

## A GOOD MAN.

Charlotte Perkins Gilman, in *The Forerunner*.

A certain Good Man possessed many virtues of character by right of inheritance, so that my Critical Friend remarked, "It is easy for him to be good."

Now the Good Man was by no means satisfied with his inherited virtues, and with Ceaseless Diligence and Long Effort he strove to acquire more, and in due season acquired them, abundantly, so that even my Critical Friend allowed these virtues were of some credit to him.

Nevertheless, being critical, he criticised the Good Man, to my grief and amazement.

"How can you criticise this Great White Soul?" I cried. "He has never committed a crime."

"Neither have you or I," interrupted my Critical Friend.

"He has never sinned," I continued, "he has not a single vice, he has not even a fault! And as to his Virtues!"—

"What are his Virtues?" asked my Critical Friend.

Then I considered the Virtues of that Good Man and was lost in admiration and amazement. "He is unimpeachably Honest, Trustworthy and True," said I. "He is Humble and Modest even in his Superiority, and has Hope of Improvement; he is Brave in meeting adversity and Patient in bearing it. He is Chaste and Temperate, he is Generous and Unselfish and Self-sacrificing, he is Persevering and Diligent, Faithful and Enduring. He is Good."

"Yes?" said my Critical Friend. "What good is he?"

"What good?" said I.

"Yes, what good? What does he do?"

"What do you mean?" I asked. "His business?"

"Of course. What's his business? What does he do in the world?"

"He's a business man," said I, "and a very good business man, if that is what you mean."

My Critical Friend grinned unfeelingly. "What use is he?" he asked. "Whom does he serve? Of what use to humanity is his work? In what may the human race be benefited by his business? What will the world lose when he is gone?"

"They will lose a Good Man," said I, a little angrily.

And my Critical Friend subsided, merely grunting once more, in that tiresome way of his, "What good?"

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It is not to die, nor even to die of hunger, that makes a man wretched; many men have died; all men must die. . . . But it is to live miserable we know not why; to work sore and yet gain nothing; to be heart-worn, weary, yet isolated, unrelated, girt in with a cold, universal Laissez-faire.—Carlyle.

## THE HEART OF THE SOCIAL QUESTION.

Portions of the 1910 Official Report of Frank B. Schutz\*, Tax Commissioner, to the City Council of Milwaukee.

Of all taxes, that on the value of land conforms best in every respect to the canons of taxation.

A tax on the value of land does not bear on production, because it is in the nature of a tax on monopoly.

The value of land is an increment produced by society in every community. It is therefore only just that the value so created should be appropriated by society, to maintain itself for the benefit of all who compose it.

A tax on the value of land will not hamper or retard improvement, because it falls entirely upon the land owner as such, and cannot be shifted upon the user of the land. In his "Wealth of Nations" Adam Smith says: "Ground-rents are still more subject to taxation than the rents of houses. A tax upon ground-rents would not raise the rents of houses. It would fall altogether upon the owner of the ground-rents, who acts always as a monopolist and exacts the greatest rent which can be got for the use of his ground."

While a tax on a certain industry will tend to diminish production, no system of taxation can increase or decrease the amount of land. Dr. Richard T. Ely says, in his "Problems of Today": "There are certain things which can neither leave us nor come to us. City lots will serve as an example. It is manifest that taxes upon city lots will not injure business. There is a certain amount of land accessible, neither more or less, and no taxation will alter the circumstance. If city lots are taxed on all that they are worth, up to the last dollar of their selling value, as they should be by our law as it stands, instead of discouraging enterprise it will encourage it; for it will make it harder for speculators to withhold the land from those who wish to improve it."

A tax on land value conforms to the principles of an equal or equitable tax, in that the owner of land pays in proportion to the benefits he receives. If this land is well located for business abutting a street that is traversed by the travel and commerce of the community, his land is valuable, and he is enabled to charge higher rents for its use. So it is if he has land especially well located for residence purposes; he has advantages over his fellow men and he would equalize that advantage by paying a tax proportionate thereto.

