

## CORRESPONDENCE.

## REPLY TO GEORGE WHITE.

## EDITOR SINGLE TAX REVIEW:

If Mr. George White's article in the last issue is a fair sample of the tangles which beset Single Taxers, it ought to be answered.

After spinning a string of reasoning that would do credit to a socialist, he winds it up into this astounding conundrum: If we assume that the land now in this year 1912 in this country which is at the margin of cultivation is ten bushel land, we may also assume that land in cities is 60,000 bushel land, and we may assume that speculative withholding of usable land exists to the extent of forcing the margin down from thirty bushel land to ten bushel land. We here concede that speculation in land has resulted in cutting down wages at the margin from thirty to ten bushels, or in other words has cut wages two-thirds. Does it follow that city land values are in any similar ratio changed. It does not so appear to me. A change in net return to labor at the margin of twenty bushels will make a change only in same proportion at the most valuable locations in potentiality. The 60,000 bushel land will still bear a rent of 59,980 bushels.

Dear Mr. Editor, whoever thought you could be so mean as to spring that on us? But since you did, and since there is no answering it, please let me make a supplement to it as follows: City land that yields 60,000 bushels of wheat in rent as against 10 at the margin of cultivation is, as we all know, land that keeps a good many people busy, and if a trebling of wages from 10 to 30 bushels of wheat nets them altogether only an aggregate of 20 bushels, how much—hold on, where is that kindergarten multiplication table of his?

It may be well, also, to direct attention to another point which appears to be not well understood. If the margin of cultivation (supposing there be one) is raised, say from 5 to 10, it means, of course, that the general rate of wages is doubled. If the wage is doubled, other things being equal, this means that rent, though nom-

inally unchanged, has its value cut in half, because it will then buy only half the amount of labor, past or present, that it commanded before. Other things being equal, increase of wages is at the expense of the rent, Mr. Editor, and as for interest, that is secondary wages.

But if land is all monopolized and the owners allowed to keep the rent to themselves, then we have a pathological case, a monstrosity, to which sound political economy does not apply. There will then be no "margin of production," none short of the point where the strong maintains life and the weak perish—the cannibals' margin. Through their absolute dominion over the land on and from which all must live, and by the commercial use of the rent, the landowning class has then the economic power—a financial, if you will—to get possession and control of practically all the capital too, and the laborer, denied his right to the land and robbed of the capital his labor produces, becomes reduced to a very small figure. It is this double advantage which the retention of the rent gives to the landowner—enabling him to hold the land without responsibility for its use and to absorb the capital which labor produces—it is this that creates and maintains what the socialists call the capitalistic system. When the landowner becomes accountable to society for the rental value which society produces, he thereby loses not only the motives to hold the land for other purpose than use, but also the power to acquire capital otherwise than by producing it. The laborer will then become both land owner and capitalist to the extent he cares for and his industry and skill entitle him to.

As to the question "How will the Single Tax reduce rent?" it should be enough at this time to say that land values are a matter of population, and prices of supply and demand. When the tax compels speculators to reduce prices until they find buyers, the improvers will bring the value with them from the places they leave behind. This applies to surface values. But there are other kinds of local land values which should be considered as municipal properties.

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—S. TIDEMAN.