

CHAPTER V

SOCIALIZATION OF LAND RENT THROUGH TAXATION

THE first four chapters of the present work have taken pains to indicate the meaning, significance, uniqueness, and historical background of the land question. But the argument thus far has made no suggestion for handling this remarkable problem of the private control of land. Of course, it is being assumed here that even a theoretical discussion can present possible solutions to problems; it is being assumed, further, that the preceding pages have disclosed that there is a vital and generally overlooked paradox in man's casual disposition of the Earth. The title of the present chapter and a statement made at the close of the third may introduce a proposed clue to such a solution—the taxation of land values.

Now, it is fully realized that any mention of this particular topic suffers from the stereotypes that have arisen during long years of controversy. That is to say, the arguments—often bitter and nearly always critical—that have enveloped, for example, the names of Henry George and single tax

have all but made impossible an objective and positive reaction to any introduction of land value taxation. The connotations provoked by the phrases seem, without exception, to be polemical in character—they suggest derision or eulogies. But, in particular, there are several familiar prepossessions that must be displayed preliminary to an exposition of the taxation of rent.

First, the very term taxation is misleading. Although the attempt will be made farther on to justify the taxation of land values in terms of fiscal canons and the recognized incidence of taxation, it must be recognized at the outset that the interpretation here of such a program is in terms no less ambitious than those of social reconstruction itself. The land question has been presented as fundamental for any consideration of economic systems; it has been viewed as the parent of other forms of economic exploitation; it has been described as *sui generis*. These are large points, and consequently any effort to handle them demands more than an incidental interest in simply tax reform. Tax reform is indispensable, beyond a doubt, and the taxation of rent seems to be a necessary item in any platform of fiscal reform, but, as it is being understood here, this type of taxation transcends the dimension of revenue and of political machinery. It is only as an instrument of social and economic change that land value taxation really approaches its full status; any smaller interpretation is defeatist. This is no plea for Utopia, or for roads leading to it. But it is the

conviction that words like "single tax," and "the taxation of land values" fail to imply the basic social philosophy that is their lasting support.¹ (The present writer is not trying to alter customary vocabulary, but it would seem that a phrase like "the socialization of rent," or some other, expresses more appropriately the wide perspective that is so necessary.)

The next prejudgment that appears to require ventilating is connected with the "single" character so closely associated with land value taxation. There is no intention here to offend the most orthodox follower of Henry George; in fact, there is no intention even of disagreeing with him. But it is sincerely believed that the immense significance of a program to socialize ground rent through taxation should not be clouded by disputes over fiscal elasticity. If a tax on land values should ever prove to be the only instrument necessary to break economic monopoly and to provide for the expenses of government, so much the better. If not, then any other taxes—especially in transitional periods—must be considered separately on their own merits. This is not to say that *any* taxes on labor or the products of labor or on consumption can be defended in terms of the theory that is to be proposed in this chapter; at best they can be but opportunistic. But the pur-

¹ Henry George himself was by no means pleased with the term single tax. (See *Life of Henry George*, by Henry George, Jr., p. 496, n.) Moreover, his followers have in several instances repudiated the name by changing the titles of political parties and periodicals.

pose of mentioning this point is to bring into the open the belief that the taxation of land value is primary, and that the question whether it should be a "single" tax is secondary.² It will be seen that, theoretically, the "single" feature of land value taxation is indeed an integral element in the whole program, but one may sometimes be willing to sacrifice logical neatness on the pragmatic ground of refusing to weaken one's major argument.

A third connotation that often surrounds the concept of land value taxation hinges on the philosophical contrast between "individualism" and "socialism"—one which appears to be ranking high in contemporary American politics. The position that is going to be taken here is that the taxation of rent can be discussed without any necessity for taking sides in this matter of political philosophy. Certainly the choices that are presented here are so vague and confusing that, short of an extensive philosophical analysis, an acceptance of one or the other would be meaningless. "Socialism" may mean almost anything in present-day talk; it varies as do the mouths which utter it. The same man is "socialist" or "capitalist" according to his right- or left-wing critics. And "individualism"? There is almost nothing that does not bask in its all-em-

² On this point, Professor H. G. Brown, certainly the most important advocate of land value taxation in the world of academic economics, has some valuable comments. See his *Economic Basis of Tax Reform*, pp. 156-8; also an article on "A Defense of the Single Tax Principle," in *The Annals of the American Academy of Political and Social Science*, January, 1936.

bracing gaze. It looks on the most blatant reactionary and the sincerest liberal with equanimity. Surely, a treatise on the land question does not have to burden itself with the metaphysics of the individual *versus* the state. As an example of this particular point, it may be observed that even Henry George himself never really met some of the problems that arose. For instance, although he and his followers are ordinarily classed as individualistic in their philosophy, the very program of single tax must tremendously strengthen the power of the state by giving it amazing control of social life in its disposition of the huge revenues from ground rent. A state that socialized rent would be acting as a landlord, but as a landlord turning back rent into public enterprises. What public enterprises? What treatment of lands surrendered to the state for taxes? This problem has never been adequately considered, it seems, by the "individualistic" adherent of land value taxation. Certainly Henry George never expressed his thought along this line.³

³ But Henry George did express himself on the relation between socialism and individualism, and in at least some of his earlier thoughts (before he came into bitter political conflict with the socialists) his position was distinctly a compromise one, quite different from the extreme attitude professed by some of his followers. He wrote, for example, in *Protection or Free Trade* that "the term 'socialism' is used so loosely that it is hard to attach to it a definite meaning. I myself am classed as a socialist by those who denounce socialism, while those who profess themselves socialists declare me not to be one. For my own part I neither claim nor repudiate the name, and realizing as I do the correlative truth of both principles can no more call myself an individualist or a socialist than one who considers the forces by which the planets are held to their orbits could call himself a centrifugalist or a centripetalist." (Pp. 302-303, n.) Again: "In

But there is no reason why paradoxes like these have to arise in any preliminary theorizing about the land question. They should be reserved for political theory. Or, at least, they should be reserved until it is possible to draw inferences and conclusions from the economic realm that might apply unambiguously to political life. Although it may be well argued that economic systems determine political structures, that argument is still in a rather doctrinaire condition. At any rate, if an economic program such as the taxation of land value, or any other, has political repercussions that lean to individualism or socialism, then perhaps the occasion would arise to introduce political philosophy. Up to such a point, an economic proposal should not be handicapped by being forced to pass upon political issues as well.

socialism as distinguished from individualism there is an unquestionable truth," that man is "a social being, having desires that harmonize with those of his fellows, and powers that can be brought out only in concerted action. There is thus a domain of individual action and a domain of social action—some things which can best be done when each acts for himself, and some things which can best be done when society acts for all its members. *And the natural tendency of advancing civilization is to make social conditions relatively more important, and more and more to enlarge the domain of social action. . . . Society ought not to leave the telegraph and the railway to the management and control of individuals.*" (*Ibid.*, pp. 303-304; italics mine.) This same point was also made by George in the *New York Standard*, July 30, 1887: "There is this truth—and it is a very important one—in socialism: That as civilization advances, the functions which pass into the proper sphere of governmental control become more and more numerous, as we see in the case of the railroad, the telegraph, the supplying of gas, water, etc., but this is all the more reason why we should be careful to guard against governmental interference with what can safely be left to individual action."

