

such as Food, Raiment and Shelter. It would seem unnecessary to repeat to an intelligent people that these necessities are secured in only one way, viz., by application of our intelligence, muscular power and a sense of cooperation, to our supply, THE EARTH, which was supposedly created for all mankind. Man was given dominion over the earth (Gen. 1:26). We ask, what man, the one who first saw and claimed it, or all mankind?

It would be equally consistent and ethical to allow a monopoly of the sunshine and fresh air as the earth, a heritage from the Creator, which should not be held out of use for speculative purposes. We are either mentally blind or morally crooked. Cannot we realize that all wars are largely, almost entirely, caused by our economic maladjustment? They originate in greed, largely because of desire for additional territory to exploit. Men are also perfectly oblivious to crime conditions, especially among the younger generation.

This was especially emphasized in an article which appeared in the *Monitor* of February 21, by Ralph A. Felton, entitled, "Jobs or Jails for Youth," in which he states that eighty per cent of juvenile delinquents in a New Jersey reformatory were out of work when they got into trouble. They were inherently honest, but needed food in order to exist.

Is there a simple remedy for this unjust condition? There is only one scientific and ethical method, viz., cease penalizing (taxing) labor products, and take land values for public purposes.

Labor products belong to the producer; land values are produced by the community and should be appropriated for community uses. Of course, this solution is too simple for our expert economists to contemplate. It implies no statistical elaboration, historical data or prognostication anent the future; merely functions in the here and now. Why not give it a little brotherly thought for a change?

We cannot continue to ignore these fundamentals and maintain the title of Brotherhood.

Chicago, Ill.

F. J. EDDY.

COGENT AT LEAST

EDITOR LAND AND FREEDOM:

In your May-June issue there appears a reply to Mr. Walter Fairchild by Harold S. Buttenheim in which Mr. Buttenheim closes with:

"Nor need the Single Taxers fear that the fundamental thesis of their great leader will be weakened by constructive attempts to re-study and re-state it for the world of 1935."

By all means, Mr. Buttenheim, re-study and re-state "Progress and Poverty," but when you do, also re-study and re-state the Commandment:

"Thou shalt not steal!"

For after you have brushed aside all of the trappings, the philosophy of Henry George reduces itself to this:

Let not the community take from the individual that which the individual creates. Let not the individual take from the community that which the community creates.

Unfortunately Single Taxers generally, go off on the same tangent that Mr. Buttenheim has. They accept the Single Tax as the end instead of the means to an end, the end being individual freedom.

Cleveland, O.

NAHAM BEN ISRAEL.

JOHN LUXTON RETURNS TO THE ENCOUNTER

EDITOR LAND AND FREEDOM:

In the May-June number of LAND AND FREEDOM Mr. Loomis of Chicago attempts to justify his fallacious claim that there will be a selling value to land under the Single Tax. He says that in my reply I assume that Single Tax is to take one hundred per cent of the economic rent. Most certainly I do. And furthermore I declare it to be the only way in which full justice can be done and an equitable distribution of wealth be made. Mr. Loomis probably expects that

the full economic rent will be paid in money but in that he is wrong. We quite agree with Henry George in his suggestion that we permit the landowner to retain a percentage of the rent and thus escape the losses incident to renting lands in the way he mentions in "Progress and Poverty," Book VIII, Chapter II. In so doing we are collecting the entire rent, one hundred per cent of it. The landlord's services are equal to X per cent, and the rent which he pays over is equal to one hundred per cent plus X per cent. If we did not pay the landowner for collecting the ground rent, either from himself or from his tenants, we would have to pay an agent to do so. Thus we collect one hundred per cent of the economic rent, services plus money, or perhaps goods and services of equal value to money if the necessity for receiving the rent in that manner should eventuate. It seems to me that to be a good Single Taxer a man must first be a good economist, and that is where Mr. Loomis' trouble seems to be.

