

have to face after the war, because our troubles will not then be ended. One of the problems with which we shall then have to deal, no doubt, will be the question of putting into employment those who are taken off the production of munitions and implements of war, and the tax on land values, which the Chancellor has rejected, would be a valuable instrument in securing that the idle resources of this country were put into use in order that its idle people should be employed. I hope that question will yet be pressed to an issue, that the Purchase Tax will be repealed, and that better taxation will be placed in its stead."

We should like to call our readers' attention to our new British correspondent, Douglas J. J. Owen. Mr. Owen has kindly volunteered his services in this capacity, and hopes to keep us informed on economic conditions as well as Georgeist activities in Great Britain. An article by Mr. Owen appears in this issue. Our thanks are due to Mr. Arthur W. Madsen of *Land & Liberty* for securing the services of Mr. Owen.

L & F Again Goes to Washington

IN our last issue we announced that 50 copies of the May-June number of this journal had been personally distributed among as many Congressmen at the nation's capital. The idea was extended for July-August so as to place the Pan-American issue of *LAND AND FREEDOM* in the hands of every member of the Senate and House of Representatives, over 500 copies having been mailed. Each was accompanied by a letter, appealing for land value taxation as a means of financing the national defense program.

Of course, all such activities entail expense. The printing and delivery of 500 copies, with enclosed letter, by 3rd class mail, costs around \$50. However, we believe this kind of work justifies the effort, and we are only too glad to do it whenever the necessary additional funds can be obtained.

BOOK REVIEWS

LAND ACCORDING TO ELY AND WEHRWEIN

"Land Economics," by Richard T. Ely & George S. Wehrwein
The Macmillan Company, New York. 1940. 512 pp.

Any book that considers the economic issue of the land question is of interest to Georgeists whether or not its author understands that "the ownership of land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of a people." It is with this thought that "Land Economics" is here reviewed.

In the preface we find that "Land Economics may be defined as the utilization of the earth's surface, or space, as conditioned by property and other institutions, and which includes the use of natural

forces and productive powers above or below that space over which the owner has property rights." The index notes four references to George. The bibliography has placed "Progress and Poverty" under "Conservation of Natural Resources."

Students who have read "Progress and Poverty" do not all become Georgeists, but they usually agree that the Malthusian theory, which attributes want to the decrease of the productive power of land, is completely answered in the second Book. But the noted professors insist that Henry George "failed to overthrow the law itself."

Private property is justified "only on the social theory of property, namely, that it is established and maintained for social purposes. Under this theory, agricultural land is retained as private property because it is believed that the nation enjoys the greatest well-being under private ownership. Whenever social welfare is better served by shifting from private to public land, the state has the power to make this change. It has the power to make the right of the individual to the land less absolute."

The reviewer wonders what Ely and Wehrwein would say if this "social theory of property" were at some future date used to defend a Georgeist society.

The authors illustrate their lack of understanding of Henry George's concept of private property in land. He was not interested, as claimed by these economists, in "excluding land from the realm of legal private property." Georgeists are only interested in the public collection of the economic rent. Perhaps the noted professors merely overlooked mentioning this difference. Or perhaps the confiscation of the milk and honey of vested interests would not permit them to note any difference in consequences.

"Competition for the land has driven the price up to the full capitalized value of its income. In fact, many times above this value, through speculation and other factors." How has this admission slipped in?

Two mentions are made of why Henry George wrote "Progress and Poverty."

"Henry George acquired his philosophy of the taxation of land in the atmosphere of land-frauds and wild speculation in urban and agricultural lands of California where both Mexican and American land policies had favored concentration of ownership, and the bona fide settler found great difficulty in acquiring land."

The second mention also deals with the environmental factor that influenced George. It is an apparent attempt to belittle his contribution to economic theory. "He lived during the post-Civil War period when speculation, 'land-grabbing', corruption, and fraud were rife, but he over-simplified the remedy for the ills of society by attacking 'the unearned increment' in the land only."

Is it possible that a good word about George is permitted to enter the book? The authors quote from Lewis Mumford's "The Brown Decade":

"But George's awareness of the political importance of the land, his clear perception in 1879 of dangers that were to be fully demonstrated by 1890, and the stir that he made in the torpid political and economic thought of his day by introducing into it a vital idea—all this cannot be discounted. Henry George challenged the complacencies of bourgeois economics in the terms that the bourgeois economist could partly understand. Less than fifteen years after George's 'Progress and Poverty' was published, Professor Fredrick Turner pointed out some of the social and economic implications of the passing of the frontier. From this point on, any one who ignored the role of the land, either in American history or in our current institutional life, was guilty of convenient forgetfulness: the fact was established."

Nowhere in this book did the reviewer find any suggestion of a constructive land policy for lessening poverty amid advancing wealth. But all phases of the science which deals with the earth's surface are discussed and amply illustrated. The size of families, immigration, birth and death rates, and other factors of the study of the population statistics are pursued. "Temperature and Sunshine"; "Rain-fall and Evaporation"; "Topography"; Agricultural, conservational, arid, forest, urban, recreational lands and water, mineral and power resources—these are only a few of the items that would interest even a Georgeist in this book.