This opening discussion has concerned itself with previewing several of the familiar connotations that a mention of land value taxation usually provokes. There are, to be sure, many other stereotypes that obtrude here; the foregoing are simply samples. Because of these advance prejudgments it is rather perplexing to know where to begin the exposition. The taxation of land values can be looked at from a number of different points, but all of them seem to be colored by pre-established images that function as anticipators. Perhaps the most fruitful approach is that which starts from the nature of land rent and land value. This may be handled first since it serves to connect arguments that have been introduced before with several of the preconceptions that have just been noted.

Land rent and land value have been presented in a previous chapter as social products, unearned by individual efforts. In fact, the whole land question has seemed to revolve around these concepts of social and of unearned. The entire argument has been to establish that land value is different from other expressions of value, that land is different from capital, that land is unique. And the criterion of "social" is one that has been continually appealed to. Now, this appeal to the social character of land value is one that almost automatically proposes a way of handling what has here been designated as the land question. It proposes, in a word, that society collect the value it creates, the collection to be through the ordinary channels of taxation. It

proposes that, in like degree, individuals be not taxed for the results of their labor. This is putting the proposition very baldly, but it at least plunges into the midst of things. Socialize land rent through a program of taxation.

A number of interesting points offer themselves immediately. One deals with that ever-present bugbear, the canons of taxation. At the risk of getting lost in that swamp land of fiscal wrangling, it may be suggested that there is one significant cleavage—significant, that is, from the standpoint of the present discussion—in taxation theory; it is that which ranges “benefit” or “privilege” doctrines on the one side, and what may be termed “political” or “functional” approaches on the other. According to the former, which possibly may be appropriately labelled as classical, the only legitimate justification for taxation is found in the fact that social organization definitely brings about certain benefits and privileges that accrue to individuals. There is, as it were, a social service that aids individuals through the economies made possible by a social structure, and therefore the fiscal support of government should be drawn from such benefits, presumably in proportion to the social service that is rendered. The opposing type of theory is the more or less cold-blooded recognition that, as it has been put, we pay taxes because “the State is part of us.” Taxation is an integral function of a political organization. It has a “physical” justification as a process and needs none of the apologetics of ethics such as

are proposed by benefit or privilege ideas. The problem of taxation is an *ad hoc* one and requires no moral backing. Hence, the apportionment of taxation is not to be determined by any benefit technique but by direct and arbitrary (it is admitted) measures such, for example, as painlessness and ability to pay.

It is evident that land value taxation must be ranked under the general classification of benefit or privilege theories. Land values are social benefits, the privileges that result from the interaction of social forces, and therefore they are peculiarly a basis and a source of taxation. Ground rent represents the degree to which society has coöperated to produce values; it is a measure of social progress. The rent of land is a measure of the unearned privileges that accrue to the owner of land through political and economic organization, and therefore it seems consummately fitting that such rent be applied to defray the expenses of the political organization. Indeed, this benefit criterion seems to be the only ethical basis for the existence of taxation. Taxation, just as everything else, must be justified and not merely accepted, and the one sure justification appears to be that social fiscal requirements be met out of a social product. At least there is a supreme neatness in the application of economic rent to the category of taxation. Here is a fund that no individual has been instrumental in creating, yet now it reverts to individuals. Taxation is intended for social purposes, yet in our present economic ar-

rangements society depends upon the contributions (rather sacrificial offerings) of individuals out of individual earnings, without attempting significantly or appreciably to tap the fund that society itself has produced. This is most paradoxical. Apply social increment to social purposes—and, to be impertinent, the land question and the taxation riddle solve themselves together. . . .

Certainly this is leaping into the midst of the discussion! Also it is reintroducing two of the preliminary points previously mentioned. One of them is, of course, the taxation concept. It was argued before that land value taxation was a program of social change and not simply a fiscal measure. Here it may be added that, in theory, a tax on land rent is really not a tax at all. A tax, definitely connotes some levy, characteristically of an arbitrary and opportunistic nature, that government is forced to make upon the productive powers of industry in order to support itself. Taxation implies a process of self-mutilation; the popular reaction to it as a necessary evil (to use the most polite of expressions) is perhaps a correct one. The idea of land value taxation, however, is clearly to remove from industry the onus that taxation imposes; it is an attempt to make automatic and self-operative the process of defraying social expenditures. Economic rent is to be directed into public instead of private repositories, and is to be employed in meeting public needs instead of swelling private gains. There is essentially no taxation involved here, that is, no

taxation in terms of governmental interference. Instead there is, theoretically, a direct flow of revenue from the social source of land value to the agency responsible for the financing of social needs. It is true that such an agency would be, largely, our present form of government, and also that the flow of revenue would be through the existing channels of taxation; the technical functioning of the program would obviously be by means of a taxation system. But it seems that there is a clear distinction between this tax on land value, and a tax that is interpreted solely as a variety of our present tax species. The former is a tax simply in structure; its essence, however, is something quite different from merely that of an improved system of taxation, and it must not be judged only by criteria which are limited to those of a fiscal nature. This is not to say, of course, that such a tax is not susceptible to testing by fiscal sanctions, or that it is condemned by them. The point that is being made here is rather that the proposal to socialize rent passes beyond the taxation dimension.

