

that bridge when we come to it." We ought to know enough to meet them in debate on their chosen topics, money and interest, fight them to a finish there, and so give them respect enough for our knowledge of economics to lead them to listen to our arguments on the land question.

Of like cowardice and absurdity was the assertion of the gifted orator from Cleveland who twice so thrilled us with his eloquence when in admitting he is not able to answer the question Arden so earnestly asks: "How shall we assess the rental value of land when collection of economic rent has ended selling values?" he shuffled out by saying: "Let us be elected first and we'll find out what to do about it afterwards." The cheapest ward politician would not insult his constituents by such a quibble.

This is the question brought up as vital to the existence of the enclaves, a question I have asked year after year at these Conferences only to be told not to press it then and not to bring it up thereafter. Sometimes one or two delegates would rise and say they could answer it, but on following up all, either by interview or letter, I found in every case that they did not know about it enough even to understand the question.

Our fellow workers in New Zealand and Australia have gone fartherst in this inquiry. Those in England, as I know from letters of the high authority appointed to assess land values in England before MacDonald's wretched failure had ruined what Snowden had tried to do, cannot answer it. The ablest man of my acquaintance along these lines, a professional expert in land appraisal, has not answered it to my understanding, nor have the experts of the Somers System nor those two of our Single Tax editors who are best versed in the knowledge of Georgian economics.

There were present in the Conference the leaders of the various educational and propaganda groups of our movement, one in particular of international reputation, also officials and assessors of the cities of whose advances in tax reform we boast the most, and there were there also the best known leaders of the enclavial movement, but all I could secure from them was a request to take my question away unanswered and not trouble future Conferences with it.

If by an unlooked-for happening in these mad, present day conditions where anything may happen unlooked-for, President Roosevelt and his advisors should turn to one of our belief for council and should be told our faith in the results that would follow ending land speculation and land monopoly by the collection of economic rent, this is the question they would first ask if they understood our plan. Is there no one of us who could answer it?

I must not ask space to develop the related thesis that the vast majority of so-called Single Taxers are not Single Taxers at all but state socialists who favor land

value taxation. Their opinion of Henry George is in reality about that so quaintly set forth by a Chicago newspaper when first reviewing: "Progress and Poverty:" "The author appears to be a kind of communist, yet he means well"—not a profound judgment perhaps but at least better than that taken by *The Nation* in its review and consistently maintained to this day: "We have to consider Mr. George's position essentially unsound."

Yet our exhorters are right, we must educate, poorly as we have thus far fitted ourselves to be teachers, but with more vivid realization of what is likely to be the goal of the blind led by the blind. We must educate, and the time between this and the chaos of the next Dark Ages is lessening fast. Probably the so-much deplored failure to draw more young people into our movement is due to the fact that they look upon the past, the shameful record of social outrages perpetrated or tolerated by us their elders both before, during and after the World War, as an open book which everybody has read. Therefore they very sensibly have no respect for our opinions. As to the present they see that our society is without leaders or principles, in the guidance of no one.

Yes—we must educate. The Past is everybody's, the Present is nobody's but the Future—if there is to be a Future—must be ours.

Comment on Frank Stephen's Article

BY JOHN LUXTON

MR. STEPHENS takes a very gloomy view of the situation as far as Single Taxers are concerned. The idea that the science of economics as expressed in "Progress and Poverty" is not fully adequate in solving whatever problems may arise now, or in the future, so far as man's economic welfare is concerned, is not to be tolerated for an instant by those who understand the Single Tax. But one must be sure that such are legitimate problems and not just fears entertained by those unable to use the tools at their disposal.

The author of the article asks: "How shall we assess the rental value of land when the collection of economic rent has ended selling value?" This question has bothered him for years and he says that Conference after Conference has avoided answering it. He claims that the existence of enclaves depends upon it.

Since selling value depends upon the economic rent the solution of the problem is simple. Destroying the selling value does not wipe out economic rent, but wiping out economic rent does destroy selling value. We are well acquainted with the latter phenomenon. The diversion of traffic from lower Fulton Street, in Brooklyn due to the erection of the Brooklyn Bridge, caused a fall

in property values in that section following a migration of business toward Flatbush Avenue. The lower part of Jersey City suffered a similar decline due to the opening of the McAdoo tubes. Mr. Stephens seems to be under the impression that the result of taking the economic rent will first destroy selling value and thus the basis for determining rent. We Single Taxers are all agreed that it will do the former. That is the goal we look forward to. The latter will never happen when the Single Tax is fully in force. It is not so in force in enclaves where a limited number of disciples are struggling along trying to prove objectively the soundness of their philosophy. First there are county and State taxes to be paid, after these the income tax, gasoline taxes, and whatever other taxes the ingenuity of politicians and lawmakers may concoct. The opportunities in enclaves are limited. There is no great competition for certain sites, such as the local butcher, grocer, drug, or hardware store. Hence there is no bidding for sites, and a seemingly difficult job of assessing ground rent arises.

