

received. Taxes on wages and interest are not taxes on benefits received, for true wages and true interest are received in return for services of equal value. To tax them is to create a one-sided condition in which something is given in return for nothing. Taxes on land values are taxes on benefits received, and such taxes create a balance, value for value, if the taxes equal one hundred per cent of the economic rent. It is idle to argue that wages and interest are received only because we receive the benefits of government, security and justice. We may receive our full wages under conditions of no government, and the best governments can not secure our wages to us.

There is *no* ethical *nor* economic justification for a system of taxation based even *in part* on the principle that the strong, the clever, or the lucky, should bear the burden of the weak, or the stupid, or the luckless, Mr. Buttenheim to the contrary, notwithstanding. Such talk is sentimental bosh, and worst of all, it bolsters up a situation that will wreck the public if not stamped out. It is ethical and it is economic justice that we have a system of taxation that will not permit the strong and the clever to be robbed for the misfits of society, that will not allow the existence of a "lucky class" nor of a privileged class, a system that will guarantee to each the fruits of his labor, that will permit no man to eat except in the sweat of his brow, nor any man to reap where he has not sown. Such a system, by assuring every man economic justice, will gradually produce men who are strong, clever and just. We believe that Single Tax will do this, that no coddling, nor paternalism, nor charity, nor despotism can do it, in short we believe in a true democracy. It is too bad that Mr. Buttenheim claims familiarity with "Progress and Poverty." It is too evident that his knowledge of the truths therein exposed is purely superficial. Brooklyn, N. Y.

JOHN LUXTON.

#### HOW ABOUT PAYMENT FOR SERVICE OF COLLECTION?

EDITOR LAND AND FREEDOM:

The confusion of thought shown by some of your correspondents regarding the selling value of land under the Georgist system will disappear if it is kept in mind that rent is for public service and for access to advantages maintained by the public either with public or private funds.

The service bill is like the gas bill or the electric light company's bill.

It would be as much in order to allow a consumer of gas a discount as compensation for paying his bill as it would be to leave the land owner a percentage for turning in the rent. A discount for prompt payment might be considered; but a discount for payment, never.

In case of a hotel or office building, the owner needs a location for his building just as he needs a roof on his building. He would pay his rent, all of it; just as he would pay for the roof, all of it. In both cases because he wished to be considered honest.

If the rent is proper and reasonable, it is what the public must have to maintain the advantages for which the rent is paid. If it is not all turned in, the public incurs a loss servicing the location. Any loss would have to be made up by either stock assessments (taxes) levied on the citizens or else by curtailment of the service. In the latter case it would be made up by sacrifice and hardship.

When people "invest in land," they are really not investing in the land at all; but investing in an opportunity to buy our public service at less than the market rate and to sell it back to us at the market (the rental) rate.

So long as and whenever land has a selling price we may be certain that the Georgist system is not in force. When it is in force, land will have no more selling value than has the privilege of buying gas from the gas company. As a matter of fact land is, as one of your correspondents so nicely says, just a place to work—just a privilege. As the privilege of buying gas has no selling value in the market now, so land will have none under our system—and for the same reason, that there will be nothing to be made buying for re-sale. All unused

land will be unclaimed land and the competition of this "commons" will prevent other land from having a price other than its rent.

Stockton, Calif.

L. D. BECKWITH.

#### RENT, TAXES AND PRICES

EDITOR LAND AND FREEDOM:

You have ably condemned (March-April issue) the futile "New Deal" efforts to regulate wages, instead of opening up natural opportunities for the free production on which alone they depend. The effort to help wages by ploughing under and killing off production so as to raise prices, is so obviously unnatural, however, as to arouse resentment notwithstanding "our decline" in independent thinking, and it is important to clearly point out that even the direct purpose of this New Deal effort (raising prices) is absolutely wrong; that the free production which alone insures normal wages also insures their natural purchasing power.

Whatever reduces the cost and prices of products, increases the purchasing power of wages, which of course is the only measure of their highness or lowness. And as reduction of taxes on production, and use of improved tools and methods of producing, reduce both costs and prices, they are the natural ways of increasing purchasing power and are therefore wholly desirable.

Failure to recognize this obvious truth arises from established interferences with the free employment of labor in producing so as to earn wages, for which there is only the one remedy of freeing access to land. It cannot be reasonably questioned that whatever reduces the cost and prices of products is inherently beneficial.

This truth makes it practically important to show how the taking of rent for public uses will really affect the cost and prices of labor products and the consequent purchasing power of normal wages; for the accepted fact that rent cannot directly enter into price would seem to exclude any effect of Single Tax on prices.

It is only necessary, however, to bear in mind the equally accepted truth that taxes on production do enter into cost and price; and that such taxes must be substituted for any rent that is privately diverted;—in order to see that this privately-diverted rent does actually enter indirectly into costs and prices as taxes on production; and that Single Tax would cut out all such substituted taxes from costs of production, with corresponding reduction of prices.

It is of course true that all the advantages of favored sites over marginal (no-rent) land, must in any case be paid by the favored users; but payment to government will put an end to present enormous taxes on production, and also to present high production costs due to the speculative withholding of land from use which pushes rent-free production onto poorer land.

But the great reduction of cost and prices directly resulting from public collection of rent, is not all that must result from it. For it is unquestionably true that public collection of rent will eliminate interest costs due to the present false capitalizing of that portion of rent which is now privately-diverted; and it is also certain that general prosperity due to free employment and production will make capital plentiful so long at least as prosperous human beings prefer to insure themselves against forced or voluntary retirement, instead of relying on humiliating pensions; so that further reduced costs and prices must naturally result with corresponding increased purchasing power of natural wages.

But here is the fundamental error which causes futile and foolish efforts to unnaturally control costs and prices: Namely, failure to recognize that *there is a natural wage*; that the normal products of labor properly measure wages; that under equalized opportunities of production, with proper use of known tools and methods of production, and with freedom from tribute to idle ownership, "natural wages" are automatically determined by natural production. And these natural wages with their natural purchasing power, call for natural instead of arbitrarily regulated conditions.

Reading, Pa.

W. G. STEWART.