The second introductory point that presents itself again is the social-individual dilemma. Without attempting to labor the argument, and without—it is hoped—contradicting the previous refusal to introduce political theory, it may be suggested that the socialization of land rent seems to afford an unusually neat compromise between the untenable extremes of both "individualism" and "socialism." The method of land value taxation offers something

radically different from land nationalization or agrarian communism with which it is so often mistakenly associated. It does not imply that land is to be owned by the State, or that it should be held in joint ownership by the citizens, or that there should be any actual change in our present system of land tenure. Although, for example, Henry George did say that "we must make land common property,"⁴ he carefully qualified that by adding: "I do not propose either to purchase or to confiscate private property in land. The first would be unjust; the second needless. Let the individuals who now hold it still retain, if they want to, possession of what they are pleased to call *their* land. Let them continue to call it *their* land. Let them buy and sell, and bequeath and devise it. We may safely leave them the shell, if we take the kernel. *It is not necessary to confiscate land; it is only necessary to confiscate rent.*"⁵ Now, this is not simply being euphemistic. It is true that George seems to forget that such ownership would be only nominal, for if the State ultimately collected the annual ground rent of land, purchase price perhaps would vanish, and buying and selling would have little significance. But the point here is that the ownership and the use of land are two different things. Even if "ownership" under land value taxation would be technical and legalistic, virtual not factual, the use of land and the ownership of the products of land would be

⁴ *Progress and Poverty*, p. 326.

⁵ *Ibid.*, p. 403. (Italics in the original.)

inviolable. Land would be cultivated no less by individuals if the rent of land went to the State instead of to private landowners. What is necessary for the unrestricted use of land is that the improvements upon land, and not the land itself, be made secure for the individual. A man must be guaranteed that the fruits of his labor are secure, and with that guarantee no other is needed. It is not the magic of property but the magic of security to labor that is the stimulus for productive effort. Property itself seems no more than the legal recognition of such security to labor. Men would not refuse to produce nor would civilization revert to barbarism were the essence of private property in land extracted through the socialization of rent. As long as man can use land and profit through its use, it matters not where the ownership is located. In other words, land value taxation is a compromise between socialism and individualism because it attempts to socialize rent and to retain, at the same time, the individualized use of land. Society administers that which belongs to society; the individual retains property justified in terms of labor and use.

Of course, this type of possible compromise depends upon the argument that land value is social in character, and uniquely so. That argument cannot be examined again, but it must be kept in the background. It is simply that society is responsible for land value, and that it cannot, in the same way, be responsible for capital value, since land is the

only significantly irreproducible economic element.⁶ If this assumption is at all sound, then land values should flow into the hands of society instead of into those of private individuals. A product purely social should be retained by society. Economic rent, the rent of land, is a social product; it should become completely social through being collected by and for society. The same argument cannot apply to taxes on capital, on the products of labor. These are not peculiarly social, nor are they irreproducible. Social contributions, not individual sacrifices, should constitute the first and primary source of taxation. At least, this is the direction taken by the suggested adjustment between the characteristic either-or controversy of individual *versus* social.

(Just as in a preceding passage there was a refusal to enter into a philosophical discussion of socialistic *versus* individualistic theory, so here the metaphysics of "individual" and "society" is simply being ignored. Not because it is unimportant. [The writer, indeed, has too much of a professional interest in questions like these to ignore them even if they were unimportant. . . .] But the point is that, for a handling of an economic topic like land value taxation, the *large* and *obvious* differences between a biological individual and a social group are all that are being talked about. That is to say, that land value is *social* and that my salary as a professor is *individual*, is a *rough* distinction that is not to be philosophized away by a profound dis-

⁶ See *supra* pp. 69-79.

cussion on the status of the individual. That profound discussion is not being slighted; it is simply being waived. *For the present interest* it does not seem necessary. Unless economic arguments are included, the difference between land value and house value is not to be argued away by metaphysics. This point is mentioned simply to anticipate the critic who may feel that the present writer has no philosophical appreciation of the immense problems behind terms like "individual" and "social.")

Up to this point the exposition of land value taxation has been in rather large terms. The emphasis has been centered upon it as upon a program of general economic reform. But before that phase, and its possible far-reaching implications can be developed further, attention must be focussed on some of the more strictly fiscal aspects of such a proposal. It is in this dimension that the protests of so many academic economists flourish—protests, however, that are in nearly every case partially balanced by grudging and half-patronizing approval. In fact, it is this damning with faint praise that is even more provoking than outright condemnation. There is scarcely a reputable economist who does not admit that land values offer an acceptable subject for taxation, but there are very few who profess to see anything significant or unusual in such a recognition. Instead, even these admissions, tepid at best, they finally ignore or even repudiate when confronted

with serious and articulated arguments expanding the theory of land value taxation into a technique of fundamental economic change. It is necessary, therefore, (even though the Preface of this work recognizes that the book does not pretend to be a contribution to *technical* economics) to devote some pages to land value taxation as a fiscal instrument.

At a time such as the present when taxation seems to claim an even larger share of notoriety than it does in "normal" conditions, possibly the first item that may bear investigation is the relation of a land value tax to the production of wealth. The recognition that a sound tax should bear as lightly as possible upon the productive process is a canon that has appeared all throughout the literature of taxation incidence. Especially appropriate is the recalling of this criterion during a period of frantic governmental attempts to meet the prodigious expenses of a depression era and to balance budgets. The temptation, in such an emergency, is to lash out at the most conspicuous object for taxation, industry and its product. This temptation is not easily resisted, despite the knowledge of fables about geese and golden eggs. (It is more easy to resist the lure of sales taxes and high top-bracket income taxes—they are so painful. . . .) The power to destroy that is inherent in taxation is nowhere more evident than in taxes upon production. Taxes which fall upon either the processes or the products of industry tend to discourage industry, to curtail the production of wealth. They raise an artificial bar-

rier that must be hurdled by the forces involved in the creation of goods. Taxes on production are a drain upon production.

Can this be said of land value taxation? Land value is not an industry-produced value. Its creation is an automatic and gratuitous social act, and its disposition in terms of taxation can have no negative effect upon the processes that produce wealth. In fact, a tax on land values acts as a definite stimulant for production.⁷ The tragic paradox is that our present species of revenue-getting is largely one of self-mutilation; society cripples itself by the continued sapping of wealth.⁸ It seems to do this deliberately, for always have there been theorists to point to the social fund of land value as a source of relief from this self-crippling. (Perhaps a Freudian masochism might do service here. . . .)

If taxes are to bear lightly upon production, the same should hold true for consuming—*i.e.*, a shift here from “products” to “commodities.” It is a text-

⁷ This point will be returned to shortly, but it must be mentioned that the “over-production” complex found in certain brands of contemporary economics is not being taken seriously here. It is felt that the most vicious—although it may be vicious only in an Alice-in-Wonderland sense—contribution of New Deal economists is their not-so-subtle attack upon an “economy of abundance.” A study of under-consumption, of effective demand, of the consumer—it is this path, pointed out by men like Stuart Chase, that must be substituted for the one leading to an *inverted*, but just as pernicious, Malthusianism.