This is a problem that belongs to enclaves alone, and it is up to enclavists to solve it in the only practical way. Require of each business man an accounting of his stewardship each year; an itemized account of all expenditures and all income, the value of his own services judged by the prevailing rate of wages in the same lines elsewhere, the return on his capital at prevailing rates, all insurance payments, and a small percentage, to be determined by the enclavists in their general meeting, to be applied to an emergency fund for the particular business. These items include all interest and wages. They also include the tribute paid to State and county in the form of taxes. Since these latter expenditures are really a legal form of robbery they have the choice of deducting them from the business man's wages and capital return or of deducting them from the rental value which in the enclave should be the surplus after all of the enumerated expenses are taken out of income. I think that they should be deducted from the rental value, since in this way only is it possible for the tradesman in an enclave to enjoy the full product of his labor.

Lest it seem that this method of computing the rental value of business land in an enclave does not take into consideration the return due to a man's superior knowledge and skill, let me explain that only under pure and unadulterated Single Tax will any man receive full justice in an equitable distribution of wealth. The residential property in an enclave will have to be assessed in the same manner that the prices for seats at the theatre, the legitimate stage of course, are assessed. Such property can be assessed without difficulty at the start of an enclave's existence by considering the same principles that real estate operators consider in any new development. Any misjudgment will show itself later on and can be adjusted satisfactorily to all concerned. Later

assessments must be determined by the budgetary and site value of the lots.

So much for enclaves, of which I do not approve unless they can be made colonies free and independent of all taxes whatsoever. Can a man travel to his best advantage, when burdened like Sinbad with the old man of the sea? When the entire State collects the economic rent the problem does not exist. The selling value will have been destroyed but not the economic rent. Land is assessed now, not by government assessors but by experts in realty values, for the purpose of buying and selling real estate. There is no guesswork about it. Government assessors err very often by from ten to twenty-five per cent in assessing resident sites because graft, favoritism, and ignorance are to be expected in our method of carrying on government business on account of the prevalence of privilege throughout our social fabric. But real estate salesmen who survive the ups and downs of business depressions are no amateurs or shysters. Shysters blossom out with much noise, glaring advertisements, fancy cars, clothes, and suites, but they wither and disappear after a year or two. The real estate man whose name remains year after year rarely makes any mistake in computing the possibilities of any parcel of land. From these possibilities he arrives at the selling price. If he is commissioned to buy the land he sets a limit to his bids, starting low and working up, but he never pays more than he believes to be the real value based upon the potential economic rent capitalized at five per cent. To arrive at the potential economic rent he has canvassed all property owners in the neighborhood, learned the rents of improved property, prices asked, prices offered, length of time on the market, and all other information upon which to base his conclusion. If he is selling land he knows all these things in advance, sets his lowest price and attempts to get the highest price possible. He expects the prospective customer to meet him on his own ground and then begins the "higgling" of which Oscar Geiger used to speak. When a final price is agreed upon both buyer and seller are satisfied. The only persons taken in in the buying of land or land and improvements are the gullible and inexperienced. Can one imagine a group of investors in a power site, bankers and promoters, proceeding to buy without first having information furnished by expert engineers and real estate men in their employ?

If it is possible to assess land values accurately in private business it is certainly possible to do the same under government auspices when monopoly and other forms of privilege shall have been destroyed by the working of the Single Tax. Thus, Mr. Stephen's question which he has propounded for so many years resolves itself into a private problem for enclavists, in fact a skeleton in the closet which enclavists should be careful to conceal from the eyes of practical folk.

