ligion. Its principal substances are Man, Will, Action, Duty, Crime, Rights, Wrongs, and Property; and the general problem is to discover the laws which should regulate the voluntary actions of men towards each other, and thereby determine what the order of society in its practical construction and arrangement ought to be. * * * And as there cannot be the slightest doubt that God has made truth the fountain of good, it may perhaps be fairly expected that, if ever political science is fairly evolved and really reduced to practice, it will confer a greater benefit on mankind and prevent a greater amount of evil than all the other sciences."—From "The Theory of Human Progression," by PATRICK EDWARD DOVE.

WHAT GOVERNMENT COSTS US

Expenditures of government from Washington to Wilson, 1789-1913, total of 124 years—$24,521,845,000.

Expenditures of Roosevelt administration as estimated by the President—actual 1934 and estimated 1935 and 1936, total of three years—$24,206,533,000.

Wingold News Letter, Bay State Milling Co., Winona, Minn.

NOW, however, we are coming into collision with facts which there can be no mistaking. From all parts of the civilized world come complaints of industrial depression; of labor condemned to involuntary idleness; of capital massed and wasting; of pecuniary distress among business men; of want and suffering and anxiety among the working classes. All the dull, deadening pain, all the keen, maddening anguish, that to great masses of men are involved in the words "hard times," afflict the world today.—"PROGRESS AND POVERTY."

THE Irish famine was not a true famine arising from scarcity of food. It was what an English writer styled the Indian famine—a "financial famine," arising not from scarcity of food but from the poverty of the people.—"THE LAND QUESTION."

THOSE who say it would be unjust for the people to resume their natural rights in the land without compensating present holders, confound right and wrong as flagrantly as did they who held it a crime in the slave to run away without first paying his owner his market value.—"PROPERTY IN LAND."

ONE thing or the other must be true—either protection does give better opportunities to labor and raises wages, or it does not. If it does, we who feel that labor has not its rightful opportunities and does not get its fair wages should know it, that we may unite, not merely in sustaining present protection, but in demanding far more. If it does not, then, even if not positively harmful to the working classes, protection is a delusion and a snare, which distracts attention and divides strength, and the quicker it is seen that tariffs cannot raise wages the quicker are those who wish to raise wages likely to find out what can. The next thing to knowing how anything can be done, is to know how it cannot be done.—"PROTECTION OR FREE TRADE."

FOR it is of the very nature of injustice that it really profits no one. When and where was slavery good for slaveholders? Did her cruelties in America, her expulsions of Moors and Jews, her burnings of heretics, profit Spain? Has England gained by her injustice toward Ireland? Did not the curse of an unjust social system rest on Louis XIV and Louis XV as well as on the poorest peasant whom it condemned to rags and starvation—as well as on that Louis whom it sent to the block? Is the Czar of Russia to be envied?—"THE LAND QUESTION."

THERE is distress where large standing armies are maintained, but there is also distress where the standing armies are nominal; there is distress where protective tariffs stupidly and wastefully hamper trade, but there is also distress where trade is nearly free; there is distress where autocratic government yet prevails, but there is also distress where political power is wholly in the hands of the people in countries where paper is money, and in countries where gold and silver are the only currency. Evidently, beneath all such things as these, we must infer a common cause.—"PROGRESS AND POVERTY."

BOOK REVIEWS

THE STAGNATION OF INDUSTRY ITS CAUSE AND CURE

EMIL O. JORGENSEN

ANY reader of this courageous book who accepts the fundamentals of George's teaching fully is likely to be completely bewildered by the first three chapters, but will experience an intense satisfaction from there on to the very end.

In the first three chapters the discussion of Rent and Price is such as to make this reviewer doubtful as to whether the subject matter can ever possibly be made entirely clear to anyone who does not accept the assumption that "rent enters into price." In the effort to add something constructive to this discussion, the chapter beginning with the fourth will be considered first and the Rent and Price question later.

