

capable of deciding any great question at the ballot box.

The people by their vote decided that they are opposed to land monopoly and that they want the Graduated Land Tax. *But*—as our procedure now stands, *the silent vote was counted against us*. That is, the people who *did not* vote on the question, either for or against, were counted *against us*.

Representative government cannot long endure and tolerate this undemocratic rule. It has no place in a democracy. The people who go to the polls and vote for a measure and the opposition who vote against it should be recorded, and those votes only should determine that measure.

The resentment against landlordism was clearly evidenced on November 5. The use of land for speculation and investment rather than for a farm home has been rejected by the people. The vote for the Graduated Land Tax is a mandate to the present legislature that the constituents in 73 counties are overwhelmingly in favor of the tax.

The Oklahoma Farmers' Union is now going to do the only thing that can be done—that is, to fight for a Constitutional Amendment that will make the initiative and referendum a reality in Oklahoma, so as to insure democratic rule. We are going to get together all the voters of the State, and present a joint resolution directing the Secretary of State to refer to the people of Oklahoma for their approval or rejection a proposed Amendment to Section 3 of Article V of the State Constitution, to safeguard the right of the people to legislate for themselves.

Our program for 1941 includes a plan to organize the voters on the question of democratic rule. Let the controlled press and the vested interests exult for the time being. But the Graduated Land Tax shall be fought for again.

## The Critics Criticized

By JACOB SCHWARTZMAN

[This is the second of a series of articles by the same author, dealing with the objections of noted economists to the doctrines of Henry George, and the refutation of such objections. The first in the series, published in the November-December 1940 issue, answered the objections of Prof. F. W. Taussig—Ed.]

**I**N this article I shall examine the arguments of Prof. Henry Rogers Seager, who in his "Principles of Economics" (Henry Holt & Co.) attacks Henry George with a surprising hostility.

### Henry Rogers Seager

[Henry Rogers Seager was born in 1870, and died in 1930, in Kiev, Russia, whither he had gone to study the Soviet philosophy. An extremely conservative economist, he clung tenaciously to his interpretation of the laissez-faire doctrine. He was Professor of Economics at Columbia University from 1905 to 1930. He believed in meliorative activities within the existing economic structure, and was secretary of the Shipbuilding Labor Adjustment Board and

president of the Economic Association. "Principles of Economics" is his most noted work.]

Seager's eight objections follow:

1—Poverty has undoubtedly persisted in spite of progress, but has not increased with it.

2—It is untrue that improvements increase rent. If it were true, the condition of the masses would never improve.

3—Henry George's claims were extravagant and unwarranted.

4—No relation exists between the rent fund and the legitimate needs of government. Two cities of the same size and the same rent fund may spend different amounts for public purposes.

5—No tax is desirable as a single tax.

6—Confiscation of land would be a monstrous piece of injustice. It might be countenanced if any rational ground for it existed, but under the circumstances, it is unqualifiedly condemned. It would "overturn an established institution."

7—Impractical it certainly is, because present landowners paid a purchase price for their land.

8—It is impossible to distinguish the value of improvements from the value of land. (a) If we tax improvements as well as land, we would discourage production. (b) If we tax land only, it would be difficult to determine which is, and which is not, land.

(1)

I think that any person not hostilely inclined would readily admit that as a nation progresses in culture and inventions, poverty increases in the degree to which access to the land is lessened. This country is a good example. One hundred years ago, when America was still in the formative stages, poverty was not a serious problem. Today, the head of our Government admits that one-third of the population is ill-clothed, ill-housed and ill-fed. Today our brilliant leaders are unable to cope with the vast and miserable army of our unemployed, except to find "useful employment" for them in prisons, WPA projects and home relief.

(2)

To deny that improvements increase rent is colossal mendacity. Improvements increase rent in two ways: First, by facilitating production and increasing the amount of wealth, thereby increasing the value of land already used—since all wealth must be produced on and with land; second, by extending production and research, thereby compelling a demand for more land, and thus pushing out the margin of production.