⁸ One of the most recent demands for land value taxation emphasizes particularly this anomaly of an economic system being squeezed between heavy taxes on production and inflated ground values which are almost untouched by taxation. See *Safeguard Productive Capital* by Louis Wallis (New York, Doubleday-Doran, 1935).

book truism to demonstrate that taxes on production—with the tariff being the most horrible of examples—are invariably passed on to the consumer. They are passed on directly or indirectly, directly in price rises, indirectly in contributing to overhead. High prices weaken demand, and the vicious circle of taxation nears completion. In other words, commodity taxes discourage both consumption and production, and may even go so far as to force consumers to dispense with commodities and services—witness the many historical examples such as the disappearance of date trees in Turkey, of wide windows in Spain, of salt in Italy, of tea and paper in the American colonies, to refer only to illustrations that are far enough away to be not unpleasant. Taxes on production or on consumption are palpably a burden on economic machinery; they can be explained—or excused—only in terms of opportunistic, but short sighted, policy.

But a land value tax rests upon the consumer as easily as it does upon the producer. That is to say, it is admitted by even the harshest critic of rent taxation that a tax on ground value cannot be shifted. The reason is clear. It has been already noted that the rent of land is fixed by the (marginal) product of land. That product is not affected by a tax, for a tax cannot change the difference between land's total return and the share going to labor and capital. Land space and land fertility, likewise the wages of labor and the interest of capital, are not changed by any subsequent tax; the rent of land is

determined antecedently to a tax, and by factors in which taxation plays no part. There is nothing in a land value tax that makes land renting more difficult, and certainly there is nothing in such a tax that increases a tenant's ability to pay. A land value tax must be paid where it is levied.⁹ This unshiftability of a land value tax accords with another well-recognized canon of taxation, *i.e.*, that a tax fall as directly as possible upon the ultimate payers; its real or final incidence must not be obscured. No better illustration of this criterion can be found than a tax on ground values.

Still a third test of taxation soundness is certainty. Now, all that can be mentioned in this connection is that land cannot be concealed and that its value can be determined with relative ease. There are, to be sure, specific problems in this matter of fiscal certainty that cannot be discussed in a non-technical treatment such as this—questions of assessment, improvement value, fertility loss, and the

⁹This same type of argument applies to price, although the controversy over whether rent enters into price is one that has raged ever since Ricardo announced that high rent is due to a high price of corn, and not the other way round. Professor H. G. Brown may again be quoted here: "But can it [a land value tax] raise the prices charged by the owners of the land for the goods they produce or sell when they themselves use their land? Clearly not. Such owners will not, because of the tax, produce any less of the goods in the production of which they are engaged. Refusing to produce the goods would not relieve them of the tax. They will produce as many goods as if there were no tax. And if the tax does not make such goods any scarcer, their prices will not be made higher. In other words, if, before the tax is laid, landowners are charging for their goods all they can get, the tax will not cause them to charge any more for they cannot get any more." *Economic Basis of Tax Reform*, pp. 59-60.

like. These problems, however, have been handled by other writers technically and expertly.¹⁰ But it may be suggested that evasion and law-breaking on the part of the taxpayer, and tyranny and corruption on the part of tax officials would seem to have a minimum encouragement under the fiscal system that is being supported here.

The preceding pages have attempted to tie up land value taxation with several of the recognized standards of fiscal excellence. To continue this semi-technical approach, there may next be introduced a brief reference to the possible effects that would follow the levying of taxes on ground rent.¹¹ The effects to be suggested at this point are still in the dimension of the specific; the "larger" relations of land value taxation to land reform will be returned to shortly.

One of the first considerations that present themselves here is the effect of land value taxation on land

¹⁰ The writers that are referred to are men like Professor H. G. Brown, Louis F. Post, Dr. Frederic C. Howe, Brand Whitlock, C. B. Fillebrown, Thomas G. Shearman, and others.

¹¹ Of course, this must not be interpreted to mean that land value taxes have not already been levied all over the world. First of all, the land value included in "real estate" has been taxed always and in every country, but this indiscriminate type of taxation can be disregarded, for it in no way follows the theory of land value taxation that is being outlined here. However, land value taxation as a separate, clearly identified, and often sole source of fiscal income has had a long history behind it. See the present writer's *Philosophy of Henry George*, Chap. VIII, and the Appendix by A. W. Madsen to Frederick Verinder's *Land and Freedom* (London, Hogarth Press, 1935). For a discussion of land value taxation as a purely fiscal measure, one that has no interest in such taxation as a program for basic land reform, the classic example is Yetta Scheftel's *The Taxation of Land Value* (Boston, Houghton Mifflin, 1916).

speculation. When this matter of the holding of land out of use for expected rises in land value was formerly introduced by single taxers, the stock answer of many economists was to deny that there was any significant failure to use land. However, since 1929 that stock answer is not being heard so often, especially if the economists have paid attention to the many technical studies that have appeared in the last few years.¹² These studies have demonstrated that a major item in our present deflation has been the collapse of inflated and speculative land values. The following statement, for example, is not from a follower of Henry George, but from a former member of the peripatetic Ely Institute: ". . . Real estate, real estate securities, and real estate affiliations in some form have been the largest single factor in the failure of the 4800

¹² The following are samples of these studies: "Real Estate Speculation and the Depression," by Herbert D. Simpson, *American Economic Review*, March, 1933, Vol. XXIII, No. 1, Supplement (the supplement consists of papers read at the December, 1932, meeting of the American Economic Association); "Speculation in Suburban Lands," by Ernest M. Fisher, same issue; "The Valuation of Vacant Land in Suburban Areas—Chicago Area," by Herbert D. Simpson and John E. Burton, *Studies in Public Finance*, Research Monograph No. 2, Institute for Economic Research, Northwestern University, 1931; "Cycles in Real Estate Activity"—in San Francisco and Alameda County, by Lewis A. Maverick, *The Journal of Land and Public Utility Economics*, Vol. VIII, No. 2, May, 1932; "The Crisis in Real Estate," by Arthur C. Holden, *Harper's Monthly*, November, 1931; "The Great Land Racket," by Paul Blanshard, *The New Freeman*, December 3, 1930, and December 10, 1930; "Land Subdividing and the Rate of Utilization," by Ernest M. Fisher and R. F. Smith, *Michigan Business Studies*, Vol. IV, No. 5. See also the three books mentioned in an earlier chapter: *The Great American Land Bubble*, by A. M. Sakolski (1932); *One Hundred Years of Land Values in Chicago*, by Homer Hoyt (1933); and *The Golden Earth*, by Arthur Pound (1935).

