

OUR higher criticism might also straighten us out on Interest. We know that this has become a subject taboo among certain Single Taxers notwithstanding the fact that George says: "The returns are Rent, Wages and *Interest*." Some seem to think he said rent, wages and the rate of return on loans. We have an idea that this interest which George says is a return, has nothing directly to do with loans and nothing whatever to do with loan rates. Some dismiss the subject saying that when the Single Tax is in full operation interest will "tend to disappear or disappear altogether." We hope they are not right in this because we feel that if this is so capital will disappear also, and wages will then surely tend to a minimum.

OUR higher criticism might also tell us the difference between government ownership of land and government empowered to collect 100 per cent of ground-rent. At present the individual owns land only to the extent of title in fee and this is not absolute ownership. By what process may society, even with its authority, endow its creation, the state, with rights, inherently denied to any of its members. We are told that when land is "free" the ground-rent will be determined by the higgling of the market, that is by the bid-and-ask method. In this case we ask who will make the proffer, and it is somewhat incongruous that under this freedom the government should *levy* on ground-rent. Incidentally, in a free market, what will be the duties of the assessor?

THOSE who believe in the Science of Political Economy may need enlightenment and those whose business it is to administer the public revenue not only now but in time to come will need a clear understanding of the fiscal side of what Henry George so clearly outlined in principle. In his preface to "Progress and Poverty" George says: "What I have most endeavored to do is to establish general principles, trusting to my readers to carry further their application where this is needed."

Over the doors and in the literature of a large public service corporation we find the following:

"Progress is assured in this system by a large group of scientists and experts devoted exclusively to ways and means for making its service better."

In a spirit, not of controversy but of true research we feel that Georgeists should welcome the higher criticism.—K.

#### THE WAR

TWENTY-ONE years ago at the end of the war to end wars, we had no delusions that we had lived through the last great conflict. We had only hopes that privilege and trade barriers would subsequently be abolished.

Instead of a removal of tariffs we saw them mount

higher both in the large and small countries together with internal restrictions, quotas and regimentations. These are the basic causes of war. In every country these tariffs and restrictions have created lower per capita production and enabled the few to fatten at the expense of the many. So that with each of the aggressor nations, maintaining the *status quo* as to these privileges (which include land monopoly) there has apparently existed a lack of territory necessary to the life of their respective populations. Instead of putting their own house in order these nations have acquired by force or subterfuge or have attempted to acquire, the land of other nations. True free trade would have obviated all this. Nations, like individuals, do not murder their customers.—K.

## The Law of Rent

By W. R. B. WILLCOX

IN the July-August LAND AND FREEDOM, Mr. C. J. Smith argues in disparagement of the writer's attempted demonstration of the fallacy of Ricardo's "Law of Rent," which appeared in the March-April issue. He contrasts the definition there given with this law, and generously concludes that it is an effective, though probably an unwitting, paraphrase; but that between the two, the difference is only that between tweedledee and tweedledum. Due, possibly, to brevity of statement or lack of emphasis, the prime purport of that writing seems not to have been grasped, or at least to have been dismissed as unimportant. This should justify another attempt to reveal it.

In the statement (literally true) that "nothing essentially new has been added to Henry George's treatment of Ricardo's law of rent," the *fact* of difference may, as unwittingly, have been overlooked. What is new is not an *addition*. It is an essential *subtraction*. This, possibly, may compel revision of "the accepted dictum of the current political economy" that "authority here coincides with common sense," "that it has the self-evident character of a geometric axiom" and "the force of a self-evident proposition." The statement that "the fundamental character of Ricardo's principle he (George) deemed unchallengeable" cannot properly constitute proof to the contrary.

The point at issue appears, happily, in the critic's own words, as follows: "George himself pointed out the error of Ricardo *in limiting* the application of the law to the extractive mode of production. He showed that it held *as well* in the case of industrial, commercial and residential sites as in the case of farming and mining lands." In other words, as this reveals, Ricardo regarded rent as payment, solely, for benefits which were supposed to accrue only from the provisions of nature independent of human exertion; and George subscribed to the idea



that rent *included* payments for these benefits, but expanded it to include payments for benefits which result from the presence of population and social activities as these conditions affect the desirabilities of particular sites. The subtraction consists of that part of the rent which is attributed to the provisions of nature.

