfdom, or "contemporary industrial peonage." Capitalism, as such, is but a derivative phenomenon, growing out of private ownership of land.

If, therefore, civilization is to survive and progress, private appropriation of economic rent must be abolished, according to the author. This objective may be achieved by the socialization of land rent through taxation.

The concluding chapter, dealing with the practical solution to the problem of private property in land through taxation, is perhaps the least convincing. At times it reveals a certain confusion of thought. Thus, the author maintains that for land to be free, it must be available at a low price and the economic rent must be taxed away. Why, one may inquire, would land sell at any price if the full economic rent were absorbed by taxation?

Moreover, the author speaks of a tax on land rent, land value taxation, and a tax on ground values, as though these were all interchangeable expressions. But if the exchange value of land, representing the capitalized economic rent, is destroyed as a result of the socialization of this rent

through taxation, how is it possible to have land value taxation? How can one extract taxes from theoretically nonexistent land values?

It is regrettable that the author has given no real consideration to the practical difficulties in measuring economic rent. He believes that the value of land can be ascertained with relative ease. He is seemingly unaware of the many obstacles to determining the extent of economic rent yielded by numerous urban sites which represent either perpetual corporate holdings or trust estates. One may indeed subscribe whole-heartedly to *The Theory of the Land Question* and still entertains serious doubts as to its practical application with the comparative ease proclaimed by many of its advocates.

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