"Land Economics" tells you how it is possible to satisfy men's needs, but never mentions why they are not properly housed, clothed and fed. The noted professors would find the solution in "Progress and Poverty" if they would reexamine this book without any prejudices.

—LOUIS P. TAYLOR

NOTES ON DENMARK

"Notes on Denmark—Before and After the German Invasion," American Friends of Danish Freedom and Democracy, 420 Lexington Avenue, New York, N. Y. August, 1940.

The organization known as American Friends of Danish Freedom and Democracy was organized shortly after the German invasion of Denmark. The purpose is to perpetuate the Danish culture and freedom-loving tradition, and to work to the end "that Denmark may continue to live on."

This compilation of "Notes on Denmark" presents a picture of Denmark's contribution to the world. The Folk Schools, the co-operative system and the land and fiscal systems are described. "The Danish people prize independence above everything else," and this is exemplified in their legislation.

One could wish that these notes might direct more attention to the influence of the land value tax on the prosperity and well-being of the nation. However, we do find notes on "Subsistence Homesteads and Resettlement."

"In Denmark," say these notes, "rural resettlement and subsistence homesteads have ended landlordism, sharecropping and tenancy. In 1850 as many as 42% of Danish farmers were tenants. Today only 4% of Danish farmers are tenants; 96% work for themselves. The United States had about the same percentage of tenant-farmers in 1935 as Denmark had 85 years previously.

"Since 1899 an Act of Parliament has placed land at the disposal of Danish farm laborers . . . A total of 17,190 new farms were created under that Act. Under a later Act of 1919 5,000 additional new farms have been established. Their owners pay interest to the government on the value of the land according to periodical re-appraisals.

"All these new farms have become available not only through the reclaiming of land but also through a resettlement on land surrendered by large entailed estates. These became free estates by (1), giving up 25-30% of their capital and (2), by surrendering—against compensation—one third of their land. The money obtained, 89 million Kroner (\$20,000,000), was placed in a 'Land Fund' the interest from which is used right along for government purchase of land to establish small holdings."

In many other ways, Denmark has enacted progressive legislation. The condition of the Danish people after the invasion is also described in these notes. The contrast leaves one with the fervent hope that the ante bellum status may be speedily restored.

R. C.

CORRESPONDENCE

EDUCATING THE SCHOOLS

EDITORS LAND AND FREEDOM:

I believe that in our efforts to spread the doctrine of Henry George we are now engaged in the work of sweeping back the tides. The huge amounts collected from us in taxes for the educational system are used for the teaching of a meaningless political economy, and the comparatively insignificant outlays we can make are pitted against the false ideas spread by those huge outlays. Before we can begin to instill real political economy we must wipe out the false teaching on which the people have been reared—a colossal undertaking.

If we could introduce into the schools a textbook on political economy in accordance with George's doctrine, there are teachers ready to select it for their classes, and it would soon force out the unscientific and meaningless textbooks which have made economics the "dismal science."

But such a textbook can not be approved for purchase by boards of education nor ordered by teachers until it has been published, and publishers simply will not publish books which teach the public collection of rent. They will not take the risk, because there is no market for them. A writer who should succeed in producing such a textbook, even supposing it to be a perfect text, must either finance its publication, with small chance of sales, or keep the manuscript for handing out to his friends. It is small wonder that the youth of the nation are brought up with ideas of political economy which render the spread of Georgeism very difficult.

The best service which Georgeists could render to the cause would be to call for the submission of textbooks, select the best or have a better one written, and concentrate their funds on its publication; then have it sanctioned by boards of education, and solicit individual teachers to order it for their classes. One textbook taught in the high schools and colleges, *at the expense of boards of education*, would do more to advance the cause than the mountains of Henry George literature which have said what Henry George has already said in better language, and which are read by few except dyed-in-the-wool Georgeists.

Jamaica, N. Y.

HENRY J. FOLEY.

REPLY TO MR. HAXO'S "THEORY OF INTEREST"

EDITORS LAND AND FREEDOM:

This letter is for the purpose of taking issue with the theory of interest as expressed in Mr. Gaston Haxo's article in the July-August issue of LAND AND FREEDOM, and to present what we believe to be the natural law of economic interest. The fundamental argument on which Mr. Haxo's theory is based is the statement that capital is not a separate factor of production and that interest is therefore not an economic fact but is a social institution that exists only as a result of borrowing, and has no place in distribution.

Mr. Haxo has tried to prove that capital is not a factor of production by contending that it is a factor of labor. Let us look at the argument in favor of this assertion. He states that capital alone produces nothing, and can produce nothing without labor, that labor hardly ever produces anything without capital and that therefore capital is a factor of labor. If this reasoning is sound, can we not use exactly the same process to prove that land is a factor of labor? Land alone cannot become wealth, it is transformed into wealth only by the application of labor, and labor cannot produce wealth without land on which to operate.

Since we cannot prove that capital is a factor of labor without also proving that land is a factor of labor, we had better reconsider