

Let me now recite what contribution I deem the enclavial movement makes to the cause of Henry George.

It is splendid for advertising, for it reaches the ordinary voter. Every man going into an enclave and seeing things to praise comes out and spreads the story.

What good cheer do the enclaves give us about the great depression? They tell us in the case of 12 of the 13 enclaves (from the 13th I have not heard) that there has been no case of money going from taxes to poor relief.

The enclave in Labuan tells us that, since its foundation, although the Chinese money lenders ask 15 per cent, the limit of legal rate of interest, when security is given, there has been no case of failure to repay, although there has been a prodigious drop in the prices of copra and rubber.

The enclave of Saint Jordi tells us that there is neither depression nor unemployment there, in spite of a drought.

Then again the enclaves are valuable to our cause as laboratories where the best forms of operation are being evolved, in practice, to serve as models for legislatures.

Next, is it not an achievement of importance that the total rent of the land under enclavure is now handled in behalf of the people and that the area represented is no longer handled by private landlords, privilege or monopoly?

Finally, if the cause is not marching on as fast as most of us desire, is it not deep satisfaction to be able to prove that it is really marching—to watch the increasing areas, to mark the increasing rent, to know that justice is gaining ground?

Taxes—and How We Hate Them!

MORE than a half century has elapsed since Henry George wrote "Progress and Poverty." Therein he explained this paradoxical situation: the more progress we have the more we suffer from poverty—that is, some of us.

Great riches seem nearly always to bring extreme poverty, and Henry George pointed out a definite remedy.

Until our recent unpleasant experiences we had always been convinced that we were the greatest people in the world; that our customs and laws—everything American, in fact—were the best in the world. In comparing ourselves to the various foreign countries we always had a definite feeling of superiority.

But now we have been shaken from this satisfied complacency; we are definitely willing to admit that something is wrong. And Henry George told us more than fifty years ago that it is our taxing system.

Nicholas Murray Butler, President of Columbia University, has maintained that the remedy suggested by this outstanding economist would be dependable. Tolstoy, the great Russian author, maintained that this system would ultimately be accepted by the world because it is so logical.

The advocates of the Single Tax maintain that it will discourage and ultimately destroy speculation in land which makes its price high. It will transfer the economic rent in annual land value to the public treasury. It will displace all taxes on labor and capital, all of which are taxes that increase the cost of living.

Taxation is invested with the power of life and death; it is a two-edged sword: if it is right it will conserve prosperity and dispel depres-

sion; but if wrong, it will create unemployment and make living costs unbearable. Our present system of taxing everything, it is maintained by Single Taxers, is oppressing both capital and labor. It is one of the causes of our financial troubles.

Every constructive effort we make adds to community wealth, to its land value; and that land value is our own because it is the product of mutual efforts. It is the result of gathering into communities, and of our cultural association, and of the social services we organize and operate. This wealth is just as tangible and extensive as wealth we create and store in warehouses and bank vaults or build into great city structures.

And here is where the Single Taxers maintain we should secure our funds to support our government—from land values. Exchange several taxes for one tax. They maintain that the advantage of this form of taxation is its simplicity and efficiency. The tax on land is out in the open, easy to inspect and easy to value. Compare this method with the present system with its horde of officials employed in administering taxes such as the tariff, income, tobacco, gasoline, etc., etc.

Taxation of land values will destroy the "industry" of holding land idle for years—sometimes decades—while population grows and makes it valuable.

And it is further maintained that the farmer would not suffer from this form of taxation because improved land would be exempt under this system. The farmer would be taxed only on what he would call the "run-down" value of his land.

The Single Taxers believe that their system will break up the bread lines and frozen deposits in banks, as well as in tin boxes and socks, and put both idle capital and idle labor to work building on vacant lots and in the business enterprises to follow.

Now that we are looking for remedies, even revolutionary ideas that will bring about a more equalized distribution of wealth are worth consideration, and the enthusiastic advocates of this Single Tax system deserve attention.—Editorial in *Liberty*, Sept. 3, 1932.