In Chapter IV, the author comes into perfect agreement with George on "The Remedy." In it he deals with rent as a "socially created value" in a manner that may leave the thoughtful reader wondering how the proposition concerning Rent and Price set up earlier, ever came about. The justifications for the remedy (the Single Tax) are admirably set forth. The wastefulness of the rent-receiving class is emphasized in a way that leaves nothing to be desired. It is a fine point, forcefully stated.

"Incidental effects of the remedy" are presented in a manner that shows what the author can do when he is on firm ground.

"Civilization at the crossroads" is a picture that should be placed before all men in high place in the vague hope that they could be made to realize the dark problems they face.

In Part II, "The Application of the Single Tax," the author gives his opinion of "how and where to begin." Perhaps this is correct for Chicago, to which it refers, but will remain a matter of opinion as to other places.

Part III really supplements the benevolent effects of the remedy, previously referred to, under the caption, "The Benefits of the Proposed Bills," as applied to bills discussed in Part II for Chicago. All the subject matter is splendidly described and applies equally well everywhere. Most of those familiar with their George are naturally well acquainted with this content but it has rarely been presented so interestingly, accompanied by charts, tables and graphs, for which all who are interested in elucidating George's views will undoubtedly be grateful to the author's industry. For carrying conviction to the popular mind, these passages can not be praised too highly.

Appreciation and description of the above must be curtailed, however, in view of the limited space and importance of the subject, while the first three chapters which deal with Rent and Price are considered. Here is attempted a serious breach in the defenses of the whole George philosophy. Concede that George did not understand "Rent" in all of its ramifications and it at once appears that thousands of serious-minded thinkers wasted their time and, what is worse, their enthusiasm for making this world happier for the human race. If George's understanding and reasoning are incorrect how can the "Remedy" based on his diagnosis effect a cure?

In connection with this disagreement about rent entering or not into price, why has not the author, who is now repeating what he has said before, taken advantage of his opportunity to answer his critics? In the Sept.–Oct., 1931 issue of LAND AND FREEDOM, the late Oscar H. Geiger reviewed "The Road to Better Business and Plentiful Employment" by the same author. Mr. Geiger, whose qualifications for such discussion none dispute, laid out some fundamental facts and deductions therefrom which certainly merited serious consideration. The same is true of Mr. E. I. S. Hardinge in LAND AND FREEDOM of March-April, 1932. Anyone who has read both the books here considered and the trenchant articles mentioned, will not find a definite answer in this book to these distinguished critics or any evidence that the facts and reasoning therefrom have colored the author's thought. Why?

Another broad question that naturally arises is, how does the author arrive at exactly the same remedy and the effects of the remedy after taking a completely opposite view of the functioning of the basic factor in George's whole structure—Rent? It must be borne in mind that any consideration of Rent in production and distribution also involves wages and interest as inter-related factors. Thus, a fundamental distortion of one necessarily involves the other two factors. Further, the author knows that Rent will still be in existence even when collected by the Government so that, as far as Rent goes, the economic situation will be the same.

Here is seen a basic error in the analyses as given in the book—a serious one, too, since it is responsible for much confusion of thought as presented in the effort to show Rent as increasing the price at which commodities will be sold. Careful consideration of the presentation of the author's procedure in his attempt to prove his case indicates three exceedingly serious faults and in a matter which challenges the philosophy of so great a thinker as George and doing so on a principle which is one of the few that George is in entire agreement with his opponents, more is demanded than a loose discourse. Even if only incidental, the question of Rent and Price should have been adequately treated.

The greatest fault in the author's method is that of attempting to treat things separately which are, by their nature, inseparable. Next, the author gives us very incomplete statements of the problems he uses. Also, there are assumptions that are not proven at all. The reader of this review will note examples of these as they are given. Minor errors will be quite obvious as attention is called to them.

