

CORRESPONDENCE

THE CASE OF MR. NOCK

EDITORS LAND AND FREEDOM:

Mr. M. J. Bernstein's article dealing with the strange works of Arthur Bryant and Albert Jay Nock merits wide distribution. It is well done.

I wonder how Mr. Nock will answer the charges made against him of false statements and intellectual dishonesty. We can forgive him for expressing opinions, but find it hard to reconcile his reputation as a liberal and champion of truth with such an exhibition of wretched writing.

Sadly enough, any cause or movement is judged by its representatives. The Georgeist cause can ill afford to have its name and its program identified with such men as Bryant and Nock.

As matters stand today, the truth taught by Henry George has been accepted by men qualified to pass judgment on it. The great task is to win for it a wider understanding and acceptance. On this account, those who bear the standards of Georgeism ought to beware lest by any unseemly act or word they betray the cause we hold so dear.

Cincinnati, Ohio

RABBI MICHAEL AARONSOHN

EDITORS LAND AND FREEDOM:

Except for some of his writings, I had known little about Mr. Albert Jay Nock. To me he was a grand and living symbol in the Georgeist movement—a man who had intimately known Henry George. After reading Mr. M. J. Bernstein's amazing article in your July-August number I was overcome by the same feeling a child experiences when he first learns there is no Santa Claus.

My first reaction to Georgeism after becoming only slightly familiar with it was one of general tolerance and sympathy to all mankind. Former prejudices gave way before the relentless force of cold logic. I was more than shocked to learn that a mind so thoroughly acquainted with the principles of freedom and justice should, or possibly could, carry such inconceivably prejudicial inconsistencies.

I think Mr. Nock owes a thorough explanation to the many followers of a philosophy to which he avowedly adheres.

Brooklyn, N. Y.

DAVID ASCH

EDITORS LAND AND FREEDOM:

Mr. Bernstein deserves a sharp rebuke for his article, "Unfinished Victory and Mr. Nock," in the July-August number of LAND AND FREEDOM; and fair play demands that Mr. Bernstein should produce evidence for his unfounded statements therein. His accusations cannot injure Mr. Nock, whose reputation as a writer and thinker is firmly established on an international basis. Nor in the long run can they retard the realization of George's sound formula; for a great truth cannot be permanently injured by the small workings of inferior minds. Men may say what they will about the stars in their courses, but the laws governing the heavenly bodies are unchangeable.

One asks one's self in reply to Mr. Bernstein's attack on one of the foremost economists and men of letters of our time, is not Mr. Nock, who makes the following statement, a true follower of the Henry George formula? "It seems impossible that his (George's) philosophy will ever need review, reappraisal or even restatement. As it now stands it will apparently forever continue to fulfill perfectly the functions of a social philosophy as they are described by Spencer. It will continue to locate and identify the ideal which is needful for right guidance, however far in advance of practicability . . . He (George) was one of the greatest of philosophers."

And how can Mr. Nock be accused of a "thinly-veiled anti-Semitism," when in referring to "the thick fog of silence which has settled over this grave question," he writes that he finds anti-Semitism "as

terrifying as it is distressing"?

Finally, it is evident that Mr. Bernstein is not familiar with "Our Enemy, the State," of which the title alone belies Mr. Bernstein's accusation that Mr. Nock has "a scarcely-concealed sympathy for present-day Germany." A glance at the contents of this epoch-making book reveals that the Totalitarian State is our enemy in its complete form.

Malvern, Pa.

ELLEN WINSOR

THE PROBLEM OF ASSESSMENT AND TAX RATES

EDITORS LAND AND FREEDOM:

The article in your May-June 1941 issue, entitled "Assessing Land on Gross Value," does not appear to help matters. Assessing the value of land on selling value seems simpler.

As the tax rate is raised selling value will fall, and although not stated, it is intimated that continuing this process will finally reduce land value to the vanishing point, and there will be no value to assess. This, however, is a mistake. Increasing tax rates reduce but cannot eliminate land value. This is easily proved by a simple calculation.

A figure is selected that admits of several divisions without a fraction: Suppose a parcel of land that rents for \$630 per year, while interest rate is 5%. If one buys this land he wants 5% on his investment, and must pay the tax. If the tax rate is 2% the \$630 must provide 2% for the public and 5% for the owner. In other words, \$630 is 7% of the value of the land. Therefore 1% is \$90 and 100% is \$9000. If the rate is raised above 2% no one would pay \$9000 for the land, and the next year's assessment would be determined by the increased tax rate.

If the tax rate is raised to 5%, with interest at 5%, \$630 must be divided by 10, making 1% \$63 and 100% \$6300. If the tax rate is raised to 25%, interest 5%, \$630 must be divided by 30, making 1% \$21 and 100% \$2100. As 25% of \$2100 is \$525, leaving only \$105 to the owner (which is 5% of \$2100), it seems safe to say that no one could afford to hold that land vacant; also that a 25% tax will absorb the bulk of the rent.

We have, then, a simple rule: *Gross rent divided by the tax rate plus the interest rate gives one per cent of land value.*

But if the tax rate is raised to 100% will not the whole rent be absorbed, leaving no value to get assessed? Apply the rule. Divide \$630 by 100 plus 5. The quotient is 6, and 100% is \$600. The tax therefore, is \$600, leaving \$30 to the owner, and this is 5% of the value, \$600. The \$30 is no more than fair payment to the landowner for officiating as tax collector. Of course this 100% example is ideal, an end toward which we struggle, but to which we never attain.

Any tax rate above 25% will take the bulk of ground rent, and make speculation in land value unprofitable.

Chicago, Ill.

JOHN Z. WHITE

ATTENTION, MESSRS. PATTERSON AND SCHOLZ

EDITORS LAND AND FREEDOM:

In your May-June instalment of "The Critics Criticized," Professors Patterson and Scholz are quoted as saying (in objection No. 5): "To appropriate the entire income from improvements would be to impose a tax upon the fruits of human labor."

If these gentlemen fear that through mistakes and miscalculations of land rental charges against the user, some part of the earnings of the improvements might creep into the assessment against him, and thus "impose a tax in part on the fruits of human labor," one would imagine that they would be sick with horror over the swamp of bold, bald and shameless taxation of the fruits of human labor in which the method they support now wallows.

San Francisco, Calif.

JOS. S. THOMPSON