The certainty of a tax on land value commends it. There is no chance for evasion or escape. The land is in view, the value of it may easily be ascertained, and the tax that the owner of one piece

\*See this volume of *The Public*, page 75.

of land pays may easily be compared with the tax paid by the owner of another piece, and if there is any inequality in the tax paid by the different owners of land an investigation will easily disclose it.

In a discussion of economic principles, the student and the public administrator are often sneered at as theorists whose ideas are not practical. I am therefore pleased to quote the following from a prospectus issued by the Trustee Securities Company, located at No. 1 Wall St., New York, with offices in Seattle, Los Angeles and Spokane, which makes a specialty of real estate investments on a large scale: "Why do people buy and hold (speculate in) land, unimproved, unproductive land? To get the increment. Increment produced by whom? By the owner? No, by the public—by the increasing population. The power to collect a tax from all the people living in the distributive territory of a commercial city is the privilege and profit of the comparatively few owners of the central business properties of such a city. A centrally located business building draws its 'rent-tax' from the entire population, not only of the city in which it stands, but of the entire commercial territory tributary to such city, reaching often into other States and across oceans into foreign countries. The tenants are the real 'rent collectors' (tax collectors). The people at large are the real 'rent payers' (tax-payers). This ground value 'increment' is a natural, in fact an inevitable product of city growth. We find it in the hands of a few property owners in every city, left there for hundreds of years by the stupidity of our predecessors in law and finance." This is a frank confession of one of the large corporations dealing in real estate, that it is appropriating to itself and for its customers values that belong to the people as a whole.

Land is the source of all wealth. But labor must be applied to it to make it productive. Without labor, land cannot produce; neither can labor produce without land. Therefore any system of land tenure that prevents the freest accessibility of labor to land is morally and economically bad, because it prevents the fullest return that labor should have for its exertion. Placing taxes that are now on industry and improvements upon the value of land, will make it unprofitable to hold land out of use, and will open up to labor and capital the natural resources to which they may be applied for the production of all things necessary for the livelihood and comfort of mankind.

A tax on buildings and improvements in general adds to the cost of living. If the buildings are used for industrial and commercial purposes, the tax is shifted to the purchaser of the merchandise, commodities and articles sold or manufactured in those buildings; if the buildings are residences, the tax is paid by the tenant in the

increased rent that he has to pay. The term "rent" in general use, includes the price paid for the use of the buildings as well as the ground; but it should be borne in mind that there is a distinction and a difference. The price we pay for the use of a building is really interest, because a building is the product of labor and comes under the economic term "wealth," and when such building is used for industrial and commercial purposes or is sublet by the owner to another for a consideration, it is "capital," the earnings or increment of which is "interest;" but the ground is not a product of labor,—the value of it, if it has any, is not produced by the owner, and the price that the owner exacts for its use is not "interest," but "rent."

The tax on the value of land will not increase the cost of living, but is the taking by the community for its maintenance of a part of the increment created by it, which would otherwise go to the owner of the land. In other words, if the owner were not taxed one penny on the value of his land, the rent that he would exact from the user would be as much as he now takes; or, putting the proposition conversely, if all taxes were taken from improvements and commodities and placed on the value of land, it would not increase the rent to the user of the land. The owner could not shift the increase in taxes on his tenant.

But if you tax buildings you increase the cost of buildings to the amount of the tax, and thereby increase the cost of living. Unless building operations are profitable, new buildings will not be constructed, which will operate to make buildings scarce, which in turn will raise the price that the tenants will have to pay for their use. This truth is generally recognized and accepted, and it is astonishing that the logic of the proposition does not prompt our lawmakers to enact it into law, as have some of the municipalities in British Columbia—notably the cities of Vancouver, Prince Rupert, and Edmonton.

In 1895, Vancouver exempted 50 per cent of the value of buildings from taxation; in 1906 the exemption was increased to 75 per cent, and in March, 1910, buildings were made entirely free from taxation. Note the effect. For the first nine months during the year 1910, Vancouver, with a population of about 100,000, issued building permits for the construction of buildings to the value of \$9,011,360, and her building operations are not equaled by any city of the same class and are exceeded by few of much larger population. Milwaukee with a population of 373,000 during the same period, has issued building permits for the erection of buildings amounting to \$6,865,603 only. Vancouver's policy of exempting buildings and improvements from taxation, has made it more profitable for owners of city

ground to improve it than to let it lie idle. The increase in building operations has helped general business, and general business has enhanced the value of land, which increase has made it possible for the city to lay all the taxes upon land value without increasing the tax rate.