Early in the preface this statement is encountered: "The lack of purchasing power springs not, as is commonly supposed, from lowness of wages" but "from the highness of the prices the consumers must pay." Right here, this initial failure to regard low wages and high prices as one and the same things touches off a whole train of confused thought. The fact that an exchange of labors is at the bottom of all production and consumption, is ignored. Real wages —the things labor consumes—are ignored and we find the economic term "wages" involved determinedly with the monetary term "prices," although money is nothing but a medium of exchange. With this kind of start the argument is bound to grow more confused, and it does.

In a minute this follows: that George was plunged into a "sea of errors" by his "innocent acceptance" of Ricardo's law of rent which "forced him to begin his exposition from the most difficult end—that is, from the angle of the producer instead of the angle of the consumer." As a matter of fact, George was not forced as stated, but treated consumption as the end of production and so treated both "ends" as they should be. He did not stop with "price" of commodities at the point of exchange until he discussed exchange as a step from production to consumption. George traced production from the land to the consumer and from the consumer back to land so comprehensively, that it is difficult to account for the quoted statement at all.

The preface declares that George was plunged into the "absurdity" that "the benefits of labor-saving machinery are passed on to consumers in lower prices" and "are absorbed by landholders in higher rents—*both at the same time*." The author lays this "absurdity" to George's belief, taken from Ricardo, that Rent does not enter into Price. The fact that the social value of the opportunity to use machines in society could be absorbed by the owners of land while the effectiveness of the machine in reducing the costs of production would reduce prices of commodities, is entirely unexplored! This lack of understanding of what Rent actually is keeps cropping up right along in the discussions with confusing uses of other terms—wages being the most important ambiguity.

Going to the body of the book in the first chapter dealing with the problem, we find Dr. Butler, the President of Columbia University and Ramsay MacDonald quoted and indicated as in "perplexity and confusion" about the "stoppage of industry," etc. After asking "why," the author is "convinced" that "the icy grip which the dead hand of an ancient political economy holds over the minds of men is responsible for the bewilderment."

As propaganda this is probably effective, but what these prominent men say publicly in order to guide the people has little to do with political economy, and no one who understands George is "bewildered" by the stoppage of industry. They know the cause.

"Why men work" is most interestingly written for popular minds, and if it were not for the fact that it is part of the set-up which is to lead to the conclusion that Rent increases prices, it would not need to be discussed. (Note: Although the author does not definitely say too often that Rent "increases" prices, the text is entirely occupied in attempting to prove that assumption).

Most students are satisfied with the dictum that men seek to satisfy their desires with the least possible effort, but the activities of Robinson Crusoe are chronicled for some pages before that dictum is finally reached. Inasmuch as there was no society, it becomes necessary to construct a "society" out of the lonely Crusoe. In this constructive society the conclusion is reached that "men cease work when desire is satisfied." Well! Well! We find that this society contained "no capitalists or landlords"—this notwithstanding that Crusoe's canoe which he constructed to "haul things in" is listed in the accompanying chart—as a "convenience." His "traps" and his "storehouse full" are also mentioned but not classified. Aren't these evidences of capital? Did not undisputed possession of the island constitute Crusoe as at least technically a landowner?

All of Crusoe's activities are most entertaining, but it would seem the only conclusive knowledge that can be learned from the study would be as to how an individual will act in a certain environment, when absolutely free. True, the narrative states that when Crusoe had enough he threw himself into unemployment, but it is not stated that an acknowledged landowner there could have thrown him out of work *before* he had enough!

In passing, it may be well to point out that all this seems to indicate if anything to the point, that "overproduction" is the cause of "the stoppage of industry." Not even "underconsumption" can be admitted as a cause, although earlier pages disparage both of these explanations. This reviewer got into similar cross currents earlier in life in attempts to prove George wrong, and finally found much more satisfaction by following a clear stream rather than flounder in eddies and whirlpools of his own making.

