

as compared with another, the values of land—rents—rise also?

If the manufacturing efficiency of the whole country is raised to double its present level, *how much* of the increase of the production or the decrease in costs will benefit the producers—either in their capacity of manufacturers or workers?

Have we not the evidence of generations past, that very nearly the total increase—the total benefit—will take the form of increased land values? And that therefore the “scientific manager,” who is not a land-owner, and the “scientifically managed” workman, will both find that neither of them is any better off than today?

Admitting this to be true, can we blame the labor unions for seeing no benefit to the worker in the methods of scientific management?



What the advocates of scientific management do not seem to understand is that equitable distribution of produced wealth is by far a more pressing industrial problem than is increased production.

We have gone on for the past fifty years increasing production beyond the boldest dreams of the engineers of half a century ago, yet the workers in the industries are not materially better off today than they were at that time. At least, they are no nearer—but farther—from their cherished hope of independence and freedom from want in advanced years. Hence a mere increase of production cannot appeal to the wage-earner. It does not benefit him.



Real scientific management must look farther than to a mere increase of goods per worker; for it seems as if our increased production went into a bottomless pit. That pit is the monopoly of land—of natural resources—of ore lands, of mining lands, of forests.

What we need is scientific management of the natural wealth of our country. And in order to have scientific management in this respect it is necessary that we prevent limitation of output in a greater sense than that applied to the labor unions. The monopolist who holds vacant lots idle if he does not get the tribute he demands, the farmer who quits working his farm and rents it to a tenant if he finds one who will pay his price, the owners of mining land who require high royalties from the operating capitalists—all these restrict the output. They should bear the blame for the limitation of output fully as much as the disinherited workman who resorts to this means purely in self defense.

If we had scientific management of the nation, if all the land values were required to contribute to the support of the government an approximate equivalent of the benefits attaching to land on account of the existence of government, then it would not be possible for the owner of natural resources—of land—to gather unto himself all the profits from an increase in production. Then it might be worth while to talk to the wage-earner of the benefits of double productive efficiency; but not till then.

This proposition, however, is one which most of our advocates of scientific management cannot see. They are, in general, either by training or association, closely allied with the monopolistic interests, and to them scientific management means nothing except increased profits.

And, therefore, although all doctrines of limitation of output are wrong in principle, we cannot accuse the labor unions of any error in judgment, as long as those men who profess to know better than the laboring people, themselves uphold the greatest example of limitation of output known to the world: *The monopoly of land.*

ERIK OBERG.

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## EDITORIAL CORRESPONDENCE

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### SINGLETAX FACTS IN OREGON.

Portland, Oregon, Feb. 14.

In preparation for the vote on land values taxation for Clackamas County,\* Oregon, at the election in November next, the “Singletax Assessment and Tax Roll of Clackamas County, Oregon, for 1910” is now complete and ready for the printer. It shows in detail what the taxes under the present system were in 1910, and what they would have been for that year if, instead of the present tax system, the Singletax had been in operation in that county. As Clackamas County is a fairly typical progressive community, the data will probably be useful everywhere.



Under the supervision of the deputy assessor of Clackamas County the name, assessments and taxes of every taxpayer in the county were copied into large blank books especially prepared for the work.

The land values and labor values are shown separately; then the Singletax exemptions and assessments; then the taxes actually paid on the 1910 assessments, and by contrast the taxes that would have been paid under the Singletax to raise the same amount of revenue in the county. As the Clackamas County Initiative tax bill to be voted on by the people of the county proposes to abolish all revenue from licenses and permits, the amount raised from those sources for 1910 is included in

\*See The Public, volume xiv, pages 824, 844; current volume, pages 97, 105.

the column showing what the tax would have been under the Singletax.

The costs of this very extensive investigation are paid by the Joseph Fels Commission out of the Joseph Fels Fund of America, and the work has been done with greatest care. Everything has been balanced by accountants who were instructed to be accurate, whatever the cost in time, trouble or money. For example, the clerks who copied the official books made an error in separating Singletax exemptions from Singletax assessments. The six accountants spent about three weeks correcting that error. Yet it would have made a difference of not more than 1 per cent in the totals for the whole county.



Anyone seems able to understand how land values and work values are separated on city lots; but there are many who do not understand that improvements in farm land are work values just as much as are improvements and personal property on any kind of land. So, to illustrate the Clackamas County method of making Singletax exemptions and assessments in the case of farms I shall "spell out" one example.

