

And Mr. Ross propounds on one page the significant question: "What has become of the ancestral estate in our America?" What indeed?

Congratulations, Mr. Ross!

We must now bring to an end these quotations. But our thanks are due for a very notable contribution to the literature of freedom.

J. D. M.

WANDERING IN DARKNESS

The Insecurity of the Security Programme, by Professor Harvey Lutz, Princeton University.

Our educational system has a lot of explaining to do. I need not go into much detail to justify this statement. I will consider only two exhibits as sufficient. "A" is our condition of depression, unemployment and poverty for which education has offered no remedy or explanation. "B" is our brain trust, forthcoming from our greatest universities, in response to the President's natural and trustful request for help; and all the "frank experiments" it gave us. So I am curious, whenever an educator with Ph.D. and AB, such as H. L. Lutz of Princeton has, lectures in such a topic as "The Insecurity of the Security Problem"—to see what he says.

I remember meeting Prof. Lutz in Trenton, when, as an adviser of a taxation league, he answered my suggestion that the land value tax be put on their programme, decidedly in the negative; a bad start economically. Now let us see if Prof. Lutz with a record of teaching economics at Oberlin and Stanford and at present heading Public Finance at Princeton, helps to account for education's weak position economically, when civilization is at the crossroads.

He starts with an effective picture of the confusion on this security subject; and especially the sentimental and socialistic viewpoints. He classifies this with the absurdity of the idea that Uncle Sam stamping "this is a dollar" on a piece of paper actually makes a dollar; to which my reaction is that Uncle Sam should be able to do as much as any solvent corporation whose I O U does not have to be secured with metal or anything else.

Then comes the economic concept of security: (a) a job at producing wealth and (b) "a share" in the division of the product; (c) what to do with the minor number unable to produce. Prof. Lutz has intelligently stated the problem and the bearing of economic science upon it; now let us see how he handles this basic of all problems.

Is it not obvious that economics must have a solution? Is it not obvious that it lies in the production of wealth and labor? He says so, but he does not compel economics to give the answer. He says the answer lies in full production and only there. He has mentioned "division" but seems to forget that as a factor he overlooks the fact; that 1929 terminated a period of miraculous production of goods ending with a bang and seven years of "recovery" that still demands an explanation.

This oversight reflects a greater one that casts a deeper shadow on college economics. What of a 100 year era of vast production that piled up 200 billions of wealth. Did this supply the full measure of security that Prof. Lutz promises as the fruit of "large and steady production?" Then the professor's negative weakness becomes positive. He states that the division of product is "perfectly familiar as the ordinary mechanism of exchange." No problem of "division of wealth" that even Huey Long told us of, and Father Coughlin states effectively.

Having established this false basis of economies, it is natural that he should run amuck on the subject of taxation. He gives all his attention to volume of taxation and none to its source. Use of social revenues for social purposes, to abolish all the evils of taxation he pictures he ignores or has not heard of.

So here we have another exhibit—"C"—in the case against our colleges, which is that our education does not educate; that our edu-

cators most need education. That our most baffling problem is how to stop communism, with our whole educational system feeding it.

Recapitulating; this professor says our problem of social security (which is also our problem of depression and poverty) is in large production and not in division of the product. This is not supported by history cited, by opinion of authorities, by economic science, nor good sense. Division of wealth produced must be to the producers, wholly; they are labor and capital. Prof. Lutz should know that basic monopoly now takes about half the product, and must when production is greatest. And in taxation, the professor should know that taxing labor products doubles their cost to the consumer, cuts consumption and employment in half, and exempts the monopoly that feeds off labor and capital, making security impossible.

New York City.

C. H. INGERSOLL.

Correspondence

THINKS SOME OF OUR TERMS ARE VAGUE

EDITOR LAND AND FREEDOM:

The Bible tells us that the vague terms used by the builders of the Tower of Babel caused them to disperse and this in turn was the cause of many and diverse tongues.

This is also why Friend Bolton Hall played a huge joke on the astonished Single Tax on land values fraternity. This is why ordinary people cannot grasp our simple idea. Let us therefore discard all erroneous phrases like unearned increment, rental, Single tax, etc., in place of rentable value, and call the movement "tax abolition." Thus we will attract questions and discussions now lacking.

Governments possess a legitimate source from which to derive revenue—the rentable values which accrue annually to natural opportunities because of the proximity of civilized populations which demand public service.

New York City.

M. W. NORWALK.

IN DISAGREEMENT

EDITOR LAND AND FREEDOM:

I want to comment on the speech of Edward White in Nov.-Dec. LAND AND FREEDOM. I think that all Georgeists will agree with the author's views except those expressed in the paragraph: "The notion that rent enters into price or is an element of cost, is seen to be an inversion of the natural order, for obviously rent is a reduction, the user of a superior location producing at less cost per unit than those using inferior locations." I draw exactly the opposite conclusion, and base my opinion upon his own statement in the very next paragraph. Let me state it. If rent in effect was a reduction of cost, because the user of a superior location produced at a less wage and interest cost per unit than the user of an inferior location, the product of a superior location would sell for less than the product of the inferior location, but since the product of both locations sell for the same price per unit the cost of production in both locations must be the same. The difference between the wages and interest cost of production on the superior locations represents the rent of the superior location; it, therefore, becomes an element in the actual cost of production and hence enters into price.

Rochester, N. Y.

HARVEY H. NEWCOMB.

THE CAMPAIGN IN CALIFORNIA

EDITOR LAND AND FREEDOM:

In the California struggle for real taxation reform, or rather the substitution of reason in the collection of governmental revenues for the present want of system, we have reached a period between campaigns which offers little of dramatic interest. This does not imply that there is a dearth of work to be done. The future has to be planned for and this is being done in several different ways.