On page 20, the reader will encounter a subhead that may startle him: "Raising of Wages Illogical, Impractical and Unsound." In explaining this, we encounter one of the most confusing passages in the whole discussion. Here we see some peculiar idiosyncrasies. The author does not allow consumer and producer to become united in one person at any time. Neither will he discuss wages under the head of price. Surely, if a demonstration is to be made, it should be made in like terms. Is there any gain in clarity in discussing consumer's functions always in terms of money and producer's rewards in the economic term "wages?"

Again, it is stated "the interest of the consumers centers around the factor of price, whereas the interest of the producers centers around the factor of *income*." This constant use of unlike terms in connected discussion does not add to clarity and the matter is important. Should not the fact that producers exchange their labor for the labor of others wrapped up in commodities begin to clear up the picture? Why not keep the fact that producers and consumers are the same people to the fore so that the exchange phase of all transactions will not be obscured? There is not time to straighten out all of this tangle either for the reader or author, even if it could be done.

"The heart of the whole question" is stated: "If the raising of wages compelled prices to rise as fast or even faster than wages go up, how, by this method, can the purchasing power of the masses be increased? The answer is, of course, that it can not thus be increased." Here another quite different answer involving the essential benevolence of the application of George's philsoiophy, is entirely ignoredl Is there any reader of George who does not believe that if land were thrown open to labor on every hand on equitable terms, wages would rise? Would not the commodities produced increase the supply, thereby causing the prices of them to fall? Would not both of these effects be "increases in purchasing power"? The author himself in a most clear and graphic fashion, indicates how supply and demand regulates wages right at this point, but somehow never can connect up the wage-earner with the consumer completely. Neither does he show the influence of the margin of cultivation on the levels of wages. (As a matter of fact, if the author mentions the margin of cultivation anywhere, it was overlooked by this reviewer. This in an attack on the accepted function of Rent!)

To conclude this part of the review. The above are some of the evidences of the kind of rhetoric that is used to destroy a fundamental postulate in economics and cause us to disbelieve the findings of some of the world's greatest thinkers on a proposition upon which they are singularly united.

Scattered all through the first three chapters are errors that indicate a lack of grasp of the factors involved. For instance, on page 41 the author states "no subdivision of industry in the early periods" of American history. Again, on page 60, speaking of the value of land, it is stated that improvements of "private or public character" will raise the value of land. Improvements of a "private" character do not increase the value of land. If that were so, land value could be created anywhere by putting an improvement on land—even in the desertl On page 64, discussing the tremendous increases in the value of our natural resources, the author ascribes the increase to the "machines and discoveries of science." It is society's demand for the content of those natural resources that gives natural resources their enormous value. If only one person owned all the machines in the world, but there was no population, what would be the value of the world's resources? On page 65 the author does not regard it as any easier now to have apples in California and oranges in New York than it was before the railroads! Whew!

In several places in the volume, the author places great reliance on figures. This is natural, but when an effort is made to reduce the results of a great revolutionary change involving many opposing tendencies to such figures as can be applied to the single individual after the upheaval, the validity is nil. Such a computation would be impossible with the most elaborate actuarial methods and resources.

If the Government were to divide the 7.3 billions of taxes among the people, it is said (page 73) that it would finally become an addition of $300 to the purchasing power of a family of five. As far as this single point is concerned, would not the Government's purchasing power be reduced by that same 7.3 billions?

Now we come to the question as to whether Rent increases or is added to price, or not. It must be ascertained, first, what the author contends in the matter of price.

The preface states, "Every new discovery, every invention and labor-saving device has meant, not any cheapening of commodities to the whole people, but simply that much more unearned increment "for the owners of the earth." This is an important declaration. If this can be disproved, the whole case of Rent being added to Price falls to the ground.