M. E. Blanton has a farm in Clackamas County; 75 acres cultivated in 1910 and assessed \$49 an acre; 84.82 acres uncultivated, and assessed \$12.38 an acre; improvements and personal property assessed \$400; total assessment under the present system, \$5,125, on which the 1910 tax was \$128.13. But in the Singletax assessment, his cultivated land is estimated at the same as his uncultivated land—\$12.38 an acre. That is, in his cultivated land Mr. Blanton has \$12.38 an acre of community value and \$36.62 an acre of "labor value," and by the Singletax system the labor values are all exempt as work values.

Now let's itemize Mr. Blanton's assessments and taxes under the two tax systems, and see how they look:

	Singletax.		Present Tax System.	
	40.47 mills.		25 mills.	
	Assess-ment.	Tax.	Assess-ment.	Taxes.
Labor value IN land..	\$2,745	Exempt	No tax	\$2,745 \$68.63
Labor value ON land..	400	Exempt	No tax	400 10.00
Totals on labor values...	Exempt	No tax	\$3,145	\$78.63
Community value of land .....	\$1,980	\$80.13	1,980	49.50
Total assessments.....	\$1,980	.....	\$5,125	.....
Total taxes .....	\$80.13	.....	\$128.13	.....

Blanton would have saved \$48 by the Singletax—the difference between \$128.13 under the present tax system and \$80.13 under the Singletax system.

Of course, the tax rates under the two systems vary according to school districts and road districts, though the general fund rates are the same all over the county. The different assessments and taxes will not be set out as in the foregoing diagram when the tax roll is printed, but all the figures for each individual taxpayer will be printed on one line.

Notice that Mr. Blanton's farm is not quite half improved; he has more uncultivated than cultivated acres.

Now let's take a speculator, a wealthy Portland apostle of Big Business.

J. C. Ainsworth owns a tract of 160 acres in Clackamas County; not an acre in cultivation in 1910; assessed \$20 an acre; total of \$3,200, and the 1910 tax was \$48. Under the Singletax he has no exemption, his assessment is \$3,200, and the tax would have been \$74.18.

True, this increase of \$26.18 is not much, but it helps some.



The speculators and other philanthropists who "feel for the poor," and utter their wails through the columns of The Oregonian, are much concerned lest the Singletax ruin the "little home owner." Their eyes spring a leak every time they think of the "little home owner" and what Singletax will do to him.

Well, Hannah Bluhm is one of the little home owners of Clackamas County. She has 5 acres, all cultivated; assessed \$80 an acre in 1910, with \$250 of personalty and improvements; total \$650, taxed \$10.40. But the community value of her land is only \$20 an acre, so her Singletax assessment would have been only \$100, her Singletax exemption \$550, and her tax only \$2.50. Her saving by Singletax would have been \$7.90.

Thomas C. Biggs is another little home owner; with a quarter of an acre assessed \$160 in 1910, no uncultivated land, and \$250 of "labor value on land." Total general property assessment, \$290; tax \$4.35. But the community value of his land is \$20 an acre, or \$5 for the quarter acre—and his Singletax assessment would have been just \$5, on which the tax would have been 12 cents. Mr. Biggs would have saved \$4.23, which means ruin and desolation, according to The Oregonian.



How do we know what is the exact community value of a farm when all the land of the farm is cultivated?

We don't "know," but we take the county assessor's estimate of the value of adjoining uncultivated land, as we take his estimate of all land and other property. We are not adopting arbitrary methods, nor making arbitrary assessments; and we are not saying that the assessor is right or wrong in his valuations. Some day we shall have scientific assessments; the sooner we have Singletax, the sooner shall we adopt scientific methods of assessing land.

Here is an example of a man with no cultivated land who would have saved money by the Singletax: Arndt Boe had 7.5 acres uncultivated, assessed \$175; buildings and personalty assessed, \$340; total general property assessment, \$515, and tax \$9.28. His Singletax exemption would have been \$340, assessment \$175, and tax \$4.70. Mr. Boe has another tract of 39 acres, 29 cultivated, \$400 of improvements and personalty, total \$2,390, on which he paid a tax of \$54.97 for 1910. His Singletax exemption would have been \$1,415, assessment \$975 and tax \$26.14. So on his two pieces of land he would have saved \$33.41 by the Singletax.



How about home owners in Clackamas County

cities and towns? There are two kinds of "home owners." The Estacada State Bank represents the wrong kind. It owns 320 lots, assessed \$15,645; buildings and personalty, \$1,670; total, \$17,315; 1910 tax, \$516.49. Singletax exemption \$1,670, assessment \$15,645, and tax \$1,043.66—which means an increase of \$527.15 in taxes on the Estacada State Bank. There are several "home owners" of that kind in Clackamas County.