TRUE free traders have never enthused over Great Britain's spurious free trade, and have few tears to shed over its abandonment. So long as industry must bear taxation it is better that the tax be called by its right name than be misbranded "free trade."

BOOK NOTICE

"THE HOLY EARTH"

Such is the title of a small book by Dr. Liberty H. Bailey of Ithaca, N. Y. A descriptive title might be: "The Right Use of the Earth." It is inspiring, prophetic, optimistic, and democratic. It is refreshing to one who, like myself, has been nauseated by reading real estate board literature and the flaming, mendacious advertisements of the large land speculators, who actually call land a "commodity," as if it is of no greater economic importance than are groceries. "The Holy Earth" treats land respectfully, even reverently.

Dr. Bailey is not a political economist, but his book will be agreeable to readers of LAND AND FREEDOM. The wide sweep of his short essays cannot be shown by a few paragraphs, but the following may be quoted as especially interesting:

"This will necessarily mean a better conception of property and of one's obligation in the use of it. We shall conceive of the earth, which is the common habitation, as inviolable. One does not act rightly towards one's fellows if one does not know how to act rightly toward the earth."

"We begin to foresee the vast religion of a better social order."

"More iniquity follows the improper and greedy division of the resources and privileges of the earth than any other form of sinfulness."

"The naturist knows that the time will come slowly—not yet are

we ready for fulfillment; he knows that we cannot regulate the cosmos, or even the natural history of the people, by enactments. Slowly: by removing handicaps here and there; * * * by teaching, by suggestion; by a public recognition of the problem, even though not one of us sees the end of it."

"It is now easy to understand the sinfulness of vast private estates that shut up expanses of the surface of the earth from the reach and enjoyment of others that are born similarly to the privileges of the planet. * * * There is no inalienable right in the ownership of the surface of the earth. Readjustments must come * * * and in the end there will be no private monopoly of public or natural resources."

"If we may fraternalize territory, so shall we fraternalize commerce. No people may rightly be denied the privilege to trade with all other peoples. * * * It would be a sorry people that purchased no supplies from without. Every people, small or large, has right of access to the sea, for the sea belongs to mankind. It follows that no people has a right to deprive any other people of the shore, if that people desires the contact. We now begin to understand the awful sin of partitioning the earth by force."

His chapter on War and the Struggle for Existence is a unique attack on one of the arguments of militarists.

The author was born on a Michigan farm near the shores of Lake Michigan. Early he developed capacity for study of the physical sciences, and, when he entered the Michigan Agricultural College as a student at the age of 17, he was well grounded in the science of botany. After graduation, he remained as a teacher of horticulture in that institution, until Cornell University called him, and he was connected with its agricultural college for a quarter of a century. Then he retired, built himself a home in Ithaca, where he has a large herbarium, and devotes his time to the study of botany and to literature. He has been a voluminous writer and a busy editor in the field of natural science but he occasionally publishes essays and verses.—H. M. H.

CORRESPONDENCE

A FAMOUS DOCTOR MAKES A DIAGNOSIS

EDITOR LAND FREEDOM:

Your clear and incisive comment in the July-August number, on Norman Thomas's failure to understand the importance of the land question, and his reluctance to admit that a single remedy may set right a complicated social illness, recalls the familiar medical illustrations, which may be put in dozens of ways, but has not lost its point.

One physician fails to "think through." He fastens his attentions on symptoms—anemia, breathlessness, lassitude, mental and bodily feebleness, dizziness, etc., and would give a medicine—perhaps a mixture of drugs—for each. The other does think through. He seeks a common cause for all the complex symptoms, and finding it (say hookworm infestation), uses a medicine (say thymol or carbon tetrachloride to kill and expel the parasite) that will remove it. Then he takes proper precautions to prevent recurrence.