One begins to doubt the preparatory statement immediately on reading a very graphic description of a "young man just starting out on the stormy sea of business life" who has somehow possessed himself of a great many commodities, apparently. He starts up in the morning with an "alarm clock" and during the day uses a catalogue of things coming from all parts of the earth which requires two full pages to list, winding up in the evening lying down on a pretty fine mattress and a good pillow. This young man uses "goods of a myriad kinds." There is an equally fascinating description of a young woman who apparently has the wherewithal to possess herself of numerous things for the home, too. These two people are given as samples and seem to have the things generally to be found in millions of American homes. Now, bear in mind, the author has not said a word of how this is all paid for actually, but does mention "money" in the case of the young woman. At any rate, following the young woman we are told that "the prices which the consumers pay are abnormally high." The discussion of this isolated half of the problem continues steadfastly,—ignoring the more important half.

For, "How to decrease the price level" we are referred to Chart 3 which is an interesting catalogue of expenses from Producer to Consumer. Rent is included as an expense. There continues an admirable discussion about prices generally, constantly looking for indubitable proof that prices are abnormally high. What labors are used to pay for the commodities are absent.

The first factor that is encountered that can be accepted as increasing prices is found at page 35—taxes. There will be no quarrel with this assumption that taxes do raise prices. It almost seems as if this book should have begun here.

At page 55 the statement about goods being no cheaper now than ever is reiterated but more specifically—than "200 years ago." Up to this point it will be difficult for the reader to understand, if he considers the matter, how the two sample people mentioned, could have possessed themselves of all that long list of commodities in circumstances where the share of labor in what he produces has constantly dwindled to smaller proportions, if the basis of the exchange, prices, had not fallen in spite of the added taxes. If competition among laborers has a tendency to reduce their wages to the lowest level upon which they will consent to produce, how does it happen that the vast majority of their homes are filled with a complete catalogue of the products of labor, if prices of these things have not fallen? What a pity the author did not develop real wages out of all this graphic description,—that what labor consumes is his real wages.

If we glance at Table 1 offered in support of the "prices are no lower" theory, an item sticks out plainly as proof of this if we go by the figure—that is coal. Coal is shown at $3.85 per ton about 1840 and steadily advances to $11.00 per ton in 1920 to 1929. The figures are from a U. S. Finance Report of 1893 and later additions. Surely, here is proof that prices have not fallen. But is it because Rent is added to Price? Previously the author informed us the value of coal land has enormously increased during the very period that the price of coal has advanced. All this would seem to indicate cause and effect working to prove the author's case. But the actual cause of the rising cost of coal does not show in the table at all! The factor of monopoly is absent. By holding valuable coal lands out of use,—made possible by low taxation—the coal operator is able to limit the supply and thus force to the last limit the public can be made to pay. Moreover, the coal operators could if they desired, notwithstanding the greater volume of currency now used in our exchanges, sell coal at a lower price than is quoted for 1840, when the figures begin, and do it in the face of the enhanced land values involved.

So much for Table I. When Table II is examined, the price of commodities is shown as increasing almost steadily to a peak in 1920 —this from 1831. This is a Labor Bureau report. Again beware of figures! It is common knowledge that we use a great deal more currency in making our exchanges than in 1831; consequently, prices will read higher, by far. The wage level was much lower, quoted in money, and the variety of commodities the laborer could have much less.

The author previously shows that he understands that if a day's work nets $3.00 and a pair of shoes cost him $3.00, he is in exactly the same position when receiving $10.00 for his day and paying $10.00 for the shoes. For some reason there is no use made of this equation when considering the table, although that it applies is common knowledge.

Again the average price of commodities is shown in 1926 as 100 and in 1929 as 96.5. Not a large drop, but still opposite to the author's theory, because Rents were bounding skyward during the drop in the prices of goods. Further, during the depression, prices of many things have been forced up, while Rents have been tumbling. Certainly, if Rent increases prices, the law is not easily discernible. At any rate as far as references made thus far are concerned, there is no proof that prices have not fallen, but plain inference indicates the contrary. There is no indication in this that Rent increases Prices.

