

Legislative Advances

A bill has been introduced in the Massachusetts legislature providing for a tax on the economic rent of forest lands of the State. Mr. Lincoln Crowell of Sandwich and Mr. Richards appeared at a hearing of this bill before the committee on taxation. Messrs. Crowell and Richards were the only ones who appeared in favor of it and no one opposed it.

The Committee did not treat the bill simply as a bit of freak legislation. Possibly because Richards had recently appeared before them in opposition to a sales tax bill and they were therefore acquainted with him and recognized him as being sane.

The committee asked some pertinent questions and evinced interest in the bill. An incident that amused Mr. Crowell was when a legislator asked the meaning of economic rent, our tax commissioner, who by word and deed has never indicated any knowledge of Georgist philosophy, told the representative that he would have to read "Progress and Poverty" before he could understand the meaning of economic rent or the purpose of the bill.

Knowing Richards was from the Harvard enclave the committee questioned him concerning the success of the venture and appeared interested in the favorable report he was able to give them.

Part of the bill reads as follows:

The lease shall provide for payment to the town or city of the value in or on the ground of any non-renewable natural resource situated in or on the reserved land which is removed therefrom by the lessee or the agent of the lessee, within a year of the time of its removal. It shall provide, also, that so long as the classified reserved land is used exclusively for growing trees, its economic rent shall be the economic rent of the land for that purpose and that in the event of dispute regarding the amount of such economic rent, its amount shall be determined by the State Forester by means of the mathematical formulæ of forest valuation and the decision of the State Forester in that event shall be final.

It is rare indeed that the term "economic rent" appears in any proposed legislation as it does in the House Bill 420 of the Massachusetts legislature.

MINNESOTA

A bill introduced in the Minnesota legislature provides as follows:

Section 1. All real and personal property subject to a general property tax, and not subject to any gross earnings or other lieu tax is hereby classified for purposes of taxation as follows:

Class I. All real estate exclusive of buildings or other improvements thereon. In assessing any tract or lot of real estate in which iron ore is known to exist, the assessable value of the ore, exclusive of the land in which it is located, and the assessable value of the land exclusive of the ore, shall be determined and set down separately, and the aggregate of the two shall be assessed against the tract or lot, and be considered within Class I as a unit.

Class II. All buildings and improvements on real estate and attached to and begin part of such real estate.

Class III. All other property within Section 1 and not included within Class I and Class II.

Section 2. For the years 1936 and 1937, all property included within Class I shall be valued and assessed at 60 per cent of the full and true value thereof, and for the years 1938 and 1939, all property included within Class I shall be valued and assessed at 80 per cent of the full and true value thereof, and for the year 1940 and thereafter, all property included within Class I shall be valued and assessed at 90 per cent of the full and true value thereof.

Section 3. All property included within Class II and Class III shall be assessed for the years 1936 and 1937 at 25 per cent of the full and true value thereof, and for the years 1938 and 1939, all property included within Class II and Class III shall be assessed at 15 per cent of the full and true value thereof, and for the year 1940 and there-

after, all property included within Class II and Class III shall be assessed at 10 per cent of the full and true value thereof.

A FEDERAL MOVE

A bill recently introduced into the house by Representative Moritz, calls for a tax of one per cent on the privilege of land holding of a certain value. This is the old Keller bill which Judge Jackson H. Ralston prepared years ago, but with some important changes recently made in the preamble. These put the constitutionality of the proposition beyond any doubt.

From a national standpoint this bill may form a rallying-point

Coshocton Tribune Proposes

What we propose is that all taxes be abolished, except one tax on the value of land, irrespective of the value of the improvement in or on the land.

This would not be a tax on real estate, because real estate includes improvements—buildings, fences, irrigation, ditches and so on. Thus, a man who buys a lot for \$500 and builds a \$25,000 home on it would be taxed just the same, under this plan, after he builds the house as he was before.

