

The Critics Criticized

By JACOB SCHWARTZMAN

[This is the fourth of a series of articles by the same author, dealing with the objections of noted economists to the doctrine 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. The second, in the January-February 1941 issue, answered those of Prof. H. R. Seager. The third, in the March-April 1941 issue, dealt with a contemporary of Henry George, J. B. Miller.—Ed.]

HAVING answered some early critics of Henry George, I shall now turn to two modern critics, whose jointly written book appears in most reputable public and college libraries. The book is, "Economic Problems of Modern Life," and the authors are Prof. S. Howard Patterson and Prof. Karl W. H. Scholz (McGraw-Hill Co.).

(Samuel Howard Patterson, born in 1892, is a Professor of Economics at the University of Pennsylvania, and the author of several works on economic and social subjects. He is a member of the Pennsylvania State Educational Association, the American Economic Association, the American Association for Labor Legislation, and other societies.

Karl William Henry Scholz, born in 1886, is also a Professor of Economics at the University of Pennsylvania. He is the economic advisor of the Business Clinic, Inc., and a member of the Economic Association and the Academy of Political and Social Science.)

In "Economic Problems of Modern Life," the following objections to the single tax are presented:

1—Communities may develop varying rents, and a rapidly growing community might not derive sufficient revenues from the single tax to keep pace with its various collective needs.

2—A single tax would be undesirable, as there are other monopolies which would then not be taxed.

3—It would be inflexible; it could not be increased to meet urgent public requirements in times of national emergency.

4—It would involve wholesale confiscation of land.

5—It would be difficult to administer, since it is practically impossible to distinguish between capital invested in permanent improvements on land, and unimproved lands. To appropriate the entire income from improvements would be to impose a tax in part upon the fruits of human labor. (Sic)

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The following are my answers to the aforementioned objections:

(1)

The fear that a rapidly growing community might not derive sufficient revenue from the single tax is easily assuaged by the fact that as a community grows, rent grows with it. Rent itself is an indicator of the rise of the people's

needs. The greater the needs, the greater becomes the demand for land—and the greater becomes the value of such land. Thus rent is always a measuring rod of the people's fluctuating demands.

(2)

It is true that under the single tax other monopolies would not be directly taxed, but such taxation is not necessary. All monopolies are based either on the private ownership of land or on inequalities which are the result of such ownership. The shutting off of productive enterprises by land monopoly results in unhealthy growths which feed upon the natural production of the community. These cancers, which we call monopolies, would disappear with the abolition of private ownership of land. With free access to the resources of nature, labor would receive wages commensurate with its produce, and capital would receive real, not spurious, interest. The competition of a free market would tend to destroy monopolistic practices.

(3)

If a national emergency should arise, the cost of which could not be covered by rent, the temporary recourse to other forms of taxation would not be an argument against the single tax any more than the sacrificing of human life during an emergency would be an argument against the preservation of life. However, it is difficult to imagine any emergency that could not be met by the rent of land. Furthermore, it is no argument at all to say that, because the single tax *might* not be sufficient, and *might* cause us to resort to other forms of taxation, we should therefore retain all the taxes we have today, most of which brutally stifle production.

(4)

The authors probably imagine that by using the word "confiscation" they will frighten people away from the single tax. It apparently does not occur to them that the word "confiscation" could much more justifiably be applied to our present system, in which human labor is continually being confiscated by the pompous "owners" of God's earth.

If the solution to our present-day ills were confiscation of land, it should not be regarded as a terrible thing. However, single taxers do not propose to confiscate land, or even titles. The present owners would be welcome to remain on the land they now "own," if they pay the full rent to the community. Only such rent would be collected, and since the community itself creates the rent, certainly its collection cannot be called "confiscation."

(5)

This fifth objection is the one which appears most frequently as a refutation of the single tax. I have already answered it twice in previous articles, and believe that I can now state categorically that it is possible to distinguish between land and improvements.