Due to the author's rambling method of presentation, it is necessary, now, to retrace, if we are to collate his views on Production and Consumption. In this connection, the author apparently does not think that production only ends when the product is in the hands of the consumer. The constant tendency to keep producer and consumer apart as if they were different beings, is manifest all through the various threads of his scattered discourse on this. He speaks of the consumer as a "work-giver" apparently unable to see that he is the worker himself.

"We have now traced to their tap roots" the grave economic problems, etc., is the way Chapter III begins, and: first, unemployment is charged to failure to buy enough goods; second, the first is not due to low wages, but to high prices; and, third, landowners are collecting Rent and therefore the Government is forced to levy taxes. Not a mention here of how speculation in land operates to cause unemployment; the fact that low wages and high prices are the same thing is again not suitable apparently for the author's purpose.

The advance of productive power is admirably depicted and is full of useful information. The railroad is given as the "Nation's leading labor-saving device." Ignoring the fact that the railroads through the reduction of the cost (in labor, etc.) make it much easier for all to have commodities, the author is content to point the growth of large fortunes to their owners.

This is immediately followed by the statement that "the pioneers in this wilderness were compelled to labor long and hard for the barest necessities." If that is so, and prices are the medium through which labor is exchanged for commodities, how does the lot of the pioneer and the present possession of the humblest of workers compare? How could the present situation exist if the prices of commodities measured in the labor exchanged for them were not lower?

The arguments other than those mentioned to prove that Rent increases Price are all scattered at random through the chapter. Early in the preface we read that Rent is earned by society itself, and goes to the landowners as an *unearned* income. Now, that postulate may suit the author's theory, but it does not illuminate the question as to what Rent is, and if the exhaustive inquiry conducted by George is to be entirely set at naught, a great deal more must be demanded. It is true Rent is mentioned here to justify the Government in taking it and abolishing taxes, but this incomplete definition is going to cloud the reasoning where Rent is involved all through the discussion. How society can "earn" a labor-saving should be explained fully.

In giving well deserved praise to Adam Smith, we find this attributed to him: he (Smith) after revealing the nature and law of Rent, divided the price of commodities into its three component parts—namely, rent, profit (interest) and wages and Rent is an income the consumer must pay. Assuming that Smith is correctly quoted, if Rent does actually consist in economies in production and distribution, how can it be figured in dollars and cents unless it is included as a minus quantity?

On page 34 occurs this statement: "this Rent of land is a value created by the public at large—by society itself. It is a product of the whole population." All right, of what does this value consist? We must know that before we put it into anything as definite as a schedule of the costs of production. The cost of production will include only the labors of that group of the population that aid in the production of a particular commodity. Why must a factor involving the "whole population" be added to the costs to the consumer of that particular commodity? If the author is sure of his assertion, he should explain it fully. As a matter of fact, it will be difficult. Prices are competitively fixed based on supply and demand. Rent represents certain *economies* and *advantages* inherent in a given site. How can these in any sense affect prices of goods sold there except to *reduce* them? Well may the author anticipate, as he does, "vigorous disputes" of assertions so loosely thrown together.

We are told that "the price of goods" is "precisely where all the trouble is." If Wages, Interest and Rent make up the costs of production upon which prices are fixed and at the margin of cultivation, Rent is 0, how will the addition of zero *increase* the price? Further, if Wages and interest seek a competitive level along with the price of commodities, how can Rent which constantly mounts as the margin is left, possibly be added to a price that remains on a competitive level with the site where Rent is zero?

It has seemed necessary, in this review, to include much matter that ordinarily could be dispensed with. But, when a writer starts out to upset the whole science of political economy as constructed from Adam Smith down through Henry George, it seems proper to examine his work in detail. That this work, so effectively written in many respects, may be splendid propaganda, does not alter the fact that by exhibiting to the public that the exponents of George can not agree on even his fundamental principles, it is rendered much less effective.

