

To the Editor:

The letters printed in the February issue of the News by Messrs. Crane and Cord in criticism of my "rent-interest index" contain concepts that are contrary to the ideas of George. Refuting them will serve a purpose more useful than merely defending my thesis.

One sentence in Mr. Crane's letter contains the essence of his argument. The sentence reads, "There are so many non-economic factors which bear upon economic phenomena—meteorological, political and what-not — that are impossible to include in any such gadget, and which may reverse its findings."

Can it ever be said that there is some non-economic factor acting on production which does not reveal itself in the action of land, labor or capital? To answer yes to this question is to argue that there are more than three factors of production. To answer no, is to agree that the impact of a force in the world that acts on production must show itself through changes in wages, rent and interest. That is what my "index" tries to do.

Mr. Cord's paragraph numbered two contains the pith of the entire reasoning in his criticism and more important in his series of recent articles in the News.

Mr. Cord argues that labor unions, oligopolies and patents take away some rent from the nominal land holders and gives it to non-land holders. Does this change in one whit the evil that lies in the private collection of rent? Of course, it doesn't! Changing the number of persons privately collecting rent from one to 500 or to 160,000,000 cannot possibly change the pernicious operation of land speculation. I would recommend to those who believe it does to re-read *Progress and Poverty*.

It may be that my formulation is wrong but it is not wrong for the reasons advanced by Messrs. Crane and Cord.

—SEYMOUR RAUCH
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