

Land and Freedom

FORMERLY THE SINGLE TAX REVIEW

Vol. XXVII

NOVEMBER—DECEMBER, 1927

No. 6

Comment and Reflection

THE following is an extract from a letter by Prof. John R. Turner, Dean of the Washington College of the New York University in the *Christian Advocate* of October:

Much has been written and said about the right of the community to the increase in land values which attends the growth of a community. We simply wish to point out that any scheme which may look toward appropriating values created by social growth should in all justice look toward some plan for compensating the individual who suffers from decreasing values in property—the decrement that not infrequently enters into the picture. The point is that any plan which attempts to appropriate excesses over a "normal" is in justice forced to make returns to those who secure returns below that normal.

In fact, many of the gains and achievements which we accept in society are in one sense unearned. Elihu Root, for example, could never have secured big fees for legal service if he had remained in a small town, and the inventor of the latest refinement in radio reception in a sense appropriates the accumulated improvements of preceding inventors. Moreover, civilization itself appropriates all the accumulated knowledge and technique which the preceding centuries created. In other words, unearned increment is not a rare but a rather an everyday experience.

WE would compensate the landlords who "suffer" from decreased land values by taking less of the economic rent. There is no reason why society should make returns to those who are disappointed at the results of their investments in "values created by social growth." The admission is unfortunate for the Professor's argument. Values created by social growth should belong to society—the phrase carries with it its own connotation. The only justification for compensating landlords for unfortunate investments would be that land values belong to them and are not the "result of social growth." The Professor's argument is bad ethics and bad law.

ELIHU ROOT'S big fees for legal service are in "one sense" unearned. But not in the sense that Professor Turner indicates. In a plutocratic state of society those who serve plutocracy are certain to receive big fees. But after all these are the result of Root's ability, which must be conceded, and the exercise of certain faculties—not all admirable. But they were at least all his own. And he served. In a society founded on equity he would have served the cause of justice maybe—at somewhat smaller

fees, no doubt, for there would have been less of the value "created by social growth" in private hands to reward Mr. Root for his questionable services to monopoly.

THE last point made by Prof. Turner is a stupid fallacy. But as it seems an obsession with certain minds it is only necessary to point out that the body of knowledge and achievement which constitutes civilization is a universal inheritance. It is not a monopoly. Nor can advantage be taken of this accumulated knowledge without the exercise of labor. In other words, whatever profit or income results from the application of any part of this knowledge and technique to production is most emphatically earned and wholly unlike the income that flows spontaneously into the pockets of idle landowners and land speculators. It takes a professor to argue that because the generations have left us their garnered store of knowledge therefore landlords should be permitted to gather the economic rent of land due to the present activities of all the people now living and working!

THE trouble with our "prosperity" is that it establishes a condition in which no one wants to suggest anything that might interfere with it. It is so delicate a plant that even to breathe upon it might wither its branches. It opposes a wall of negation against every proposal for change or improvement. It serves to perpetuate and make static age-old legislation; to keep administrations in power; to encourage superficial thinking on problems of "business" and government.

HALF of the people think business is a matter of politics, not economics. Less than one per cent. of the people know anything of the "laws" of economics. The "patter" of the newspapers further tends to confuse the minds of their readers; meaningless volumes of statistics and learned essays on the business "cycle" add to the mass of inconsequential thinking, or no thinking at all, on the really simple problems of production and distribution. While men engaged in most of the professions know something of the laws underlying them, medicine, architecture, engineering, etc., those engaged in business know nothing of the laws which make good or bad business.