District Judge J. U. Campbell, of Oregon City, is an example of the other kind of home owner. In 1910 he had one lot assessed \$400, buildings and personalty assessed \$700; total, \$1,100; taxes, \$35.74. His Singletax assessment would have been \$400; tax, \$26.34.

Dr. A. E. Sommer, of Oregon City, had two lots assessed \$200; buildings and personalty, \$2,500; tax paid, \$87.75. Total Singletax assessment, \$200; Singletax, \$13.17.

Another horrible thing about Singletax is that "it will interfere with business." For example, the Canby Bank & Trust Company, of Canby, owns half a lot assessed \$150; building and personalty, \$8,700; total 1910 assessment, \$8,850; tax, \$230.11. Singletax would have "interfered" with it by exempting the \$8,700, making a total assessment of \$150, and total tax of \$7.41.

Burmeister & Andresen, jewelers, have one lot in Oregon City assessed \$10,000; building and personalty, \$20,000; total assessment in 1910, \$30,000, and taxes, \$975. Singletax would have blown up their business in this way: Exemption, \$20,000; assessment, \$10,000; tax, \$658.40. Observe the wreck!

The Oregon City Manufacturing Company—woolen mills—had eight lots, assessed \$29,500 in 1910; buildings and personalty, \$70,500; total assessment, \$100,000; taxes, \$2,583.75. Their Singletax assessment would have been \$29,500, and tax \$1,942.28. That saving of \$641.47 would have crushed the business, wouldn't it?

The Hawley Pulp & Paper Company has 6 lots in Oregon City, assessed \$10,200 in 1910; buildings and personalty, \$92,200; total assessment, \$102,400; taxes, \$3,542.50. The Singletax on their \$10,200 of lots would have been \$671.57—which would have been another "attack on business."

Another "blot on the 'scutcheon' of Singletax, according to The Oregonian, is that it will benefit the railroads and other big corporations by "totally exempting them from taxation." We didn't want to do any guessing at the franchise and right-of-way valuations of the nine big franchise corporations doing business in Clackamas County; so we brought Edward P. E. Troy up from San Francisco last September to make an accurate valuation. After exactly two months of hard labor he got his valuations. See how they compare with the valuations of the same properties by the State Tax Commission:

Tax Commission .....	\$2,989,965
Mr. Troy .....	2,943,329

Mr. Troy exempted all the improvements and personal property, and found almost as much value for the franchises and rights-of-way as the Tax Com-

mission and local assessor together found for all operating property. The tax figures show for the nine corporations:

Singletax for 1910.....	\$100,975.75
Taxes paid for 1910.....	70,197.37

Increase by Singletax.....	\$ 30,778.38
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That does not include the substantial Singletax increase on the 89,370 acres of speculative land owned by the Southern Pacific in 1910, and assessed \$1,105,555.

Mr. Troy made his estimates from the reports of the corporations filed with the State Tax Commission and the State Railroad Commission, and from other data. The reports filed with the two commissions are really marvelous examples of expert bookkeeping, especially in their disagreements. One report is prepared to keep assessments down; the other is prepared to keep traffic rates up. It requires a first-class juggler to make such reports—and that's why the franchise corporations employ jugglers to handle figures for them.

Just a few words about two other "home makers." T. D. and E. S. Collins own 19 tracts of uncultivated land almost in a bunch, containing 10,851 acres assessed in 1910 at \$162,000; no improvements or personal property. The 1910 taxes were \$3,444. The Singletax would have been \$4,642. That 10,851 acres of land is a good deal, isn't it? But the chief owner of The Oregonian, Mr. Pittock, has one block of speculative land in Portland, 200x200 feet, or less than one acre, which was assessed \$502,000 in 1910. That illustrates the difference between "land" or "land area" and *land value*. Mr. Pittock's little piece of Portland land was assessed \$12.55 a square foot, and the Collins acres were assessed \$14.98 an acre.

A County Singletax law will be initiated in Multnomah County, like the one already filed for Clackamas County, and we shall dig up some 1910 figures to show how the Singletax would have affected Portland home owners, business and speculators in 1910. We can't make a tax roll for the whole county; all we need is enough to keep The Oregonian up to the boiling point.

W. G. EGGLESTON.

P. S.—Do you—whoever you are—think this work is worth while? If you do, send to Daniel Klefer, Cincinnati, a contribution to the Joseph Fels Fund of America. Don't wait until you are rich, or dead—"do it now." Don't be ashamed to send a dime if you can't send more. If you can send more without spraining your pocketbook, do so. None of the Fels Fund is spent for buying votes, "fixing" conventions or soaping delegates. It is spent for such work as is being done in Oregon—work that will put the Singletax into operation in America. Any object lesson here will make the reform popular everywhere.

W. G. E.