

application" mean, either as to what thing or things may be applied, or as to the extent of the application contemplated.

How can such a proposition, obviously incomplete, extremely indefinite, using terms in senses violently conflicting with their ordinary meanings, and entirely ignoring, as it does, the distinction between the two entirely different modes of origin of land values, corresponding to the two different modes of use of land, how can such a proposition lay proper claim to the dignity of a "law?" And, especially, a law acclaimed as the very keystone of economic science, and as the "pons" upon the hither side of which all "asinorums" must forever remain? It is evident that the adoption of such a medley of ambiguous and indefinite terms as a first principle, and the attempt to erect thereon a science of economics, must result in just that state of confusion worse confounded in which that science now languishes.

A necessary first step in the restoration of order would appear to be the complete repeal of the Ricardian Law of Rent. In addition, it appears strongly advisable to discontinue the use of the term "economic rent;" and to use the word "rent" only in its original ordinary meaning, to wit, "a periodical payment for the use of property." Only by so doing, will the way be cleared for a re-statement of the theory of land values clearly recognizing the fact that true rental values attach only to surface rights and the further fact that the values of natural resources are determinable only by sale and have no definitive relation whatever to the period or periods during which the land concerned is used.

The Law of Rent might then be fittingly replaced by the following series of propositions, namely:

(a) Land has two modes of use; first, the use of its surface, for the purpose of support, and second, the use of its contents, as the substance from which all material things useful to man are produced.

(b) Land has two kinds of value, corresponding to the two modes of use, namely, rental value attaching to surface rights only, and market value attaching either (1) to surface rights, in which case it is a derivative of rental value, or (2) to the material contents or "natural resources" lying beneath or upon its surface, in which case it is determinable only by sale of such contents, and has no definite relation whatever to period of use.

(c) The rental or site value of land, *i. e.*, the value of its surface rights, is determined by its relative desirability of location, is proportionate to the period or periods of use, and is therefore capable of being taken by society in the form of taxation.

(d) The value of lands bearing natural resources, is the *market* value of the natural resources as they lie in or upon the land.

A proper land policy must recognize the dual nature of land values above pointed out. To give all men in a given society equal rights to the use of the earth's *surface*, it should provide either (1) for the right of use in common,

as in the case of highways, etc., or (2) for the taking of the entire rental or "site" value into the public treasury. And, to assert equality of rights to *natural resources*, it should provide for either (1) direct use for public purposes, *e. g.*, gold for currency, sand, cement, etc., for sidewalks, and so on, or (2) the realization of the value of the same by *sale in market overt (open market)*.

CECIL L. ST. JOHN.

Editor's Note

WE print the foregoing remarkable attack upon the so-called Ricardian Law of Rent. If the writer's conclusions are sound it involves a radical reconstruction of the administrative part of the Single Tax philosophy as applied to forest, oil and mineral land.

Most Single Taxers have felt conscious of the difficulties presented in this phase of our question. Most of us have been content to let it rest as a problem to be met by assessors when the principle for which we contend is accepted. Whether this is any longer to be our attitude of mind is doubtful in view of the renewed interest in the problem and the bold challenge of Mr. St. John's.

We now throw the whole question open to discussion. We may, however, note the following considerations. The gist of our philosophy is that the earth and its unworked content are the heritage of all mankind. This is the real thesis of "Progress and Poverty;" it was with this thought in mind that that great work was written.

We have said before in the columns of the REVIEW that when George sought out a method by which this could be made practicable he turned to the taxing machinery. But he turned to it only as a method. The name Single Tax is doubly unfortunate in that it is misleading, and is only a name for the method. If it should be demonstrated, as has long been suspected by most Single Taxers, that the method as applied to forest, oil and mineral lands must be discarded for a more sure and effective way of securing the rights of all men to the earth, then it may be well to consider the adoption of a name for our movement more adequately descriptive of our aim and purpose.

The so-called fiscal Single Taxers, the step-by-stepers, those who advocate the removal of one tax after another in the hope and with the expectation of the burden falling upon land values, or economic rent, will extract small comfort from a consideration of the problem here presented. Its futility as applied to forest, oil and mineral lands makes their programme a perfectly hopeless one.

Is it not the consciousness of this inadequacy that has hitherto led Socialists and radicals to reject the programme offered by Single Taxers? May we not have to revise our impatience with their oft repeated dictum that our programme as presented "does not go far enough?" The declaration of our purposes, and the graduated fiscal method of approach, must after all seem to a good many of these earnest if mistaken persons as sadly mismated.

—EDITOR SINGLE TAX REVIEW.