

## RICARDO'S LAW OF RENT AND THE SINGLE TAX.

*(For the Review.)*

BY HENRY H. HARDINGE.

What is the Ricardian theory of rent? Is it true? If so, who disputes it? If not true, why not discover the fact and abandon it as no longer tenable?

The supreme test of truth is that it will synchronize with and dovetail into every other known and demonstrated truth. Ricardo does not claim credit for the discovery of the law of rent, but claims to have got it from Anderson, and he in turn from goodness knows who, or where.

Now, as a matter of fact, any thoughtful person can discover and demonstrate the truth or fallacy of the law for themselves, without the aid of Ricardo or any other authority, if they will focus their attention upon it. Truth has the virtue of being able to stand alone; it is the *lie* that has to be propped.

What then are the facts relative to Rent? The theory simply stated, is, that rent is a premium for location, and constitutes the difference between the most and the least productive land in use with the same amount of labor.

This is a simple statement of a single fact that is buttressed by ten thousand examples and all of the economic facts staring at us from every corner of the industrial world.

Where is the most productive land in use in this country? With the exception of a few mineral deposits, it is on the corner of Wall St. and Broadway in N. Y. City and Madison in Chicago, and Market and Broad Sts., in Philadelphia. And so on down to smaller cities, towns, and hamlets in this country.

Why is this? Just because these sites will, and do, command the highest premium in spot cash of any land in the U. S. It is to the owners a very real gold mine, that unlike most gold mines, gets richer every day as population increases and human needs develop.

What is the poorest land in use? It is the land that will yield but a bare living for the cultivation, is scarcely worth working and will yield no rent. This kind of land may be found twenty miles, or two thousand miles from a centre of population, it is worth practically nothing, it will sell for the same amount because the selling price of land is the rent capitalized at 5 per cent., or in other words, it is the untaxed rent or ground value. And between these two extremes, land values or ground rent performs the function of a vast economic sponge, which absorbs all, or nearly all, of the difference between the poorest and the best land in the country. Who is responsible for this? No one individual. It is simply an economic fact which we must deal with in an economic fashion, or we cannot deal with it at all, to advantage, and the first preliminary is to understand it. That the foregoing is true can be seen by anyone who will look at it close enough; the economic advantages of invention in production, trade and transportation are reflected in the value of

land alone. Machinery and invention tend to reduce all other values by making the things produced by labor more abundant.

But land gets more valuable because neither labor or machinery, or both together, can make land more abundant. Land is a fixed quantity; there is no more land now than when Columbus discovered America; land was all he discovered, and he and no man since his time has discovered a substitute for it. It is the one thing man cannot duplicate. If we could make land as we can other things, there would be no labor problem. Now as long as land is privately owned, or at least as long as ground rent is privately appropriated, so long will labor get a bare living and monopoly will get the rest.

Invention will not help, nor will new discoveries in the arts and sciences. Neither will more sobriety and added virtue or any other elevating influence. If this could be we would see the evidence all around us, for we have these things in much larger measure than in any previous age; and yet the demands for charity grow more insistent, and the labor over all the earth uses trade union methods to keep wages from sinking still lower.

Here in the center of civilization where population is the densest, co-operation the most efficient, machinery most efficient, and the forces of nature most efficiently used, wealth the most abundant, rent the highest, poverty is the deepest, and those who have nothing but their labor to sell get a bare living.

Go to a country town, like Elgin or Rock Island, in the State of Illinois, and the same conditions hold, the same law obtains. Go to the farmer anywhere and everywhere, and it still holds good; the hired men and the hired girls who have nothing but labor to sell get a living, and rent gets the rest. Even the higher wages which laborers are enabled to compel by organization, are swiftly followed by higher prices for the things they buy, because the increased wages do not come out of rent, as they should, but out of the price of goods, as it must until ground rent is lowered by taxation. The only possible way to relieve the labor situation, is to give labor access to better land by raising the margin of cultivation. It is now too low, and this is why wages everywhere are low. The only way to make wages higher is by the simple, automatic plan involved in taxing land values only, and exempting the products of land. If this is done, those who now own land of any kind, will either use it, sell it, or abandon it. If they abandon it, those who give it its present selling value, will use it because the only reason vacant land has value now is because many people want to use it now.

If they sell it, they will sell it only to those who want to use it, because the same reason that the first speculator let go would keep another from taking hold. Any one who owns land and does not use it, is a speculator, and as such produces nothing and in good morals should get nothing.

And if those who now own it did not sell it or abandon it, they would use it, and if rent only were taxed and not improvements, they would put it to its best use. And land cannot be used without labor, not a square inch of it, and there is not enough men in the world to use it all, because land in its

totality is inexhaustible. This is the solution of the labor question, indeed, it is the end of it. Labor without land is impossible. Settle the land question right, and labor questions will disappear.

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## THE WAY TO PROSPERITY.

*(For the Review)*

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BY A. W. JOHNSTON, M. A.

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"We don't want cheap land. We don't want dear land. We don't want land at any price at all."

"Why not?"

"Because every penny spent in buying land is just so much taken from our working capital. We can never have too much capital working, because the more we have the more we can produce, and the wealthier and more prosperous we become. But if we are compelled to spend part of our money in buying land, that money becomes idle capital. It is locked up in the land, and can be got out again only by selling the land. While it remains locked up it is of no use to us, and we must therefore have so much less capital to work with. That means that not only are we less wealthy and less prosperous than we ought to be, but also that there is less employment than there should be for all who live by labor."

"But surely, if we make land cheaper than it is, prosperity must increase and the number of unemployed must decrease?"

"How do you propose to make land cheaper, and how much cheaper will you make it?"

"A progressive land tax with exemption up to £5,000 in capital value will make land too costly to hold in large areas, and will cheapen land by forcing it on to the market. As to how much it will reduce the price I cannot exactly say."

"Then you are doubtful of the effect of your own proposal. If you cannot foresee its exact effects, you cannot be sure that it will not produce effects contrary to your expectation, and should therefore hesitate to apply it. But your proposal is impeachable on the highest grounds, because you have no moral right to tax land, to impose an arbitrary tax with an arbitrary exemption, or to limit the area any man may hold."

"Then you deny our right to do what is done by every civilized government in the world, what is being done every day with all the sanction of the law."

"Certainly I deny it. No man has any right to do what is morally wrong, and that is morally wrong which is without sanction of the moral law. Your proposal has no sanction but that of your own arbitrary will, because you may make your land tax heavy or light at your pleasure, and you may fix your exemp-