

## HOW SHALL WE MAKE IT PLAIN ?

(For the Review).

By GEORGE WHITE.

I suggest that Single Taxers might in the columns of the REVIEW discuss the practical results of the absorption of wealth annually in the United States or in special localities within the States, by the operation of the law of economic rent. The Socialists appear to believe that capitalists get at least half of the wealth annually produced in this country, and in the January *Hampton's Magazine*, Charles Edward Russell sets forth for them and himself a clear statement of what he calls the doctrine of the unconsumed surplus, which runs something like this—The wealth produced here annually is worth four billion dollars. Labor gets in wages about two billions. Capitalists cannot consume the other two billions, and the surplus—in some mysterious way, not apparently in exchange for anything else—gets into other countries, where there is no surplus production. As, Mr. Russell says, as there will soon be no countries on the earth that can absorb these surplus values, we must all become Socialists before long.

It is very much my belief that Single Taxers have failed to keep to the front, as they should, the great importance of a clear understanding of the working of the law of rent. It may even be that many of us have not fully realized what the drain upon labor and capital amounts to. One would think so, surely, when one sees how enthusiastic some of us get to be in the pushing of some proposition for quicker or cheaper transportation or for extensions of municipal services, the value of which will quickly be absorbed by land owners.

Somebody once averred that he who does one thing is terrible. Perhaps Single Taxers would be the more effective the more fully they insisted on a full and clear understanding of the effect of the phenomenon of land values. The whole philosophy in which we are interested is founded on the law of economic rent and our remedy for social injustice must stand or fall upon the question whether or not a tax on land value can be shifted.

The plain deduction from the orthodox explanation of the law of rent is that any given time and place a premium attaches to locations offering advantages over locations to be had for nothing or at a nominal price, such premium tending TO EQUAL FULLY the value of the advantage. In other words, where the law of rent can operate there can be obtained by labor and capital only what they could obtain at the best location to be had without price. Now it does seem that this proposition is a very simple one, and one which should appeal powerfully to all who are questioning the justness of the distribution of wealth. Yet how little attention is paid to the matter.

Mr. Bryan, in his eloquent fashion, has appealed for the coming of the time when the rewards of industry shall more fully than now be commensurate with the Divine intent, but how much prosperity can there really be if neither

capital or labor can keep for themselves out of their produce more than they could have produced on locations to be had practically free of cost? As the law of rent is a natural law, it is to be presumed that the results of it are Divinely intended, and Mr. Bryan should pay a good deal of attention soon to the Single Tax proposal to tax land value premiums, which cannot be avoided, but which absorb an enormous proportion of the earnings of capital and labor.

I have the impression that Mr. Russell, for the Socialists, apportions too much to labor when he says that it gets one half of annually produced wealth. I have always thought one third to labor, one third to capital and one third to land owners would be about the proportions, and I have supposed that \$30 per year per capita would cover the amount of ground rent or annual rental value of land in the United States.

I want to request Single Taxers who can be of assistance to us, to write for the REVIEW essays on the practical results of the absorption of wealth by the operation of the law of rent. How can we convince the farmer that the private appropriation of land value takes from him—the mechanic, that it reduces his real income—the manufacturer or business man, that such private appropriation is a great hardship to him—the enthusiastic worker for local improvements, that there is nothing to be gained if land owners absorb their value—the politician, that the people need new tax laws before they can gain from any progress in public activities.

How can we make it absolutely plain to the American people that before prosperity can come some arrangement must be made to discourage land speculation and inadequate use of valuable locations so that the basic measure of prosperity—that to be attained at the margin of desirability—at the best place to be had for no price—will be real prosperity; and some arrangement also made to increase taxes on land value and decrease them on business and products of industry.

If we liken the production of wealth to a handicap foot race, these certain conclusions are plain. In so far as the judges of a race are able, when they decide on positions of starters, they cause all the runners to reach the tape at the same time, and the time of the race tends to be no faster than that taken by the slowest runner who is at the start given the greatest lead. So in wealth production, if it be seen that land value is a handicap based on location, it must be concluded that the portion of wealth to be enjoyed by capital and labor tends to be only that to be gained at free locations.

And if we all made our living by fishing in a privately owned river, if the river owner charged for fishing locations practically the entire difference between the catch to be obtained at places so poor that no charge could be made, and the catch to be obtained at locations of varying advantage, so that the net earnings of all fishermen would be equal only to the catch at the poorest spot used, two things appear very clear. First, that prosperity for fishers would be on a low plane; second, that fishers would not be very wise to spend effort in improving fishing conditions at good locations, only to have the charges for their use raised in consequence.

Are there not enough Single Taxers in the world—and can they not exercise their ingenuity and their ability to write and speak, to illustrate and make simple things clear; can they not concentrate their efforts along a certain line to such an extent as to make ignorance of the working of the law of rent no longer excusable.

We have, for instance, been deluged with words of admonition and instruction from the present occupant of the White House, but could the closest examination of a printed volume containing them discover that there was such a phenomenon in existence as a natural law which absolutely deprives workers and users of capital from gaining any more than a prosperity demonstrably inadequate?

Let us find some way to demand from leaders, teachers and agitators for a juster distribution of wealth, that we be shown a condition which will afford full prosperity to those who are industrious at the poorest locations in use.

Either there is or there is not a natural law of economic rent. Either it does or does not seriously handicap all productive effort in valuable locations. It should be insisted by Single Taxers that unless the orthodox belief in the law of rent is to be denied and upset, or unless some other method than Single Tax be offered to produce results desired, no preacher of prosperity has any right to expect his utterances to have weight.

William Allen White, in the January *American Magazine*, says that democracy has been moving fast in the direction of social justice during the past ten years, and that we are getting into real shape for demanding that business be business. I know of no more business like story than the doctrine of economic rent, and of no more business like proposition than the Single Tax. How shall we make ourselves heard?

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## RECENT SOCIALISM.

(For *The Review*.)

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By C. F. HUNT.

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A reading of recent publications of C. H. Kerr & Co., Chicago, leads one to believe that that socialist writer who can furnish the best caricature of Henry George is the most zealous socialist.

In "Marxian Economics" Mr. Ernst Unterman tries to simplify Marx, and incidentally refute his own estimate of George. An illustration is wasted on Unterman. He is sure to take it literally, and by destroying the illustration thinks he destroys the thing illustrated. Roscher's primitive man who saved his fish products to turn into capital, and George's man who saved his fruit, are cited. "The fish and fruit would rot, and be useless," says Unterman, and George's "whole idea of capital in a nutshell" is overthrown.