That Rent does *not* increase—does not add to price can be shown in many ways. This reviewer does not believe that the contrary has anywhere been made clear.

Take the description of the effects of "L" roads and Subways in Chicago and New York on the value of land. Splendidly described in the book—but a little deeper probing would have shown they constitute a striking disproof of the author's theory. First, the franchise values of those means of transportation are land values—Rent capitalized. The entire expense of those roads is borne by the fares of those who ride in them. Being a social product, they also increase land values. But, why must the expense of creating those land values be added to the price of the goods sold along those lines when the riders have already paid those expenses in their fares? Is it not an inviolable principle that competition among sellers absolutely compels the elimination of all but necessary costs? If that is so, how could a cost already paid for by the riders in "L's" and Subways possibly be added?

Here is a typical list of expenses and income that illustrates how rent actually reduces price: on the debit side there will be Rent, light heat, power, freight, cartage, costs of goods sold, selling costs and delivery, along with administrative expenses; on the credit side there will be gross sales and other income. The income will be deposited in the bank and checks drawn against the balance to pay the debits. Among those checks will be the Rent check. That settles it—Rent is paid out of the prices received for the goods. What more? Just this; that every other check, with possibly an exception or two, will be very much *smaller* due to that payment of Rent. Light, heat, power, freight, cartage, cost of goods sold, selling costs will all be much lower, thus reducing the costs the consumer, after a fair profit is added, must pay. It is probable that *all* costs are lower. When costs per unit are figured, they are seen to be much lowered where high Rents are paid. Volume of sales comes into the picture reducing all of the costs even all the way back to the land. How then does Rent increase price?

Again, here is a storekeeper,—his lease runs out and is renewed on a lower basis. Does he immediately reduce prices? Not at all. The prices are governed by the demand and supply for his goods. He has simply found that he was paying rent for an economy in his costs that he didn't get and made his landlord see it. On the other hand, if the demand slackens and he is "loaded up," he will be compelled to reduce his prices while his rent remains the same, while if the demand quickens, he will advance his prices if it appears the supply is inadequate. All this regardless of fluctuation in his Rent.

To make this economy phase clearer, consider a genuine efficiency engineer's services to a factory. He shows the manufacturer how to cut his costs in various ways. His check will be paid out of gross sales, but the economies he has effected will appear in lower list prices or larger discounts.

Society has paved a street. Society paid for the pavement with tax money. The paving of the street increased Rent. Must this increased Rent be added to the price of goods? If so, why when society has already paid for it and will maintain it through its taxes? Must it be paid twice? Once by society and again by the consumer?

Wages seek a level governed by what labor can secure where no Rent is paid; the same is true of interest on Capital, but Rent nowhere finds a level. It is a differential that arises from zero to an almost fabulous peak. To assert that this differential factor Rent must be added to the factors Wages and Interest as a part of the cost of production which must be added to the price exacted from the consumer is to put a mathematical burden on the price-fixer that few could assume.

Actually, if the hair must be split, there are three distinct factors embraced in payments for the use of land. First, there is the enhanced price due to the landowners demanding not what the land is worth today, but what it will be worth at a future time—this is sometimes called Speculative Rent. Then, there is the enhanced price caused by the fact that lands held out of use, force the remainder in use to a higher price—this may be called Monopoly Rent. Speculative Rent will be largely governed by estimates of Interest involved while Monopoly Rents will distribute themselves over lands in use. Both of these "Rents" will be added to price because society has not paid for their creation. Neither Speculative nor Monopoly Rents are actucally true Economic Rents, and are only socalled because they are attached to land and are included in payments for its use. Possibly this may account for some of the confusion into which we are inevitably plunged when this subject on Rent and Price is discussed.

If the fact that Rent is an economy in the production and physical distribution of commodities paid for by taxes and cooperative forces of society, is kept in mind, it is seen that Rent actually accompanies a *reduction* in prices and as competition compels the elimination of all but unavoidable costs, Rent can not be successfully added to Price.