banks that have closed their doors in the past three years, and in the 'frozen' conditions of a large proportion of the banks whose doors are still open. . . . As the facts of our banking history of the past three years come to light more and more, it becomes increasingly apparent that our banking collapse during the present depression has been largely a real estate collapse."¹⁸ Dr. Simpson buttresses his contention as follows: All financial resources are taxed to finance land speculation—government officials, construction groups, public utility interests, all work hand-in-hand to force speculation and overdevelopment. (P. 164.) The loan structure depends for solvency on the continuation of real estate absorption and turnover. Revenues are based on inflated land values; this was a leading force in Chicago's fiscal difficulties. "Hundreds of other cities and local governments in the United States are now in default or on the verge of insolvency for substantially the same reasons. The impairment or collapse of their finances and credit has seriously impaired the credit situation in their various communities." (P. 166.) Real estate speculation is indicted as a racket. (P. 167.)

Largely the same arguments and the same data feature the other monographs. A digest of this material is added (at least, this may serve to remove some of the doctrinaire flavor of the whole present discussion):

¹⁸ Simpson, "Real Estate Speculation and the Depression," *op. cit.*, p. 165.

From Fisher (*op. cit.*): Speculation in suburban lands is "condemned as socially undesirable." "It is very difficult to discover any economic function which this kind of speculation performs." (P. 155.) *In most urban communities, for every lot in use there is another lot vacant.* (P. 157.) (This statement is substantiated by figures for Chicago, Grand Rapids, and Milwaukee.) New lots are increasing more than double the population increase. In Chicago in 1960 there will be in use only 90% of the lots *already available.* (P. 157-8.) "That some form of social control is desirable does not need to be argued." (P. 162.)

From Simpson and Burton (*op. cit.*): 30 per cent of Chicago lots are vacant; and 69 per cent in Cook County outside of Chicago. (P. 12.) Of the subdivided area of Cook County, including Chicago, only 54.5 per cent is used for building. (P. 17.) Much agricultural land of the county has been ruined by being put in cold storage with resulting frozen assets. (P. 44.)

From Holden, a well-known architect (*op. cit.*): "The harm which is done by speculation in stocks and bonds is as nothing when compared to the harm which is done by speculative trading in real estate. . . . We cannot depend indefinitely on ballyhoo to keep a docile and credulous public buying land at inflated values. The whole house of cards is almost ready to come tumbling down." (P. 679.) "It will be a fictitious and dangerous prosperity if it leads us to overlook once more the hard fact that

the real value of land depends upon its earning power, not upon what someone may pay for it in the hope of a speculative profit." (P. 675.) "Real estate now finds itself capitalized on the basis of what was considered its salable value in the boom years." (P. 674.) The defunct Bank of United States heavily sold in speculative real estate. (P. 673.) Capital is now dangerously frozen in real estate. There are enough subdivided lots on Long Island between Patchogue and the New York City line to accommodate the whole city population in one-family houses. (P. 676.) Undeveloped land is draining the resources of both owners and municipalities that have financed improvements.¹⁴

That land is held out of use for speculative reasons

¹⁴There is a very interesting correlation between tax delinquency and unimproved land that has been worked out by Philip H. Cornick of the Institute of Public Administration, Columbia University. Much of this has not been published. For example: in a study of the city of Yonkers, in 1925, of 448 tax delinquent liens, only 91 were on improved land, and all of these were redeemed; in 1927, of 689 delinquencies, 570 were on vacant land; 262 were bought by the city, of which 244 were vacant lots; in 1933, of 3804 delinquent parcels, 2900 represented vacant lots. In a study by Mayor De Witt H. Kreuger of Syracuse, it was discovered that two-thirds of the city properties sold for taxes in 1929 were vacant; two-thirds of improved properties were redeemed in two years, where only one-fifth of vacant properties was redeemed; 1000 of the 1369 unredeemed vacant parcels were in the six wards in which subdivision and speculation had been most active.

Also the following from the Cornick data: Florida has enough vacant lots to take care of the entire country. (Stuart Chase has paid specific attention to this.) Florida's defaulting of cities and towns, counties, road and bridge districts, and county school districts has been directly connected with this speculative subdividing. The same was true in Detroit. The five boroughs of New York City rank in order, from Richmond to Manhattan, in terms of a correlation between tax delinquencies and empty lots.

can hardly be challenged after objective studies such as these, studies made by men who have, in most cases, little sympathy for land value taxation. Moreover, that the collection of all, or nearly all, the annual ground rent of land by taxation would make speculation so expensive a procedure that it could not possibly flourish, is a contention that also cannot be seriously denied.¹⁵ Land would have to be used or it could not be economically owned. If land value taxation would do nothing else but smash the land racket, and remove one of the major props from the periodical American orgy of speculative gambling, it would be well deserving of thanks. In the words of John Dewey: "We are just beginning to understand how large a part unregulated speculation has played in bringing about the present crisis. And I cannot imagine any informed student of social economy denying that land speculation is basic in the general wild orgy, or that this speculation would have been averted by social appropriation, through taxation, of rent."¹⁶

If a tax on land value is made high enough to discourage speculation, land prices will become comparatively low. In fact, as the tax approaches the full annual ground rent, the selling price of land

¹⁵ That the economists who deplore land speculation are not all advocates of land value taxation does not contradict this contention. The fact is that these men often are afraid that the cure might be worse than the disease—that is, they are opposed, many of them, to land value taxation for other and more general reasons.

¹⁶ From the Foreword to the author's *Philosophy of Henry George*.

would approach zero.¹⁷ Would this have a bearing on the steadily increasing phenomenon of tenancy? Every bulletin of our agricultural departments points to the spectacular increase in farm tenancy, and the same is true, in a less spectacular degree, with urban land tenure. A low price of land would mean inevitably that ownership would become substituted for tenancy.