I am not sure that we are "all agreed that our present

advance is too slow for the feverish haste in which our entire civilization is dashing into despotism and chaos." I am one of those who believe that civilization must go on to the bitter end and end in chaos and destruction, the final end of despotism, because our present civilization is so honeycombed with class prejudice and injustice that it is not fit to survive. Single Tax is capable of working wonders with it if put into force but the working of the wonders will take years. It were better to start from scratch, let man slowly find himself as he emerges from the destruction of our rotten civilization, and with the knowledge available, and the horrible example of man's refusal to be guided by his own discoveries, the man of the succeeding civilization can profit where we have failed. But this is not the opinion of others and I offer it here only to show the fallacy of Mr. Stephen's statement. There is no need for stampeding truth into a headlong rush to oblivion simply because civilization is doing so.

Far be it from me to find fault with the faith of those of many years ago, but I am so confident of the living faith of those of the present generation who accept in its fullness the doctrine of the Single Tax that I do not believe that the Single Taxers of forty years ago were any more animated by the spirit of man's love for mankind than we are. One must not forget that in all ages those who respond to a dynamic and magnetic leader are legion, and this applies to leaders who are scoundrels as well as to angelic characters such as Christ and Henry George. We grow by what we feed upon. What has Clarence Darrow fed upon but the mental fodder supplied by the environment during these last fifty years. The Haymarket riot and succeeding legal massacres, the treatment of John P. Altgeld, the Pullman Strike, Homestead disorders, etc., to name a few, are not mental nourishment for one who believes that the Declaration of Independence means what it says.

When one considers that man is a biological entity the fact that not one of five prominent Single Taxers could agree upon certain definitions is not to be wondered at. Mr. Stephens expects too much of the human race. It is still in a state of evolution mentally. Also it is hidebound by an enormous mass of misinformation that has been accumulated from the beginning of man's time on earth and passed on as learning. To be fully educated is impossible since man spends so much of his time unlearning nonsense. I speak from a quarter of a century of experience in the educational field.

Money and interest are problems understood by so few people in the world that there is no wonder that even Single Taxers balk at trying to discuss them. This is due to confusion even in the minds of experts in banking and finance. If Communists and Socialists rush into discuss these issues it is because they have been clever enough to learn of the ignorance of the average man on such matters. Mr. Stephens should know that the late Oscar Geiger was able to confound both Socialists and Communists on the subject of money and interest, and

did so frequently at the forums of the Henry George School of Social Science. He did not put his head in the sand, not by a long shot. Lest Mr. Stephens fear these Socialists and Communists let me assure him that they are mere windbags, changing their premises and meaning of terms many times in a single discussion. How on earth can one convince such folk?

If all mankind could vision money in its true light, a draft upon the stock of existing wealth, to be used in exchange for goods or services at the convenience of its possessor, much of the confusion in regard to it would disappear. The really important problem for man to solve is the acquisition of it and not its meaning, which never was in doubt. Interest is too often considered merely as the charge for the use of money when it is in fact the return for the use of some one else's wealth. It may be that certain men believe that Henry George was refuted by this or that expert on interest, but Mr. Stephens accepts the refutation without giving reasons and proof. If Mr. Stephens lends me his typewriter and in consequence has to stop writing until I return it, thereby losing the chance to earn wages with it, or is compelled to hire one in its place, he is certainly not enjoying the use of his own property. I should make a return for the loss to him if I believe in an equitable distribution of wealth. If I don't I am accepting charity. The return is interest. No Socialist nor Communist will deny its justification in the case I mention. But we should not permit them to stray from the field when discussing these topics. From sad experience we know their methods in argument and that is the reason why many of us will not argue with them, and not that we are just cowardly evasive.

Mr. Stephens has weighed Single Taxers in the balance and found them wanting. He says that the vast majority are not Single Taxers at all but state socialists, favoring land value taxation. I must admit that after all this I am at a loss to tell what sort of Single Taxer Mr. Stephens is. Does he believe in the collection of the economic rent in lieu of all taxes, or does he believe in them with a proviso? He has betrayed his own ignorance regarding the computing of ground rent and his confusion as to money and interest. He has failed to explain why Single Taxers fall down in expounding Henry George's theory but sees a way out in educating the coming generations, admitting the shortcomings of the teachers. Perhaps the confusion in Mr. Stephens' mind comes through the refusal to see man as the biologist sees him, an animal forced to draw his sustenance for growth and repair of tissue, and for the release of body heat and energy to carry on the functions of a living organism, from the ground, the water, and the air around him and who must have free access to these great storehouses of body-building and life-sustaining materials or perish from the face of the earth. Considering man in this light, money and credit become mere tools made by man to assist him in the fulfilling of his biological mission to live.