

rating is the only system that does not penalize, through an increased rate, the man who renders a service to himself and to society by improving his property to the full.

Idle, unused, and under-used land pays the same rates under land value rating as if it were used to the full. It follows that where this system obtains, a man may build a home or a workshop, plant a garden, lay down a path, without suffering the penalty of increased rates. Under such a system no land can for long be held out of use (as it is at present held) in expectation of a rise in value.

Speculative withholding of land from use results in wide swathes of country round a city being left idle, forcing the home-seeker to go farther and farther out to cheaper land on which to erect his shelter. It also places additional heavy financial burdens upon the shoulders of the local authorities, who are forced to reticulate the outer perimeter with community services such as transport, sewers, water, lighting, etc. All these services pass through idle land, held out of use against the time when the higher price must be paid by the home seeker. All this is possible where the rate is placed upon the improvement and not solely upon the value of the land.

An incorrect system of rating has rested like a blight upon Dunedin for far too long. It has brought about a position where visitors chide the City for its unprogressiveness, at the same time twitting the City for its wealth.

Rating on the value of land apart from buildings and improvements marks the exact line between the rights of the individual and those of the community. The latter's rights are in the economic value of all land—a value which arises because of the presence and activities of the community—and the individual's rights are in those improvements which he creates in and around his home. These should be sacrosanct and free from any rate burden.

FOR THE COMMON MAN

*Dr. Frederick J. Jones, Secretary of the Welsh League for the Taxation of Land Values, reviews Mr. Phil. Grant's recently published popular book on economics, "The Wonderful Wealth Machine." **

This book is addressed to the man in the street rather than to the student of economic philosophy, but no one can deny that it has a message for the expert as well as the layman. Bearing in mind its popular tendencies, little can be said in criticism of its presentation. The author's style is alert, clear and entertaining, never becoming overlearned nor stooping to irritating colloquialisms, while even his cartoons, so suggestive of "slick American salesmanship," can be excused on the ground that the work is directed to a large public. Again, the shortness of the chapters adds to the book's incisiveness, since they invariably treat of one idea only and bring into full relief the author's basic philosophy.

Unfortunately, Mr. Grant's ideas have not the same advantages as his impeccable technique. They are indeed extremely confused owing to the writer's inability to arrive at any clear-cut definitions of basic terms. We begin to suspect his reasoning when he refers, on page 98, to the calf gestating in the cow's womb as an example of the increase of "living capital" as opposed to "dead capital," i.e., machines. The result of this chop-logic is an erroneous duality in his definition of interest:

(1) . . . when the Poleco-ist uses the word Interest he

means only one thing; that part of the stockpile of wealth that resulted from the use of the capital used in its production (P. 181).

(2) He might further define it as all that's left of the stockpile of wealth after rent and wages have been deducted (P. 181).

If we take a concrete example based on the first definition we shall see that any machine doubling output should have an interest rate of 50 per cent since the increase in the stockpile due to the machine is clearly that percentage. In the second case, however, the interest rate is merely the 3 or 4 per cent resulting from the pressure of Ricardo's Law of Rent whose validity the author admits. It is perfectly illogical then to correlate two definitions which give such widely disparate results.

The author himself is dissatisfied with his account of interest and, observing in the next chapter that interest rates have tended to fall not increase, he makes the amazing statement that "dead capital" does not yield interest whereas "live capital" does. If this is the case, it would be interesting to discover from Mr. Grant why people invest in machines at all when "live capital" yields so much greater profit. His probable answer would be that men invest in machines at "usury rates," but in fact this is no answer at all since no usurer would extort a mere 3 per cent usury while a 100 per cent legitimate interest was open to him by buying a cow and allowing it to produce a calf. (Here we must remember that for Mr. Grant cows are capital and so produce interest.)

Through a kind of intuitive interpretation of the Law of Rent, the author manages to reach right conclusions despite his confusions of thought. This, far from being a virtue, is most regrettable for there is a danger that the critic will not recognize the book's conclusions as being right because he has had to dismiss the arguments that purport to lead up to them. The work can therefore be in no way considered as a textbook for Georgeists, although it contains much that is of value.

I.U. PRESIDENT'S ACTIVITIES

Mr. J. Rupert Mason, president of the International Union for Land-Value Taxation and Free Trade, was one of the speakers at the largely attended "Congress for Freedom" held in Omaha, Nebraska, October 1—3. He presided at the session on "Policies of Taxation." The impression he made may be judged by the letter he subsequently received from Archibald B. Roosevelt, son of the late President Theodore Roosevelt, in these terms: "I thank you for your magnificent presentation at Omaha and I express my personal gratitude for the effort you made to help our country in this time of crisis." Besides the extensive correspondence Mr. Mason has with many prominent public men, constantly urging the case for land value taxation and free trade, he does not spare himself on other activities. Lately he has no fewer than six radio broadcasts from the FM station at Berkeley, California, on such subjects as "How to Secure Korean Unity" in which he cited the example of Raffles in Java and Singapore and Sun Yat Sen's land policy for China; also on "What is the Single Tax" in discussion with Prof. Glenn Hoover. His speaking engagements involve much travelling taking him, for example, to Chicago, to Los Angeles where he addressed the Henry George Anniversary, to Pacific Grove to speak to the Rotary Club on "Incentive Taxation" and again to Los Angeles as guest of the Ethical Cultural Society to address the Ruskin Art Club and explain to them the close relationship of "Taxation and Ethics." Of that meeting Mrs. B. Truehart writes with enthusiasm, such a discussion being evoked that Mr. Mason was surrounded by eager questioners until a late hour. This note gives but an inadequate idea of the tireless and effectual vigilance of our colleague whose services to the cause is ever generously at command.

* Devin-Adair Co., New York, 1953. Obtainable from Robert Schalkenbach Foundation, New York, 21, N.Y., U.S.A. at \$3.50.