George explained that "in the economic meaning of rent, payments for the use of any of the products of human exertion are *excluded*." While here noting the fact that nothing done in or on the site at the expense of human exertion is included in rent payments, he explicitly states that "only that part is rent which constitutes the consideration for the use of the land." Since the word land is here used in a technical sense as embracing all of the provisions of nature save man himself (a sense of which few people are constantly cognizant), the quotation, to convey its true meaning, should be amended to read: "only that part is rent which constitutes the consideration for the use of the provisions of nature." This seems to prove the conclusion that George accepted as fact, that rent, in part, *included* payments for the provisions of nature—for that which *exists* independent of man's thought or effort, or at no cost of human exertion. This view is here held to be in error.

It was no mere inadvertence that in the definition to which exception is taken, namely: "Rent is payment for the advantages of social and governmental contributions to the utility of provisions of nature," that payments to any one for the use of any of the provisions of nature whatsoever are excluded. Their *exclusion* is of the very essence of the issue; something quite other than a mere "restatement of the Ricardian version" of the law of rent. To regard discussion of the question at issue, "Is rent a gift of nature?" as "a matter of words," as merely an "unhappy expression," exposes that lack of complete analysis which characterizes the ignorance of the public; and which also perpetuates confusion in the minds of many who sense the wonder of the remarkable intuition, and marvel at the sublimity of the inspiration, of Henry George, that the rent should be collected and be devoted to financing governments.

"Is rent unearned?" If any part of the rent is a "gift of nature" and "has cost nothing" of human exertion, this much at least has not to be earned. This much is not a "social product," even in an "allegorical sense"; it is not a *human* product. Is there "no purpose in laboring this trivial point," when (as real estate advertisements and the unintelligent jargon of the populace would seem to indicate) the whole world is possessed of the delusion that rent pays for views and climate and the presence of mountains, rivers and lakes, for the bounty of stands of timber, minerals in the earth, and fish in the sea? If authority "has failed to add that society *earns* its rent"—*all* of it, because rent is not paid for the provisions of nature—is it enough that "we can cheerfully supply the

omission"? Is it not time we ourselves should understand rent, its exact meaning and full significance? How else are we—blind leaders of the blind!—to rescue humanity from degradation and civilization from progressive decay?

Recognition, and acceptance, of the soundness of the logic which excludes from rent payments (in any amounts) for the use of any of the provisions of nature, would lead probably to conclusions which many seem unable, or are loath, to imagine. Would it not bring clear the baleful inconsistencies involved in the use of the blunderous term "land value"; the iniquity of the fraudulent deceit of the "land value tax"? Would it not show that payment of rent for the use of the streets as an aid to business, as payments of interest for the use of machines, must affect the prices of commodities, and in the same way? Would it not remove doubt of the fact that the rent can be collected now without change of laws, even though laws governing taxation remain on the statute books, *and are enforced*? Collection of rent, and taxation, are two entirely different kinds of transaction, and laws governing the latter do not act to prevent collection of debts, private or public. Would it not hasten the day of release for mankind from the thrall of taxation of any and every description?

But, so long as the implications of the Ricardian law of rent remain in the consciousness of men—that rent even in part arises out of thin air—the presence of an incalculable factor in the problem of securing economic justice will make its solution continuously more difficult, if not impossible. On the other hand, to understand what it means that the provisions of nature are "free" only in the sense that they are free to be obtained, and that to obtain them requires human exertion; and to understand that all for which any man, or any group of men, is morally obligated to pay, or to compensate, others is for their labor or the products of their labor, is to dispel uncertainty as to the exact meaning and the true significance of rent. Would this, in turn, not make obvious the monstrous absurdity that those who obtain titles-of-possession to that provision of nature which is called land, have justification for the belief that they act in conformity with the moral law when they receive rent from others, for the right of the latter to obtain any of the provisions of nature for themselves? Would not all this "expedite the acceptance of our philosophy" and "the cure of the problem we are most interested in, the abolition of poverty?"

#### REJOINDER—By C. J. SMITH

The gist of my argument, as set forth in the July-August LAND AND FREEDOM, is that rent is a social product. To that Mr. Willcox seems to have made no reply.