Curiously enough, some professional economists, even, have never succeeded in getting a clear understanding of this point. That they have not is shown by an objection they sometimes make to it. The objection is that the poor man anxious to buy a piece of land gains nothing by the land-tax system because, although the purchase price of land is, indeed, lower than if land were less taxed, yet this lower purchase price is offset by the higher tax which must be paid on the land after it is purchased. The fact is that even if the lower price of the land were fully offset by the higher tax, the prospective buyer would still gain heavily through the abolition (or the very great reduction) of taxes on his buildings and other improvements and movable capital and on such previously taxed commodities as he might need to purchase. Home ownership would most distinctly be made easier of accomplishment. Indeed, it is clear that the sale price of land would tend to fall even

¹⁷ Some economists would limit land value taxation before it reached the full rental value in order to retain a nominal selling price, and thus retain our present land transactions between individuals. If selling price vanished, our present real estate practice would, of course, have to be revised. In any case, it is being assumed here that the reader realizes that the levying of a land value tax would be done gradually. No abrupt change, but a steady increase in land value taxation and a corresponding decrease in taxes on improvements is the program supported by practically every advocate of this reform.

more than enough to offset the increased tax on the land. For first, land speculation would be discouraged; and second, the untaxing of improvements and other capital would mean capitalization of the net rent of the land at a higher interest rate.¹⁸

This effect of a land value tax in reducing the price of land calls attention to the contrast between a tax on land value and a tax on productive or commodity value. Taxes on commodities make the price of commodities high. Taxes on land values make the price of land low. Commodity taxes are a burden on production and consumption, and are too likely to hinder production. Land value taxes force land into use by deflating speculative values, lowering price, and putting a prohibitive penalty upon productive vacant land. Now, a stimulus to production has ordinarily been welcomed by (shall we say?) classical economics as a positive and desirable contribution. But the topsy-turvy approaches that today confront us in economics make necessary an explanation, but not an apology, for daring to suggest that we should produce *more*. (That we are living in an economic Wonderland requires no better illustration than that Hamilton Fish and Norman Thomas can both attack the New Deal for solving the problem of poverty in plenty by destroying the plenty!) First, it is flatly denied here that there can be any significant *general* overproduction.

¹⁸ From a paper by Professor Brown in *The Annals* of the American Academy of Political and Social Science, January, 1936, on "A Defense of the Single Tax Principle," pp. 4-5.

To repeat what was stated before—the problem is one of underconsumption and effective demand. Man's wants are elastic not constrained. His present standard of living is ridiculously low. He can eat more and better, wear more and better; he has not begun to appreciate what is meant by an "economy of abundance." That men starve in this country—or in China—while wheat is destroyed and American farmers paid for *not* producing is paradox enough. But, secondly, one does not have to be so dogmatic about *specific* overproduction. It is true that one can have too many lemons, or radios, or automobile gadgets. It is also true, keeping in mind, however, the background of the fundamental transferability of labor and capital, that there can be technical (and temporary) overproduction and unemployment.¹⁹ These are specific problems that must be handled specifically by consumer analysis—work that is just getting started in economics. There is need for long-range planning of the use of land and capital; there is need for research in charting consumption; production should be canalized. But with these qualifications gladly made, it still can be insisted that no sane economic system can accept as normal a general curtailment of production, just as no sane economic system can accept a condition of

¹⁹ It is not within the scope of this essay to discuss the technical relation of land to unemployment, except to note that increased production and increased consumption point, as a corollary, to widening employment. This particular point is thoroughly examined in a recent book by the late James F. Muirhead, *Land and Unemployment* (Oxford University Press, 1935).

permanent unemployment. General unemployment can never mean that overproduction has glutted the market. It can mean only that men do not have the ability to buy the things they make—the distributive process has broken down, not the productive. This digression on economic generalities (truisms, it is hoped) can be interrupted here. It was introduced simply to make what should be an unnecessary comment, *i.e.*, that the stimulating effect of land value taxation upon the production of wealth is one of the most prominent contributions of such a proposal.

The present discussion has been directed to tracing some of the possible specific effects of land value taxation. However, this is by no means a work devoted to rent taxation, and therefore many other implications that might be suggested are not being introduced. For the same reason, there will be no attempt to answer either the "ethical"²⁰ or the fiscal objections that have been so constantly raised by academic economists against any serious extension of such a taxing program. These objections can be found in almost any textbook on economic theory, taxation, or finance.²¹ But it is only fair to add that every one of these objections has been met by

²⁰ See *The Philosophy of Henry George*, pp. 144-149.

²¹ It may be mentioned that the following article by Davenport contains some technical objections that are quite different from the trite and oft-repeated points made in the textbooks: "The Theoretical Issues in the Single Tax," *The American Economic Review*, March, 1917. This article can be quoted as a model, for Davenport was a fair, appreciative, and intelligent critic.

writers who, from Henry George on, have tried to break the wall of indifference and misrepresentation that so effectively surrounds this reform. Perhaps the most notable yeoman service performed in this field is that of Professor Harry Gunnison Brown, whose work has been leaned on so heavily in these pages.²² Whether the objections to land value taxation can be said to have been answered successfully will, of course, depend upon the reaction of those who read the efforts of economists like Professor Brown. That the present writer believes the major objections to rent taxation have been disposed of may perhaps be of little point, but it is of vast importance that the unprejudiced thinker in social and economic philosophy familiarize himself with the available and highly articulate defense of land value taxation, and not rest content with the patronizing dismissals found scattered through our economic textbooks. "What is there in our economic life more significant—more portentous, indeed—than the fact that a majority must pay the relatively few for the privilege of living and of working on those

²² Note especially Chapter IV, "A Taxation 'Complex' of Some Contemporary Economists," of his *Economic Basis of Tax Reform*. Among the objections handled here are: Land value taxation means land nationalization, and is a deterrent to thrift. Land value taxes are insufficient for revenue purposes. No distinction can be made between improvements and bare land value (as if it isn't done every day in New York City and many other communities in this country). Land values are too narrow a base for taxation. Land speculation performs a welcome social and economic function. Unearned increment is a cause of cheap goods. Anyhow, there are other unearned incomes besides land values. All goods are equally the products of nature. Vested rights. Only the future unearned increment should be collected. Etc.

parts of the surface of the earth which geological forces and community development have made desirable? What shall we say of those writers of text books in economics who, while able to spare many pages for the elaborate discussion of inconsequential topics, can spare none at all for this one,—or can spare only a page or two calculated to give the student the idea that the arguments for high land-value taxation are no longer taken seriously by competent thinkers?"²³

Land value taxation has been the theme of the present chapter, but it is by no means the crucial point of the entire work. This is an essay on the land question, not on taxation. As far as that major interest is concerned, the socialization of rent through taxation is being regarded as a means—although it is fully realized that fiscal reform can be looked upon as a most vital end in itself. It is true that this means of rent taxation is being accepted here as the best program that has yet been offered in economic theory to solve the land question; it contains the strength but not the weakness of other fundamental reforms, *e.g.*, the different varieties of land nationalization.²⁴ Yet this acceptance must not

²³ *Ibid.*, p. 342.