Landlordism is the social hookworm. So long as it is permitted to drain the body politic, and to inject its poison into the stream of the circulation, so long will the consequent ills continue. There is one means, and only one, to bring about social health. Kill and expell the parasite by collecting the rent of land for the public treasury—thus becoming able to abolish unjust taxation.

S. S. C.

Philadelphia, Pa.

WILL PAY NO MORE FOR CAPITAL THAN IT IS WORTH

EDITOR LAND AND FREEDOM:

"Capital" appears to be only technically a factor in the production of wealth. It is merely an auxiliary to labor.

"In truth, the primary division of wealth in distribution is dual, not tripartite. Capital is but a form of labor, and its distinction from labor

is in reality but a subdivision, just as the division of labor into skilled and unskilled would be. In our examination we have reached the same point as would have been attained had we simply treated capital as a form of labor, and sought the law which divides the produce between rent and wages; that is to say, between the possessors of the two factors, natural substances and powers, and human exertion—which two factors by their union produce all wealth." ("Progress and Poverty," Bk. III, Ch. V.).

Then to consider it as one of three factors is misleading:

"Yet this, to the utter bewilderment of the reader is what is done in all the standard works * * * they proceed to treat of the distribution of wealth between the rent of land, the wages of labor and the profits of capital." ("Progress and Poverty," Bk. III, Ch. I.).

Capital produces no more than Hope, or News, or Currency, or Food. We might pour quantities of all these, say, into a mine and they would be dead till labor came. All are mere aids to labor: "Capital * * * is in reality employed by labor." ("Progress and Poverty," Bk. III, Ch. I.).

"In truth, the primary division of wealth in distribution is dual, not tripartite." ("Progress and Poverty," as above). Land and Labor produce all wealth.

The returns to "Capital" are then either rent or wages.

It follows then that whatever part of "interest" is due to increased return to Labor will increase, as Henry George wrote. But whatever part is due to Monopoly will disappear entirely.

But in any case we need not worry over interest. Under free conditions no one will pay for capital more than it is worth to him.

N. Y. City.

BOLTON HALL.

CONCLUSION OF THE WHOLE MATTER

EDITOR LAND AND FREEDOM:

Two questions have been running through the columns of LAND AND FREEDOM that should be settled among Single Taxers sometime and dropped, leaving the space for something better. They are (1) Whether rent is added to price? and (2) What is the cause of interest and whether interest will persist if or when the Single Tax prevails?

The first is answered by Ricardo's "Law of Rent:" that rent is the excess value of any land over the poorest land in use. This excess value is taken by the land owner. It may be observed by any one from the fact that wheat grown on the poorest land sells on the market for the same price as wheat grown on the best land; or from the fact that one may go from a country village to the business center of Chicago or New York, and buy as cheaply as at the village store.

The second may be answered by saying that if and when the Single Tax prevails, capital will be what it is now, a stored up labor product and if one has capital which he does not want to use presently and another needs it for present use, the latter will pay the then market price for its use, if any, as there probably will be. That is as far as we need to know at present. Let nature take its course. It will anyway. Our present duty is to work for the Single Tax.

JOHN HARRINGTON.

Oshkosk, Wis.

DEFENDS PROHIBITION

EDITOR LAND AND FREEDOM:

I read the letter of Howell Clopton Harris, of Cordele, Ga., in your May-June issue with pleasure, for prohibition made me a teetotaler. I recall that some years ago a fellow-Single Taxer used to dwell on the idea that if we had the Henry George land value tax in effect, liquor would be exempt from taxes and in consequence the stuff would be so cheap that very little would be sold and as a result temperance would be promoted. I believed that theory then, but I don't now. Alcohol beverages are a habit-forming drug and the cheaper the stuff the more would be drunk and the more drunkards made.

I am as much in favor of personal liberty as any Henry George man but I do not take much stock in the personal liberty gag as applied to booze. I believe that the Ten Commandments and all laws, rules and