Mr. Buttenheim is quite enamoured of the idea of triple tax. It is enough for Single Taxers to know that he does not believe that all privilege and exploitation would be abolished by the socialization of ground rent, and that all community expenditures are reflected in increased land values. We do. A full and complete demonstration of the former must wait until we have advanced far enough to try it. Philosophy points that way to those who have logical minds. A detailed account of facts is necessary to prove the basis for his disbelief of the latter. Such facts must be actual and bona fide, not figures from reports of State tax officials, State Real Estate Boards, Chambers of Commerce, and other interested bodies. Until such facts are presented to us Mr. Buttenheim must not be offended if we do not believe him. We must have a chance to winnow the chaff from the grain, to point out what are real, legitimate community expenditures, and not just graft, waste, and downright loot. Away with most government reports. As contributions to our knowledge they are not worth the paper they are printed on, nor the energy necessary to read them. So Mr. Buttenheim's answer to Mr. Fairchild falls flat.

But it is not this which impells me to find fault with Mr. Buttenheim's logic. He attacks our consistency in fervently embracing the "benefits-received" theory of taxation, and rejecting the "ability-to-pay" theory. We do not ignore the fact that ability to pay has often resulted from benefits received. And in taxing according to benefits received do we go out of our way to exempt those who are able to pay because of benefits they have received? Under Single Tax the thing that will decide will be the benefits received. Mr. Buttenheim might have made a better case for himself and asked the question which every advocate of the "ability-to-pay" theory asks those who advocate the other method. The question is, "How are you going to tax those who haven't the ability to pay for benefits received?" That would give us the chance to answer in a way that shows that Single Tax is not going to be partial tax reform, weak and without teeth. The answer is that in case an individual or corporation has enjoyed a site value and either has not produced any economic rent through non-use of the site to its fullest possibility, or has made way with, squandered, dissipated the economic rent, the State or community will pry such individual or corporation from such site and lease it to the highest bidders. It is the moral duty of society to relieve members of society of burdens beyond their strength. To relieve the holder of a valuable site from the burden of carrying it when he shows his positive unfitness for the job is justice, justice to a poor weak brother, and justice to those of us who are ready to show their ability to make the most of such an opportunity.

In most instances, since man is naturally industrious and ambitious always seeking improvement, and creating new wants as he satisfies old ones, it follows that if we tax according to benefits received, we are also taxing according to ability to pay. But the method of taxing according to ability to pay is not always taxing according to benefits

received. Taxes on wages and interest are not taxes on benefits received, for true wages and true interest are received in return for services of equal value. To tax them is to create a one-sided condition in which something is given in return for nothing. Taxes on land values are taxes on benefits received, and such taxes create a balance, value for value, if the taxes equal one hundred per cent of the economic rent. It is idle to argue that wages and interest are received only because we receive the benefits of government, security and justice. We may receive our full wages under conditions of no government, and the best governments can not secure our wages to us.

There is *no* ethical *nor* economic justification for a system of taxation based even *in part* on the principle that the strong, the clever, or the lucky, should bear the burden of the weak, or the stupid, or the luckless, Mr. Buttenheim to the contrary, notwithstanding. Such talk is sentimental bosh, and worst of all, it bolsters up a situation that will wreck the public if not stamped out. It is ethical and it is economic justice that we have a system of taxation that will not permit the strong and the clever to be robbed for the misfits of society, that will not allow the existence of a "lucky class" nor of a privileged class, a system that will guarantee to each the fruits of his labor, that will permit no man to eat except in the sweat of his brow, nor any man to reap where he has not sown. Such a system, by assuring every man economic justice, will gradually produce men who are strong, clever and just. We believe that Single Tax will do this, that no coddling, nor paternalism, nor charity, nor despotism can do it, in short we believe in a true democracy. It is too bad that Mr. Buttenheim claims familiarity with "Progress and Poverty." It is too evident that his knowledge of the truths therein exposed is purely superficial. Brooklyn, N. Y.

JOHN LUXTON.

HOW ABOUT PAYMENT FOR SERVICE OF COLLECTION?

EDITOR LAND AND FREEDOM:

The confusion of thought shown by some of your correspondents regarding the selling value of land under the Georgist system will disappear if it is kept in mind that rent is for public service and for access to advantages maintained by the public either with public or private funds.

The service bill is like the gas bill or the electric light company's bill.

