

fundamental price is that which the workman's subsistence costs."

Imagine workmen receiving their normal wages. Now imagine an increase in the price of goods due to an addition of tax or rent (they are both the same). There is immediately set up a current which raises the fundamental price of labor and this raise comes out of rent.

There is action and re-action going on constantly in the economic field. We hear it in the report of investigating committees who point out the increased cost of living relative to stand-still wages. We see it in the multitude of strikes where labor is demanding a fairer rake-off.

We see it in the migration of labor always striving for freer fields to employ itself.

Turgot happily uses the figure of an equilibrium in physics to explain the principle. He says, "A kind of equilibrium is established between the value of all products:—The consumption of the different kinds of commodities; The different kinds of work; The number of men engaged in them, and the amount of their wages.

Wages can be fixed and remain constantly at a given point only by virtue of this equilibrium. If we add to one of the weights (like adding to the price of goods through the addition of rent and taxes), a movement must be set up throughout the whole machine which tends to restore the old equilibrium. The proportion of the current value of wages to their fundamental or subsistence value was established by the laws of this equilibrium. Increase the fundamental wages, and they must be increased because they were at the subsistence point before, the circumstances which have previously fixed the proportion which the current wages bears to the fundamental wages must cause the current wages to rise until the proportion is re-established. The result will not be sudden, but it will be certain in the course of time, as water seeks its level. It is the same with the equilibrium of the values we are considering. So rent is not a part of price.—JOHN SALMON, Baltimore, Md.

ECONOMIC GAMBLING

EDITOR SINGLE TAX REVIEW:

God created the land, the water and the air, their *value* manifestly to be used by *all* men of all generations. No other title was granted.

Men collectively *only* can create "economic rent," the "unearned increment," site value, location value, land-value, the rental value of bare land exclusive of improvements. Land values *cannot* be produced by an individual.

True economic rent is the cost of the advantage of increased efficiency due to subdivision of human effort; it is the price of social as against solitary existence. Land values justly belong to the community producing them, by the same right of property that individually-created values belong to the individual producing them.

Without grave injustice to its producing members, a community cannot omit to collect and use its own publicly-produced earnings, or, so much of economic rents as may be required for public expenditures. Omission necessitates needlessly taxing private production.

Purchasing a land title for speculative purposes, or except for use of the location, is acquiring a publicly-produced privilege to individually appropriate the joint product of others without rendering service therefor. It has no other possible value.

Dealing in land in order to individually absorb the unearned increment is immeasurably more detrimental to industry, business, and society in general, than the petty forms of private and public gambling the law has already frowned upon.

A poker player buys chips which represent a privilege to bet he will win wealth. He lives by such winnings, solely upon the earnings of others. A land speculator buying a land title purchases a privilege to privately appropriate public earnings of a community—the product created by pressure of population. Poker chips accurately illustrate the rights and the true relationship of land titles to the people. A title owner may forestall progress by purchasing land in the path that business

must take and thereby become legally enabled to collect tribute of wealth producers. But, as a land owner only, he produces nothing. He lives, by such tribute, solely upon the earnings of others.

Gambling for wealth, the product of labor and capital applied to land, merely transfers previously produced wealth from one foolish loser to a shrewd or accidental winner, each of whom, to be poker players, should be gentlemen well able to afford such losses. It morally affects both, but financially affects but one of them. It does not affect the total store of wealth, hinder the further production of wealth, reduce the net returns of labor and capital, nor add to the cost of living.

Gambling in land, the creation of God and the primary source of all wealth, transfers previously produced wealth from many producers, who, by reason of the present general superficial comprehension or lack of mental alertness as regards economics, have thus far been helpless to prevent it. In every community the losers are fully ninety per cent of the people.

Land speculation and idle-land holding absorbs from the general store of wealth without rendering any value in return; it tends to keep production of wealth to the minimum, and to cause its inequitable distribution; it paralyzes business; it holds wages and interest, the earnings of labor and capital, to the minimum; it adds tremendously and with utter needlessness to the cost of living; it is the fundamental cause of involuntary poverty, of disease, of war, and of the imagined need of socialism.

The sovereign remedy is to gradually abolish all taxes on industry, business and thrift, and in lieu thereof derive all public revenue from the rental value of land—the public earnings.—K. P. ALEXANDER.

MISS ETTA SCHAFFTEL of the University of Chicago, has been awarded the prize of \$1,000 as the first prize for the best essay on "The Taxation of Land Values" offered by Hart, Schaffner and Marx, well known merchant tailors of that city.

POLITICAL ACTIVITIES OF SINGLE TAXERS.

EDITOR SINGLE TAX REVIEW:

You raise two interesting questions in your comment on Peter Witt's campaign for the Mayoralty of Cleveland—What should be the attitude of Single Taxers in politics? and what should be the attitude of other Single Taxers toward such persons? I think the same freedom for which we stand in all relations of life should govern us here.

Toward the Single Taxer who denies his faith for the sake of political preferment, there should be no consideration shown. But is not this an imaginary case? In thirty years I have not known of a pervert. Nor should consideration be shown for the Single Taxer who, when the Single Tax or any part of it, is not a campaign issue, seeks Single Tax votes on the ground that he is a Single Taxer. But of this case there are few if any examples.

We have not reached the stage where any one, not a Single Taxer, will claim to be such in order to win votes, we have to recognize that practically everywhere in the United States the Single Tax faith is a liability rather than an asset, and that wherever Single Taxers have been elected or appointed to office, it has been in spite of their faith and not in consequence of it.

If the ground be taken that Single Taxers must not support candidates or parties which do not make the Single Tax the sole plank of their platform, condemn ourselves to the same sterility, or even a greater sterility, than the Socialist party has done. Democracy, with all due respect to the believers in direct legislation, must be carried on by representative government. Representatives *should* be more than mere recording machines to register the will of their constituencies. They should strive to lead and inspire, but no matter how certain a representative may be of the correctness of his own position, unless he shall have convinced a majority of the intelligences or of the number of his own constituency that a certain policy is wise, he