Would it not be wisdom on the part of our legislators to take heed of the experience of Vancouver and encourage industry, and follow her in economic progress by exempting improvements from the burden of taxation?

If the workingman and farmer, who compose the majority of our people, only understood the effect of a bad system of taxation, such as is the tax on personal property, and that it is they who have to bear practically all of the burden, the death knell of such a tax would soon be sounded. That the tax on personal property retards industrial development and hampers production has been recognized by our lawmakers in the enactment of statutes exempting certain industries from taxation.

When making provisions for the exemption from taxation of particular industries, the legislature undoubtedly recognized the fact that the exemption will stimulate the development of these particular industries. Why did they not go further and stimulate and encourage all the industries of the State? If a tax exemption will lead to the development of an industry, will not a tax burden upon another industry retard its development?

Some one has said "The power to tax is the power to destroy," and the truth of the statement has also been recognized by our lawmakers. Was not the tax placed on oleomargarine with the avowed purpose of limiting its production and consumption?

Nothing will so encourage the growth and development of our city, commercially and industrially, as will a policy that will relieve every worthy enterprise from the burden of taxation.

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## BOOKS

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### A PEARL IN THE MUCK.

"The Least of These." A Fact Story. By Lincoln Steffens. Hillacre Bookhouse, Riverside, Conn. Price 50 cents net.

A book by a "muck raker," perhaps really a pearl diver.

Anybody can say "there's good in everyone"; some persons know it in their souls, but few have such perception (which is art) as to be able to make others feel it.

Lincoln Steffens has it. He says in the Dedication to "The Least of These": "I would not have any son of man leave the book behind just because he was going to break into a house at night, or get

drunk, or preach half the truth, or write a lie, or employ little children, or sell bad goods, or accept, or even offer, a bribe. That's the very time to have it by."

So if you have any doubts about it yourself, if you think "criminals" are bad, or don't know that you are a criminal yourself (for we are of one flesh), read this little book. It will convince anyone but a heart-hardened sinner that, as the Freedom Group of London Anarchists say, "The guilt of these crimes lies upon every man and woman who, intentionally or by cold indifference, helps to keep up social conditions that drive human beings to despair."

BOLTON HALL.

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### CONTROLLING INTEMPERANCE.

**The Last Battle Ground.** By Margaret S. Organ, M. D., Box 321, White Plains, N. Y. Price, \$1.60 by mail.

The ill effects produced by the use of alcohol as medicine; and the efficacy of a non-irritant vegetarian diet, called by Dr. Organ a "hygienic diet," in inhibiting a desire for alcoholic drink, or overcoming the drink habit when already formed,—are the propositions to which Dr. Organ has aimed to give concrete interest by presenting them in combination with an experience story. It is unusual to find in books of this class, as we find here, the arguments more convincing than the story.

ALICE THACHER POST.

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## BOOKS RECEIVED

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—War or Peace. By Hiram M. Chittenden. Published by A. C. McClurg & Co., Chicago. 1911. Price, \$1 net.

—The Man-Made World. By Charlotte Perkins Gilman. Published by the Charlton Co., New York. 1911. Price, \$1.

—Second Biennial Report of the Minnesota Tax Commission. Published by the Syndicate Printing Co., Minneapolis, Minn. 1910.

—The Folly of Building Temples of Peace with Untempered Mortar. By John Bigelow. Published by B. W. Huebsch, New York. 1910.

—Education in Sexual Physiology and Hygiene. A Physician's Message. By Philip Zenner. Published by the Robert Clarke Co., Cincinnati. 1910. Second Edition. Price, \$1.00 net.

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## PAMPHLETS

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### The Fairlie Tax Report.

The report on the taxation and revenue system of Illinois by Prof. Fairlie of the University of Illinois and chief clerk of the Tax Commission (pp. 125, 131), is in favorable contrast with the recommendations of the Commission. Concisely but very clearly and