In the third paragraph (p. 136) it would have been a more faithful restatement of George's position had Mr. Willcox said that George subscribed to the idea that rent includes



payments for benefits which result from the presence of population and social activities, as these conditions are affected by the desirabilities of particular sites, whether the latter be agricultural, mining, industrial, commercial, or residential.

I suggest the following as food for thought:—rent of land is payment for social services—social services are in greatest demand where presence and activities of population are greatest—presence and activities of population are greatest on lands having highest capacity for production, i.e., on lands of highest productivity or greatest fertility—therefore, rent of land depends upon and varies with the different degrees of productivity.

## A Significant Prophecy

ONE of the French officers, young Henri de Saint-Simon, who served in America during our War of Independence, was so impressed by the fine promise of our national life and character—as contrasted with the corruption and venality in Europe—that forty years later, in 1817, he wrote that the Americans were on the way toward “the best and simplest social order which has ever existed.”

Yet with amazing clarity of vision he foresaw the dangers in our path and described them as follows:

“Feudalism no longer has a head in North America; but it still possesses a very robust body. The body may be quite capable of growing another head in certain circumstances of which we shall presently speak, unless it is entirely destroyed before such conditions come about.

“By saying that feudalism no longer has a head in the United States, we refer to the well-known fact that all the citizens of the Union are equal in the eyes of the law, that no one of them enjoys any title, privilege, or hereditary right. When we say that feudalism still possesses a very robust body in America, we wish to point out this state of affairs: the Americans have not yet erected a code of civil laws designed to favor productive labor as much as possible. The civil laws enforced there have been brought from England, and were originally framed in the interest of the nobility, of the idle landowners, and especially of those who administer justice; from which it results that the *légistes* (lawyer-legislators) are still today of a great deal too much importance in America, from which it results that the technicalities of the law tend uselessly to prolong legal proceedings, from which it results that the costs are too large. In a word, property is not arranged in America in a manner any more rational or conducive to the public interest than it is in England; and America is devoured by its *gens de loi*.

“Finally we make the remark that the body of feudalism, which still exists in the United States with *légistes*

for its organs, may send forth a new head . . . unless this species of intestinal worm is destroyed. . . . When population of America shall have reached the same relative degree (of density) as in Europe, the landowners will cease to be active producers (industrials); they will cease to cultivate their lands, they will become landlords, and they will find in the civil code all the necessary regulatory arrangements for reestablishing the nobility, that is, hereditary rights and privileges; in a word, a governmental regime in which the workers will find themselves under the direction of the idle.

“The sole means by which the Americans can protect themselves from the danger which we have just pointed out consists in the drafting of a new civil code which shall have as its object the greatest possible assistance to enterprises of positive and direct utility . . . in which the owners of movable property shall be distinctly favored as against the landowners.”

As Harold A. Larrabee points out in the *Franco-American Review*: “In the light of what was being written by others in Europe about the United States in 1824, Saint-Simon’s diagnosis of the coming replacement of aristocracy by plutocracy through the inevitable consequences of the English law of property, with its accompanying plague of *légistes*, shines forth as almost miraculously accurate. Born an aristocrat himself, and ever a leader, though often without followers, Henri de Saint-Simon strove to replace an aristocracy of privilege by one of competence, in order that all men might be free to develop their highest potentialities.”

The above forecast, written one hundred and fifteen years ago, will, I hope, be of interest.—EMILY E. F. SKEEL.

## The First Liberty

FREEDOM to speak, if it is to mean anything at all, must mean liberty to speak the most odious and asinine errors as well as the sublimest and soundest truths. Thus when Mayor Maury Maverick of San Antonio, Texas, gave permission to the Communist Party to hold a meeting—an affair subsequently broken up by a howling crowd which demanded Maverick’s recall—he was following the honored American traditions of freedom of speech.

Communism is not apt to win many converts in America, and apparently few enough in Texas. Best answers to Communism or Fascism are those which appeal to men’s minds in showing how superior is a system of free opportunity to one which makes all the slaves of the State.

—*Christian Science Monitor*.

CYNIC: “I could make a better world than this.”  
Sage: “That’s why God put you here. Go and do it.”