However, even with Speculative and Monopoly Rents added to taxes and appearing as factors in prices leading toward bankruptcy, it is quite evident that true Rent usually overcomes the upward tendencies in the prices of commodities which have actually fallen —measured in the amount of labor that must be exchanged for them. Otherwise the mass of people could not possibly possess themselves of what they visibly have while working shorter hours.

A consideration of the chain store almost completely disproves the theory advanced. Prices are uniform in all stores of a single chain regardless of the fact that the Rents paid vary by wide margins.

Another point. Where are low prices of goods generally found— where Rents are high or where they are low? If there is any great difference it indicates that where Rents are high there will be found, in a great city at least, lower prices.

A final thought. Labor itself is in many respects bought and sold as a commodity. It has a price. That price, like commodity prices, is determined by competition and supply and demand. Labor, also pays Rent for his upkeep. Does the Rent the laborer pays increase the price that labor will receive for what he has to sell? Or—is not labor compelled to accept what competitors are willing to take regardless of what Rent they pay? It might be well for the author to explore this phase. An attack on the functions of Rent is far-reaching.

It would have seemed that an attack of so fundamental a nature as the author has made, a complete scientific analysis of Rent would have been the starting point. But both Rent and Price are scattered in a hit or miss fashion that has made this review one of the most difficult to approach constructively that this writer has ever contemplated.

The author announces the production of two more books. "The Murder of Economic Science" and the "Mistakes of Henry George." These books will no doubt be well written and breathe a noble spirit of idealism. It is hoped that he will establish his premises on much less controvertible ground and use a more scientific method and terminology, otherwise they, too, will cause "vigorous dispute." The titles of both books are, incidentally, ominous.

All that has been said has not in the least altered the high respect this reviewer has had for Mr. Jorgensen's enthusiasm and splendid efforts to spread the light as he sees it. It is hoped that the undoubted propaganda value of the later chapters will not be offset by the challenge to economic science in the first three.

Whether that will be so or not, the book is exceedingly well worth reading and study. One part will give the reader a splendid chance to find out whether he knows what he knows or not, and that part where he comes into agreement with George, will be found an admirable method and style to be used in placing the Remedy and its effects instructively and entirely before any reader.

NORMAN C. B. FOWLES.

PUBLIC AND PRIVATE PROPERTY

By JOHN Z. WHITE

Beaver Press, Grenville, Pa., 1935

In this timely and interesting book, Mr. White presents a legal viewpoint of the effect of grants of land by the State to individual owners. It is a common belief that because of deeds of land in "fee simple" to individuals which extend back to the sovereignty it is impossible for the State now to recover the value of the land without doing violence to constitutional provisions protecting private rights.

The author makes clear the distinction between a contract and a grant by the State. The Darmouth College case, the Charles River Bridge case and other cases famous in history, are discussed in detail to show the tendency of the courts to preserve to the State those sovereign rights and powers without which democratic government is impossible.

Tenure of land is a public thing—a delegation of a sovereign power. Failure to guard the sovereign power expressed by land holding and to permit the value of the land holding power to be privately appropriated is a derogation of sovereignty and tends to destroy democracy.

If an aristocratic society is desired nothing needs to be done. The manor house theory of tenure of land is exemplified today in Franklin D. Roosevelt who is to the "manor born." It is quite in keeping with President Roosevelt's tradition to see nothing incongruous in the large land values held by Vincent Astor. There is nothing of the hyprocrite in the President in this respect nor inconsistent with his warfare against those who grind the face of the poor or take speculative profits without regard to the upkeep of the nation at large. The ownership of the manor house and manor lands, to Mr. Roosevelt, carries with it not only the duty of seeing to it that all the manor people, tenants and workers, are fed and clothed but also the consciousness that failure to meet this duty is destructive of the manor family itself. So the Mitchells and the Wiggins who take profits without responsibility are met with righteous Rooseveltian indigna-