Nor is this plan a tax on land. There are thousands of acres of land in the United States which actually have no value at all, and would not be taxed. Most farm land has very little actual value, when improvements are deducted, and the taxes on most farmers would be less than under the present property taxes.

The plan involves the imposition of no new tax, since we already tax land values in taxing real estate. To carry it out, it would be necessary only to abolish all taxes except the tax on real estate, and to abolish all of that which now falls on buildings or improvements, leaving only that part of it which falls on the value of the bare land, increasing that so as to take as nearly as possible the whole of economic rent, or what is sometimes called the "unearned increment of land values."—Coshocton, (O.) *Daily Tribune*.

Miscellany

WISDOM FROM HORACE GREELEY

Eighty-five years ago today, Mr. Greeley was asked to speak before the journeymen printers of New York.

Referring to the depression then existing, Mr. Greeley lamented "that in this thriving commercial emporium of the New World, this trophy and pride of Christian civilization, there are at this day not less than 40,000 human beings anxious to earn the bread of honest industry but vainly seeking, and painfully, despairingly awaiting opportunity for so doing." Then he goes on to inquire.

"What can be the reason of this? Why is it that these 40,000 stronghanded, willing workers stand here thus fixed, enchained, in loathed, despairing idleness? Why are they compelled to wear out our pavements in hurrying hither and thither in anxious, heart-sick quest of something to do—with downcast looks and trembling voice, beseeching some fellow man to give them leave to labor for their bread?"

"I trust," Mr. Greeley says, "no one here gives any heed to the mumbling of self-styled political economists about overproduction and kindred phrases with which counsel is darkened. Overproduction of what? Where? Can there be overproduction of food when so many even in our midst, are suffering the pangs of famine? Overproduction of clothing and fabrics, while our streets swarm with men, women and children who are not half clad and who shiver through the night beneath the clothing they have worn by day? Overproduction of dwellings, when not half the families of our city have ade-

quate and comfortable habitations, not to speak of that large class whose lodgings are utterly incompatible with decency and morality?" But as to a dole the speaker simply said, "I have no faith in giving as a remedy for the woes of mankind."

Of that time, as now, Mr. Greeley said: "I have heard complaints that machinery and inventions do not work for the laboring classes, but rather against them." And he then made this additional observation (further using his precise words): "What the world eminently requires is some wise adjustment, some remodeling of the social machinery diminishing its friction, whereby every person willing to work shall assuredly have work to do."

SAM H. SEYMOUR, Chatanooga, Tenn., in *Herald-Tribune*.

A SLAP

Mr. Witt and Mr. Doty sincerely believe that they are Single Taxers, and we do not propose to dispute it. But the New Deal economic program leading inevitably to an increasing degree of state socialism, has had few more loyal supporters in Cleveland than Mr. Doty and Mr. Witt.

They and many other local Single Taxers have been doing some of the neatest intellectual somersaulting this town has seen, when they intersperse their Single Tax speeches with periodic huzzas and cheers for the New Deal and the Rooseveltian band wagon march toward state socialism. They would split their sides laughing at anyone who solemnly professed to be loyal at one and the same time to the political philosophies of Herbert Hoover and Franklin D. Roosevelt, but they profess loyalty at one and the same time to the Rooseveltian pattern of state socialism and the Henry George pattern of individualism, shielded against all forms of monopoly. The absurdity of being a New Dealer and a Single Taxer at the same time is apparent to anyone who had made even a casual study of the Georgian economics.

This is the slough of inconsistency and confusion in which most of the Cleveland Single Tax colony finds itself. But a few of them see clearly that the New Deal is not Single Tax, nor the Single Tax the New Deal, but rather that they tend to be the antithesis of each other. Such able Single Tax writers and publicists as Albert J. Nock, Francis Neilson and the Australian, Max Hirsch, have shown beyond question how the Georgian philosophy is poles removed from any trace of state socialism. The official Single Tax magazine, *LAND AND FREEDOM*, has been a most uncompromising critic of the New Deal.—DALE COX, columnist in Cleveland *Plain Dealer*.