²⁴ While unanimity among economists can hardly be expected in anything, yet, in view of the many impressive arguments for land value taxation, there seems to be no explanation possible of its failure to gain wider acceptance other than the feeling among young economists and among the intelligentsia that the idea is outmoded and that support of it is not found in "the best circles." It seems impossible in any other way to account for such strong and cogent arguments being so persistently ignored.

blur the focus that should be centered on the larger implications of the land problem. In other words, the basic purpose here must be to make those who are interested in social and economic reconstruction sensitive to what is really meant by this inquiry into the private exploitation of the Earth. That sensitivity, to be sure, may be aroused *via* the avenue of tax reform; moreover, the sensitivity to tax reform itself can in no way be minimized. In fact, land reform and fiscal reform run along *pari passu*. But the philosophy of the land question overshadows any theory of taxation; the history of the land question foreruns and outlives taxing power and governments themselves. The land question is no less significant than is the question of private property or of economic maladjustment. And it is this larger perspective that must claim the attention of these concluding pages.

In attempting a summary and a final comment there is always the risk of repeating arguments that have been made before; but that is a risk that must be taken. It is necessary that certain crucial points be dwelt upon, especially in a closing discussion. There is also the greater risk of dogmatism—it is so easy to talk *ex cathedra* in a peroration! But even that danger must be overlooked, for if a thesis is to be upheld—particularly if it be a not hackneyed one—it must be stated as forcibly as possible, even, perhaps, to the point of exaggeration. There is no thought, from a Platonic doctrine of Ideas to a Freudian analysis, that has not appeared in an ex-

treme, almost bizarre, dress, a dress striking enough to attract attention. These are not apologies, but simply reasons why the land question and its implications should be phrased in the strongest of terms. The characteristic neglect and misrepresentation that encrust this problem must be cleared away, and if over-statement is required to achieve the necessary corrective emphasis, then such over-statement can well be pardoned.

The first thought that may be proposed in any conclusion to land theory is the reiteration of land's fundamental position in the production of wealth. This basic conditioning of the creation of goods by available land has been, in general, ignored by the layman, and explained away, very often through casuistry, by some of our technical "land economists." But how can one ignore or explain away the patency of observations like these? The Earth—literally, not metaphysically—is the source of all economic goods. It includes all natural resources—it is *the* natural resource. Everything that man makes and consumes comes, immediately or in a roundabout fashion, from land; all production can be analyzed into the extraction and reworking of materials taken from land. The etymology of "production" is not a misleading one. Furthermore, in the very process of extracting and reworking, man does not labor in a vacuum. He performs his economic functions on land—and that does not mean that he has to be a farmer or miner, lumberman or fisherman. (The definition of "land" suggested in

the opening chapter must not be forgotten.) Sweating in a factory or balancing books on the top floor of a skyscraper are not done in any unearthly dimension. *The land sites needed here are relatively the more valuable the more they are ignored in economic theory!* In other words, man is a land animal, economically as well as biologically. His economic efforts, just as all his other efforts, are determined with reference to land. But what about it?

Well, the present writer, for one, feels that the realization of these truisms is very exciting. For example: We live in an age when "monopoly" is a most familiar word. But the term seems to apply exclusively to the private control of capital (that is even the implication when the phrase "instruments of production" is used, as if land were not such an instrument). The disputes in present-day economics all rotate around this system of capitalism. Yet the thought never seems to arise that "capitalism" is only an incident in general economic history, that it is a technical mode of production, and that the sweep of production itself, *i.e.*, the fashioning of goods out of land by labor and the instruments of saving, flows around and through it. Production of wealth did not have to wait for capitalism; it would not end with it. (The term "capitalism" is, of course, being understood in the technical and historical sense in which it is used, say, by socialists themselves and by technological planners. It is not a word that can be applied loosely to any form of

private property. To speak of ancient and medieval capitalism is not very accurate. Phenomena like the Industrial Revolution and a machine economy must be presupposed.) But it is not this historical point alone that is intended here. At any time, with or without a capitalist technology, production involves land; the functional relationship is the significant one. If this at all approaches a correct analysis, then what is the monopoly of capital compared with the private control of the Earth? Capital is a reproducible agent that has resulted from saving and can be replaced by saving. Land is not such an instrument. Its control is a control of the roots, not of the branches. There is no significant economic monopoly that cannot in some way be traced back to land monopoly, and it is no wild fantasy to feel that the breaking of land monopoly, through some such means as the socialization of rent, would mean the shaking of all monopoly. Certainly when there is no free access to the source of production, there can be no permanent economic freedom. In the words of Professor John R. Commons, "if the *size* of fortunes is taken into account, it will be found that perhaps 95% of the total *values* represented by these millionaire fortunes is due to those investments classed as land values and natural monopolies, and to competitive industries aided by such monopolies."²⁵ Thus, the theory of the land question throws a different focus on the problem of monopoly. Attention

²⁵ *The Distribution of Wealth* (London, Macmillan, 1905 ed.), p. 253.

is not confined only to the spectacular and obvious; new angles are disclosed, and the hackneyed attacks and counter-attacks over capitalism become less monotonous. The land question is (unfortunately for many thinkers) novel—it is exciting.

Mention has just been made of "free access to the source of production," free access to land. But there is no "free land," says the sceptic. Where are the untrod ranges of newly discovered continents? Where is the virgin territory that once opened up new opportunities for the pioneer and colonist? Even the socialist, as has been noted before,²⁶ admits that in the colonies where land is actually free, capital could have no power to oppress, but he can find no free land in modern economic society. Yet "freedom" in this literal sense is simply poetic. The great contribution that is offered by a theory such as that of land value taxation is precisely how to make land free even if it be under a skyscraper in downtown Manhattan—and owned by the Astor family. For land to be "free" the following conditions seem to be necessary: (1) that land be effectively used to produce wealth, or used for socially constructive purposes;²⁷ (2) that land be available because of low

²⁶ See *supra*, pp. 90-96.

²⁷ Critics of land value taxation have gone so far as to maintain that there could be no parks, no forests, no open uncultivated spaces, if such a taxing program were put into operation. The fear of land value taxation must indeed be very great to permit nonsense like this to be written. It assumes either that political intelligence in the matter of zoning, landscape and recreational planning, and conservation of natural resources would suddenly vanish; or that the state would have less domain over land than at present.

price; and (3) above all, that economic rent—wherein resides the real exploitative power of private land ownership—be used for public instead of private gains. (And, as a corollary, free land implies that the products of land be free from the strangulation that is imposed by taxation.) Free land is not a matter of “wide open spaces”; it does not have to reach into the far horizons. The term is one of economics not of literary imagination. What more freedom for land is wanted than that man can produce on it without paying tribute? Rent socialization would force land into use, would lower its price, and would divert ground value from the channel of private landlordism to that of social service. That is to say, it would unavoidably free land.

