

George's books, with human rights ignored, is like the play of "Hamlet," with Hamlet left out.

Chicago, Ill.

W. D. LAMB.

#### EDITORS LAND AND FREEDOM:

Nothing affects us more than the management of taxation and rent. The government exacts taxes, the landlord exacts rent. The nature of taxation and rent should be understood. If a people live shut off from society, their returns from what they produce will be 100 per cent. If they live and work in a well governed community where they have the daily use of public service, the returns may be 55 per cent of the total, while rent and taxes may be 45 per cent. This increase in the proportion of rent and taxes to the total is not bad. If this 45 per cent is the fair value of the work done by the community, the 55 per cent will be more than the 100 per cent when living alone. As a matter of necessity we must use land in two ways.

First. We take portions of land and shape them into items which can be moved about at will, such as furniture, clothes, etc.

Second. We must use land as a site, it retaining its actual situation in space. To use it in this form we find it profitable to associate in communities bringing certain services to the land such as roads, water supply, sewers, gas, electricity, transportation, etc., in other words, public service, rent and taxes being the result of this public service. The more of the necessary public services which we perform the higher will rents be. Economic rent is that part of wealth which has been produced by the expenditure of capital and labor in public services. Private capital and labor produce interest and wages. This definition of rent is different from Ricardo's.

"Rent," says Ricardo, "is that portion of the produce of the earth which is paid to the landlord for the use of the original and indestructible powers of the soil."

The flaws of this definition are serious. Something essential is left out, something nonessential is put in.

Before he proceeds far, Ricardo feels that "The original and indestructible powers of the soil" do not furnish a basis for the existence of rent in many cases, and he adds a second and distinct basis, "The peculiar advantages of situation." This consideration shows the essential principle of advantages of situation in relation to common services is the big thing that accounts for the existence and amount of rent. Ricardo undertakes to show how rent arises. He says, "Suppose land 1, 2, 3 to yield with an equal employment of capital and labor a net produce of 100, 90, 80. In a new country where there is an abundance of fertile land compared with the population it is only necessary to cultivate No. 1. As soon as population has so increased so as to make it necessary to cultivate No. 2 rent would commence on No. 1." This assumption is impossible, assuming the quality or value of the produce to be similar in each case. It is doubtful if 100 in one case or even 80 or 90 in others are ever produced with an equal employment of capital and labor. Fertile elements in greater abundance in any one place involves the employment of more labor and capital to direct them. Again the same expenditure that produced 100 of standard value in Ricardo's time now produces a greater amount, not less. This fact is at once a refutation of the theories of Malthus and Ricardo, for the latter's law of rent is simply the former's law of population stated in different form. The mistake arising from false observations of facts is strengthened by the introduction of "The original and indestructible powers of the soil," giving us a definition of rent with reference to chemical activities instead of with reference to economic activities.

Instead of finding the cause of rent in the economic phenomenon of the division of labor and capital into private and public, the latter's activities producing rent and land values, he finds it in the alleged decrease in the supply of the chemical forces available for man's use, leading to such melancholy formulas as "The law of diminishing

returns." The relationship between the producer and the government and landowners is injurious in four aspects.

First. Is that under which the landowner can shut out the capitalist and laborer from the land.

Second. Is when the government and landowner exact more than economic rent in the name of taxes and rent, which causes a high artificial price for land.

Third. When the government intrudes with its oppressive taxes in the affairs of private business.

Fourth. Is that under which individuals appropriate the earnings of the community.

The mischievous domination of governments and landowners over producers has rested on their power of dispossessing producers, of shutting up alternative opportunities for employment, and of exacting an undue share of the produce. Endowed with this power they have put the producers in a corner and broken their spirit. How often we hear this query: "What's the use of trying to make money in your business when the government takes it away in chunks." What is wanted is a recognition of the truth—that everyone has an equal right to the elements provided by nature. This equality can become a fact only by apportioning taxes according to the privilege each one enjoys in society, as shown by the value of the location occupied.

Baltimore, Md.

J. SALMON.

#### EDITORS LAND AND FREEDOM:

Hero-worship which does not stir men to emulate the qualities and deeds of their heroes becomes the chains of the unwary. Today, men of distinguished name and position—editors, educators, preachers, philosophers, politicians and economists—publicly acclaim the greatness of Henry George's contribution to social and economic thought. They win encomiums, applause and sycophancy of the handful of Georgeists in the world; then, patronize and betray them. They do this by silence in counsel, by circumvention, by pretence of wise precaution and learned objection, by evasion, and by downright refusal to investigate or support a Georgeist measure. *Why?*

To me, the reason lies in the fact that the overwhelming majority of mankind pay rent, yet have not the ghost of an idea what it is for which they pay. They do not know that they pay rent for the socially and governmentally provided advantages which make their lives, and the production of wealth which is essential to their lives, easier—and *for nothing else*. If they knew this, they would then see that they now pay the rent to those who have no shade of claim to it. They would see that while rent is as honest and businesslike a payment as payments for services rendered them by individuals and corporations, they pay it to the wrong parties; to people who neither own nor provide the advantages for which it is paid.

What are the emotions of people, what do they do, when they become aware that they are being short-changed; that the results of their labor are being filched from them? How long would it take the millions of oppressed today to see the cause of taxation, and to find a way to end it, and get the rent for themselves, if they knew what rent is?

Ignorantly, they believe that it is right that they should pay rent for places on this earth where they can live and work; that land is wealth, that it is property, that they should pay for the use of this property. What may Georgeists, who talk endlessly of "landowners," of "land value" (which means wealth to these people), of "land value taxation" (a hardship to most of them, which Georgeists would increase), do to end this ignorance? Can anything be done by reiterating the contradiction, that "land is a gift of nature" (that "rent is a gift of nature"), but that men should pay for its use?