THE ECONOMICS OF TODAY

The schools of economic thought now dominating the nation and the world are the greatest obstacle to sound economic recovery because they are without any guiding moral principle. Their judgments of measures do not turn upon the question of whether they are right or wrong, just or unjust, but upon the question of their expediency, and their Bible seems to be the Book of the Holy Statistics.

Does this judgment seem harsh? I leave it to you. Last summer a number of eminent reputed economists held a get-together meeting in New York to iron out their differences and present to the world some semblance of a united and coherent front. And the very first article in their new confession of faith was that

"Economics can consider only facts and their relations. It cannot concern itself with political, religious, racial, social or ethical considerations."

Not concern itself with ethical considerations? If a science of human relations is not to concern itself with ethical considerations, what kind of a science is it, and what is it worth to humanity?

It was a greater economist than any who walks the earth today who said:

"Fret not about the morrow, saying what shall we eat, what shall

we drink, or wherewithal shall we be clothed. Seek ye first the kingdom of God and His justice, and all these things will be added unto you."

SCIENCE OF ABOMINATIONS

I assert that the so-called science of economics taught in high places today is a science of abominations from which the spirit of truth and righteousness is conspicuously absent. That there are truths in it I will not deny, but they are so detached, disjointed and fragmentary that by themselves they are of little worth. As a whole, the dismal science clearly comes under Isaiah's condemnation:

"Woe unto them that call evil good, and good evil; that put darkness for light and light for darkness; that put bitter for sweet and sweet for bitter."

"Therefore my people are gone into captivity, because they have no knowledge; and their honorable men are famished, and their multitude dried up with thirst."

Whether we regard the Bible as the literally inspired word of God or merely a compilation of the wisdom of the ancients, there can be no doubt that there is in that book wisdom of the highest and deepest significance which the world has discarded as of no value—wisdom which the churches themselves have not even tried to keep alive and vibrant.

From an address by STEPHEN BELL in Paterson, N. J., at the Alexander Hamilton Hotel before 100 bankers of Passaic County.

Correspondence

AS TO INTEREST

EDITOR LAND AND FREEDOM:

Let us forget nominal money (circulating medium) for a little while.

Roughly (enough for all practical purposes), interest is the wages of the producers of capital goods.

Interest and wages rise together. That is, the wages of the producers of capital goods rise with the wages of the producers of consumers goods. Otherwise, the production of capital goods would cease. Because competition would pull the producers of capital goods into the field of the producers of consumers goods.

A complete and comprehensive definition of interest is difficult to give. And for all practical purposes it is not necessary.

Back to nominal money:

In a complex society, which is also a free economic state, money-interest is subject to the higgling and jiggling of the market, and will quickly arrive at a point of just equilibrium.

In a free economic state interest can never be exploitation.

This is the crux of the whole matter: Interest can never be exploitation in a free economic state.

Peoria, Ill.

ALBERT HENNIGES.

MR. LUXTON ANSWERS HIS CRITICS

EDITOR LAND AND FREEDOM:

I am impressed with Hiram Loomis's remarks as to my failure to add anything to the clearing up of the confusion in men's minds as to the meaning of interest and money. That shows very loose thinking on the part of Mr. Loomis. I did not start out to clear up the matter, but nevertheless I did. Except for the slip of calling interest the return for the use of someone else's wealth my definition of interest will stand. It is usually some other person's wealth, but actually it is any wealth used as capital, no matter to whom it belongs. I placed money where it belongs when I said that it is one of the things invented by man to assist him in production.

He does not see the point of my remarks about "biological entity." He does not know that I wished to show that Frank Stevens was worrying needlessly about a perfectly natural state of affairs. But nowhere did I say that truth must cater to the idiosyncracies of the human mind. There can be no compromise with truth. There-