In this connection there comes to mind a rather outstanding section in Walter Lippmann's little book on *The Method of Freedom*.²⁸ This was written when he was still impressed by the procedures of the New Deal, and in it he justifies, within the present economic system, the paternalism of social charity, insurance, relief, public works, and the like. He finds that these enterprises are demanded by the joint appearance of a proletariat and a plutocracy. But “when do proletariat and plutocracy appear in a society? They appear, do they not, when there is no more free land, when the existing resources have been pre-empted? The social disease of proletarianism is not serious where the frontier is still open. . . . It is necessary somehow to construct

²⁸ New York, Macmillan, 1934.

within the framework of our complicated machine civilization the moral equivalent of the opportunity to stake out private property in virgin territory.”²⁹ In other words, there is no longer any “free land,” and the only thing that can be done is to provide social insurance and public works! What kind of blindness is this to fundamental problems? There isn’t the slightest intimation that the social appropriation of rent would provide a more *real* equivalent for free land than the hamstringing of industrial productivity to provide the funds for immense social palliatives. It is this mistaken—entirely mistaken—idea of the meaning of “free land” that is so mischievous and that must be corrected.

But if the feeling is that mere open *area* is the criterion of free land, then one need only mention points such as these: (1) the answer to any type of Malthusian approach centers around *intensive* as well as *extensive* utilization, the former including everything that applied science can command; (2) under *present* cultivation and *present* real estate practices the optimum population of the area of the United States has been set at something over two hundred million; (3) from the figures mentioned a few pages back on land held out of use now for speculative reasons, one can readily foresee the effect on *available* area of forcing land into use through taxation. Concentrating on brute land area, however, is to miss one of the real implications of land theory. For land space refers primarily to the

²⁹ Pp. 105-6.

production of wealth, and there is little question that the major economic enigmas are to be located not in the dimension of production, but in that of distribution. In other words, land *rent* may well be regarded as the crux of any theory of the land question.

There will obviously be no overambitious attempt in this place to launch into a discussion of economic distribution. Nevertheless, a few remarks may be suggested. The first will recall the exposition of land rent and land value made in an earlier chapter. It was argued there that land rent was an unearned income, unearned because it was the result of social forces that were in no material way conditioned by individual energies. It was argued also that land rent was a tribute paid for the privilege of producing, and paid out of the distributive return to labor and capital. The private appropriation of rent, therefore, was judged to be an unhealthy element in the process of distributing wealth. Here it may be added that the socialization of rent would seem to be a remedy for this pathological drain on earned income. Rent would no longer be a private income. As a social creation, it would go to society. It would not be paid by individuals to other individuals; it would not have to be subtracted from wages and interest. There is a persuasive neatness to this amended distributive flow that should impress any theorist interested in the laws of distribution—although it is feared that any “persuasive neatness” would be suspected by the contemporary

technologist, who seems to find in the study of economics only mathematical and statistical remoteness.

The one problem that must raise itself in any consideration of the distribution of wealth is that of proportioning income. It is not necessary, in trying to solve that problem, to fly, however, to some of the exaggerated extremes offered by the equalitarian school of collectivism, nor is it necessary to plumb all the ethical depths of the precise conceptual meanings of "earned" and "unearned." But it is necessary to locate at least a rough distinction between these two (admittedly moral) concepts, a distinction, moreover, that is not too obviously a calling upon labor theories. (This must not be interpreted as a slap at any type of labor theory. Despite the almost savage repudiation of labor theories of value and property, the negative criticism has never touched, often never understood, their unshakable foundation in ethics.) That distinction between "earned" and "unearned" can be nothing else but a distinction between social and individual, or public and private. Social or public factors in the distribution of wealth should remain in the dimension of the social or public; they should not be diverted into the avenues of private exploitation. Now, land rent is the most unambiguous social product. It is decidedly *not* true, as so many of our economists are telling us, that *all* income is social income. Incomes derived from sources in which individual labor and savings have helped in the

productive process, in which there exists a possibility of replacement, cannot possibly be considered in the same category as land income. Land rent depends upon forces that individual labor and savings have *not* produced, and that can *not* be replaced. Land rent—of any *significant* economic element—alone merits the label of social, and, therefore, of (individually) unearned.

This may all be repetition, but it is repetition for emphasis. Rent socialization through taxation seeks to adjust the distributive process by channelizing the flow of social income into social repositories, and by leaving inviolate private and earned income. Does not this seem a worthwhile compromise between “socialism” and “individualism”?

These, then, are the larger implications of the land question in general and of land value taxation in particular. They point to the major economic problems of production and distribution, they are connected with the ethical content of earned and unearned, and they touch the political controversies over social and individual. In other words, this question of land is an exceedingly catholic one. And since we are dealing now with rather imposing theoretical inferences, one more may be introduced.

The land question appears to offer a clue to that synthesis which has always haunted economic philosophers, *i.e.*, a unified explanation that would reconcile the diverse appearances of injustice and inequality in all economic systems. That quest for

historical synthesis was the stimulus for the preceding chapter. Here it may be phrased philosophically, and, if possible, with judicious restraint. There is an overwhelming possibility that economic woes transcend any particular technology. If capitalistic and non-capitalistic régimes both succumb to the same ills, the suggestion inevitably presents itself that the etiology must investigate causes that underlie any specialized economic technique. Land thrusts itself forward as the ubiquitous element in the economic process. Its ownership, control, and exploitation have, with a few primitive exceptions, rested in the domain of the private and unrestricted. Land power has been basic in all social structures. Does not, therefore, the dim chance arise that here may be located the special privilege that has frustrated the many technical attempts to secure economic sanity? Does not this phenomenon of individual domination of the Earth at least intimate a serious and overlooked difficulty? This is no plea for an oversimplified solution for all economic problems. But it is the affirmation that the land question may contain a key indicating an identity and interconnection among what are ordinarily believed to be separate economic manifestations. Certainly this thought, whether or not it can be verified, is worthy of investigation.

Other conclusions may recommend themselves, but there is no desire in this place to be too extravagant. The land question has been put forward as crucial; rent socialization has been proposed as

a solution; a number of effects, specific and far-reaching, have been claimed. Here the case may rest, with the sincere hope that the theory of the land question has become for the reader a more real and vital issue.