The automobile industry, besides making Detroit the fourth largest city in the United States, has raised rents throughout the country. The development of the automobile, by increasing the number of industries and jobs, by adding to the amount of national wealth, by spurring other

improvements, has not only raised rents throughout the nation, but throughout the entire world. The development of the radio, electricity, telephone, aeroplane, have all added to the national wealth and the increase of rent.

The mass of people demand improvements because they expect them to lighten toil and make living easier. Improvements do tend to have that effect, but the private ownership of land intervenes. By increasing rents inordinately and withholding land from use, that venerable institution throws men out of work and causes competition between men and machines, as well as between men and men.

(3)

No explanation follows the assertion that George's "extreme claims were extravagant and unwarranted." We can therefore answer this only by asserting the contrary. Nothing that tells the truth is extravagant and unwarranted. If anything, George was moderate in both language and anger.

(4)

The objection that there is no relation between the rent fund and the legitimate needs of government because two cities similar in size and rent have different budgets, might be answered with the following illustration:

Suppose Edwards employs Jones and Brown, and pays each twenty dollars a week. Jones spends his twenty dollars during the week, while Brown spends only fifteen, and places five dollars in the bank. Following Seager's argument, Edwards would say to Brown: "I pay Jones twenty dollars a week, and he spends the whole sum; therefore a definite relation exists between his wages and his spending. I pay you twenty dollars too, but you spend only fifteen; therefore there is no such relation between your wages and your budget. I must cut down your salary five dollars." To which Brown should reply: "Regardless of how much I spend, that is no concern of yours. I earn twenty dollars a week, and the money is mine to do with as I please. I choose to save part of it so that, if conditions arise, I will have it for future needs."

Regardless of what a city's budget is, the rent fund was created by the people, it is their rightful earnings, and only they may decide how much and in what manner it is to be spent or saved for a future contingency.

(5)

The objection that no tax is desirable as a single tax is not explained by Seager. Perhaps he feels that it is not fair to discriminate against landowners and compel them to bear the whole burden of taxation, while other taxable values exist. The same objection may be interposed by a traveller who appropriates three-fourths of his fellow-traveller's wealth. He might complain disingenuously that it isn't fair for him to bear all the expenses of the journey when there are two undertaking the trip.

(6)

Having imagined that he has demonstrated that the single tax cannot be countenanced on any rational ground, Seager concludes that the confiscation of land would be a monstrous act. "It would overturn an established institution!" Just imagine the outraged feelings of Captain Kidd if, after all the years of building up his fortune, which required a great deal of labor and throat-slashing, an unfeeling government were to recover all his loot and gently reprimand our hero for his accumulations! Some better argument than that it is an "established institution" will have to be found for the institution of private landownership.

(7)

Seager believes he has found his justification of private ownership of land in the fact that the present owners paid a purchase price for their land. So would some citizen of Kalamazoo wave a certificate of ownership of the Brooklyn Bridge before an impassive judge, which certificate he purchased with hard-earned cash from a passing salesman.

We need not feel too concerned over those who purchased something which cannot belong to any one man—that is, concerned to the extent of allowing the injustice to remain. Under George's system, the purchaser's loss of investment will be more than offset by the new advantages and opportunities that arise.

Let us not fail to observe that the institution of private ownership of land can be traced to conquest and fraud; and that the great bulk of present day landholdings was obtained, not by purchase, but by inheritance and shady dealings.

(8)

(a) I have already answered this question in the previous article. However, answering it as presented by Seager, I will freely grant that if we tax improvements we discourage production. This is exactly the practice that Georgeists oppose. It is ironic that this objection should be presented by an advocate of things-as-they-are, including the present system of taxation which bears upon most of the things of human production.

(b) I have shown in my last article that it is possible and practicable to distinguish between improvements and land. Since this objection will again be encountered in other critics, I shall elaborate upon the question as the occasion arises.

## Index for 1940, Vol. XL

**I**NDEX for Volume XL (January-December, 1940) of LAND AND FREEDOM will be mailed free upon request, when accompanied by a (large) self-addressed stamped envelope, to subscribers who bind their copies as works of reference. The index consists of four pages and has an appropriate "key" for locating titles of articles, names of authors, subjects, etc.