



Like the advocates of "God is Dead", Mr. H. T. A. McGahan exhibits a splendid disregard for both fact and logic (Sept. HGN). We are asked to believe that "taxation is not robbery," and at the same time that the individual is entitled to "the full exchange value of his product."

In spite of ambiguity in his terminology, Henry George made it superabundantly clear (1) that rent is the public revenue, and that it can never cease to be the public revenue even when misappropriated into unearned private incomes, and (2) that wages are the incomes of individuals and can never cease to be individual incomes even when misappropriated by taxation and called public revenue.

The only honest way for both the community and the individual to receive an income is by labor, living on one's own earnings and refusing to appropriate the earnings of others. Hence rent for public revenues and no taxes on wages (which is only another name for free trade) are essentials for public honesty and good government.

Governments are associated individuals with a particular function — all are bound by the moral law not to steal or covet other men's earnings.

This was Henry George's message, and I am content to align myself with it. Taxation is robbery! In George's own words "the ingenuity of statesmen has been exercised in devising schemes of taxation which drain the wages of labor and the earnings of capital as the vampire bat is said to suck the lifeblood of its victim." (*Progress and Poverty*, Book 8, Ch. 4).

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The article, "Services Part of National Income" by Benjamin F. Smith (Oct. HGN) fails to distinguish between production and consumption of wealth. If we adhere to our usual concept that wealth is a material thing produced by labor having exchange value, it is apparent that services — as essential to man as food — are only parts of the consumption of wealth when recompense ensues for such services.

I agree with Roy A. Foulke that including monetary recompense for services in the computation of the gross national product, so often used by economists, is unrealistic except for comparison of GNP during different periods. Even for this purpose GNP varies if the percentage of persons who render services increases or diminishes in comparison with those who produce material wealth.

That the living standard increases as the proportion of its gainfully employed persons rises, is generally accepted. To enable a greater percentage to render services there must be an increase in production of material wealth.

In this country technology and amassed capital have caused such an enormous increase in production of material wealth that the ratio of persons rendering services has steadily increased, but that really means that we are consuming wealth by sharing it with those in the service sector.

In the Orient, until recent times, a man's wealth was estimated by the number of wives he undertook to support. Analogously the wealth of an individual in the West today can be judged by the services he commands. There is a good reason why the United States is considered the richest nation in the world. We produce more wealth than any other and consume it in the increasing proportions of our people who render services.

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