The second part of the professors' fifth objection is somewhat obscure. Do they mean that under the single tax improvements would be taxed? If so, it is simple to point out that the single tax is one tax placed upon land values only. Whether improved or not, land bearing the same rental would be taxed equally. Improvements do not cause the rise of rent; the true cause is the growth of the community, which results both in improvements and the rise of rent.

Primitive Concepts of Property

By PAVLOS GIANNELIA

IN his work, *Les Noirs d'Afrique* (Payot, Paris), Maurice Delafosse gives the following interesting particulars on the conceptions of the African natives in respect to landed property:—

The land, according to the natives, does not belong to any individual; neither does it belong to the whole community, as has often been erroneously averred. It is considered as belonging to the original inhabitants, or to the local deities who succeeded these pioneers, and represent them. In fact, the land itself is a deity whom nobody dares to think of appropriating! However, by offers and sacrifices, regulated by the proper rituals, the black family that first reaches an unoccupied site acquires from the local deity the right and privilege to use the land. This right is handed down from one generation to the next. In the hands of appointed ethnic groups, formed by the descendants of the first family, rights and privileges to use the land can be granted to others (gratuitously or otherwise), after the necessary rituals. However, there is no absolute ownership, or transference of ownership.

Every community possessing rights and privileges to use a given site has a chief who is usually the patriarch of the oldest family and bears the name, "master of the land." He is also the leading priest of the local religion but not necessarily the political leader. Even when the tribe falls under the yoke of another conquering tribe, the "master of the land" retains an intangible prestige. The political chief can do nothing without this master when there is the question of a sacrifice for the local deities, or a distribution of land. The conquest gives no rights over the land. The most outstanding Negro conquerors have respected this tradition.

The African natives do recognize private ownership of the products of labor. The worker possesses the fruits of his labor, and can decide how to use, give, sell or borrow it. The product of the individual's labor passes to his successors upon his death. The things produced by the community are collectively owned, and only the community can dispose of them. The agricultural worker, while not owning his land, does own the grain he sows and reaps.

The findings of M. Delafosse coincide with the observations of Mr. Josiah Wedgwood, our fellow Georgeist of the English Parliament, during his sojourn in Nigeria and South Africa, where the flourishing towns of Kano, East London and Johannesburg adapted the Georgean principles to the native legislation.

Turning now to the American Indian, it is certain that the concept of absolute ownership of land was foreign to the red man. In an article in the *National Geographic Magazine* (1936), the author relates the pathetic story of the transaction between the Indian and the Dutch Peter Minuit, whereby the latter obtained the island of Manhattan for the equivalent of \$24. The author explains that the Indian chief certainly mistook the importance of the act, which he interpreted as a temporary authorization to the use of the land, but not as a definite cession forever. He adds that there was no other mistake in the relations between the American pioneers and the natives which cost more blood than this conflict of ideas on land tenure.

I sometimes wonder if this Indian conception of property did not prepare the mind of Henry George to solve the riddle of the Sphinx of modern civilization. Unconsciously influenced by the conceptions of his red-skinned countrymen, George found the "commonplace reply of a passing teamster to a commonplace question," enough to crystallize "as by lightning-flash, my brooding thoughts into coherency, and I there and then recognized the natural order . . ."

In addition to the blacks and the reds, we also find evidence of the same conceptions of landed property in the yellow race. The German land reformer, Schrameyer, as governor of the Chinese colony of Kiauchiou, applied the single tax reform, and found that it was applicable to the old Chinese land laws. His reform caused the insignificant seaport of Kiauchiou to become within a few years one of the most important ports in China.

The similarity of all these primitive conceptions on land in reference to property and use calls to mind the words of Henry George ("Progress and Poverty," B. VII, Ch. 4): "The common right to land has everywhere been primarily recognized, and private ownership has nowhere grown up save as the result of usurpation. The primary and persistent perceptions of mankind are that all have an equal right to land . . . Wherever we can trace the early history of society, whether in Asia, in Europe, in Africa, in America, or in Polynesia, land has been considered—as the necessary relations which human life has to it would lead to its consideration—as common property, in which the rights of all who had admitted rights were equal."

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