

REPLY BY A. C. PLEYDELL.

Some of the questions raised by Mr. Ogden were discussed in the October REVIEW in an article by him and a reply by me, to which Mr. Ogden now rejoins.

In my reply to Mr. Ogden, from which he quotes in part, I said: "When Mr. George refers 'throughout all his work to land as an unchangeable thing' he is always using the word land, as he explains many times, in the sense of opportunity, location, site, and site being a dimension does not change in quality; only the use made of it changes." Mr. Ogden does not disprove these statements.

While labor applied to the exterior of a block of marble changes the stone from a piece of land to a product of labor, it in no wise changes the site, as opportunity for location, from which the marble was taken or upon which it may be left (except as it may leave a hole to fill in). If labor were applied to the boundaries of a huge block of stone so as to form a city block of dwellings, that block would have two distinct values. It would have improvement value and land value, and for a time "rent" paid for that block would be partly a rent for improvement and partly a rent for land, and the amount of the latter could be determined readily by comparisons with other sites that do not have similar improvement. Philadelphia is largely built of bricks made from clay dug on its own site. But the value for building purposes of an abandoned brick yard does not depend at all on the labor that was spent on making bricks there.

Mr. Ogden alleges another error in "Progress and Poverty," because Mr. George says in effect that it is not necessary in seeking the laws of distribution to take taxation into consideration. Mr. Ogden then says "taxes, rent, wages and interest are the four grand divisions of the distribution of wealth." While he was about it he might have included railroad charges, the extortions of lighting monopolies, and any other imposition upon the producers and consumers of wealth.

Taxation is not a primary distribution, but a secondary one. It may and does come out of rent and wages in varying degree, and sometimes does not come out of rent at all. Landlord and tenant agree upon the rent of land without regard to taxation. What they consider are the productivity of a certain site and its relation to the available supply of land.

While it is in a sense true that in nearly every community some portion of the produce is taken by the government and that this is generally called taxation, this does not prove taxation to be a law of distribution. For there have been organized communities with no government; and there have been and are plenty of "governments" that are solely spoilers and that render no economic service whatever for the tribute they levy.

Assuredly in a social organization where the government took everything that it could lay its hands on, the question of landownership would not be fundamental. But among the western nations where taxes are intended to bear some relation even though remote to service, the "robber that takes all that is left" is private ownership of land.

The separate assessment of land in New York supplies data for computations unavailable to Mr. Shearman. Leaving out the franchises of public service corporations, the land values of New York City (as taxed) are about three billion dollars, and the rent based on this would be about \$200,000,000, including what is now taken in taxes. The total tax bill of the city under direct taxation for federal, state and local purposes would be about \$150,000,000 or 75% of the rental value. As a large part of the land is unused the actual rent paid annually is probably no more than the tax bill would be. The increase in pro-

duction under Single Tax and the decrease in rents due to the forcing of more land into use, would likely offset each other. However, these matters are largely guesswork and are not essential.

Mr. Ogden does not explain how 50% (or any other per cent.) of the rental value of land is the measure of a share in the profit of association that accords with the owner's individual participation in the work of all. This might or might not be true if everyone were a land owner, but when half the people are landless it certainly is not true.

But Mr. Ogden's main argument is based upon a fallacy. He assumes that rent is the measure of the entire "profit of association," when it is no such thing. His error is indeed fundamental and invalidates all his conclusions.

Whatever increase in productive power is equally advantageous upon every sort of land in use will not increase rent. When Mr. Ogden speaks of rent under certain conditions having no exchangeable value he is mixing his terms. When there is so much free land that no one need pay any rent then there is no rent, and the increased production of wealth due to association is increased wages. It is true that economic rent can exist without there being landlords and tenants. It is also true that economic rent and the "profit of association" are not interchangeable terms.

Until Mr. Ogden refutes these assertions and demonstrates the correctness of his own contention, it would be superfluous to discuss the minor questions raised of the relation of taxes to profit from governmental functions.

I do look forward to a decrease in rental value, but this outlook is not gloomy, for I expect it to coincide with an increase in the profit of association, and that the net result will be a great increase in wages. I would rather have the Single Tax result in more equal land value, lower rents and higher wages, than in higher land values, even though these went to the community. But whichever effect it has, no one should be allowed to retain rent on the fallacious plea that it is a measure of his service to the community.

A. C. PLEYDELL.

A HERITAGE WORTHILY UPHELD.

(For the Review.)

By GRACE ISABEL COLBRON.

It is not an easy task to live up to a great name. It is harder, in fact, than to make a name, as the latter task is a self-chosen one, the choice for which comes with the power to accomplish. To live up to an inherited name is something imposed upon some of us whether we have the power to accomplish it or not. Henry George, Jr., is proving, in his published work, as well as in his political life, that he is capable of living up to his heritage. His second book, "The Menace of Privilege" (New York, Macmillan and Company) takes its place with its predecessor, "The Life of Henry George," as a worthy and necessary addition to the economic library given the world by his father.

Mr. George's book bears the sub-title "A Study of the Dangers to the Republic from the Existence of a Favored Class;" it might with full right call itself "American History Up to Date." For it gives a true and exact history of developments in our social life within the last fifty years, or more properly,

* The Menace of Privilege. By Henry George, Jr. See adv. among back pages.