It would be as much in order to allow a consumer of gas a discount as compensation for paying his bill as it would be to leave the land owner a percentage for turning in the rent. A discount for prompt payment might be considered; but a discount for payment, never.

In case of a hotel or office building, the owner needs a location for his building just as he needs a roof on his building. He would pay his rent, all of it; just as he would pay for the roof, all of it. In both cases because he wished to be considered honest.

If the rent is proper and reasonable, it is what the public must have to maintain the advantages for which the rent is paid. If it is not all turned in, the public incurs a loss servicing the location. Any loss would have to be made up by either stock assessments (taxes) levied on the citizens or else by curtailment of the service. In the latter case it would be made up by sacrifice and hardship.

When people "invest in land," they are really not investing in the land at all; but investing in an opportunity to buy our public service at less than the market rate and to sell it back to us at the market (the rental) rate.

So long as and whenever land has a selling price we may be certain that the Georgist system is not in force. When it is in force, land will have no more selling value than has the privilege of buying gas from the gas company. As a matter of fact land is, as one of your correspondents so nicely says, just a place to work—just a privilege. As the privilege of buying gas has no selling value in the market now, so land will have none under our system—and for the same reason, that there will be nothing to be made buying for re-sale. All unused

land will be unclaimed land and the competition of this "commons" will prevent other land from having a price other than its rent.

Stockton, Calif.

L. D. BECKWITH.

RENT, TAXES AND PRICES

EDITOR LAND AND FREEDOM:

You have ably condemned (March-April issue) the futile "New Deal" efforts to regulate wages, instead of opening up natural opportunities for the free production on which alone they depend. The effort to help wages by ploughing under and killing off production so as to raise prices, is so obviously unnatural, however, as to arouse resentment notwithstanding "our decline" in independent thinking, and it is important to clearly point out that even the direct purpose of this New Deal effort (raising prices) is absolutely wrong; that the free production which alone insures normal wages also insures their natural purchasing power.

Whatever reduces the cost and prices of products, increases the purchasing power of wages, which of course is the only measure of their highness or lowness. And as reduction of taxes on production, and use of improved tools and methods of producing, reduce both costs and prices, they are the natural ways of increasing purchasing power and are therefore wholly desirable.

Failure to recognize this obvious truth arises from established interferences with the free employment of labor in producing so as to earn wages, for which there is only the one remedy of freeing access to land. It cannot be reasonably questioned that whatever reduces the cost and prices of products is inherently beneficial.

This truth makes it practically important to show how the taking of rent for public uses will really affect the cost and prices of labor products and the consequent purchasing power of normal wages; for the accepted fact that rent cannot directly enter into price would seem to exclude any effect of Single Tax on prices.

It is only necessary, however, to bear in mind the equally accepted truth that taxes on production do enter into cost and price; and that such taxes must be substituted for any rent that is privately diverted;—in order to see that this privately-diverted rent does actually enter indirectly into costs and prices as taxes on production; and that Single Tax would cut out all such substituted taxes from costs of production, with corresponding reduction of prices.

It is of course true that all the advantages of favored sites over marginal (no-rent) land, must in any case be paid by the favored users; but payment to government will put an end to present enormous taxes on production, and also to present high production costs due to the speculative withholding of land from use which pushes rent-free production onto poorer land.

But the great reduction of cost and prices directly resulting from public collection of rent, is not all that must result from it. For it is unquestionably true that public collection of rent will eliminate interest costs due to the present false capitalizing of that portion of rent which is now privately-diverted; and it is also certain that general prosperity due to free employment and production will make capital plentiful so long at least as prosperous human beings prefer to insure themselves against forced or voluntary retirement, instead of relying on humiliating pensions; so that further reduced costs and prices must naturally result with corresponding increased purchasing power of natural wages.

But here is the fundamental error which causes futile and foolish efforts to unnaturally control costs and prices: Namely, failure to recognize that *there is a natural wage*; that the normal products of labor properly measure wages; that under equalized opportunities of production, with proper use of known tools and methods of production, and with freedom from tribute to idle ownership, "natural wages" are automatically determined by natural production. And these natural wages with their natural purchasing power, call for natural instead of arbitrarily regulated conditions.

Reading, Pa.

W. G. STEWART.