stood that only the *actual subscribed capital* spent in development work, buildings and machinery is to be deducted. This is necessary to prevent watered stock from being introduced for the sole purpose of lowering the unimproved value of the mine.

There is also another point to be considered in connection with the question of *Capital*. Some of the development work or plant may have been paid for out of returns from the mine, and in my opinion, this work cannot justly be called capital expenditure.

So far as the value of undeveloped mineral land is concerned, competition for possession must determine its unimproved value until development work has revealed nature's secret, when the aforesaid procedure should be adopted to ascertain its taxable value.

This scheme appears to me to be better than State control of the mining industry. There is a tendency on the part of some people to adopt the go-slow policy in connection with government work, on account of no one in particular being responsible if a loss occurs.

There is no industry that gives greater opportunity for the go-slow policy than the mining industry. I know this from observations made while living in a mining district. Because of the possibility of this go-slow policy I do not approve of Mr. Cornick's scheme.

Summing up, let me say that the scheme of taxing town lands to secure the value of mineral land adjoining, is that advocated by Single Taxers in West Australia; putting up the land at auction on the terms stated, is the proposal of our Victorian friends; while the scheme I have suggested meets with the approval of our co-workers in New South Wales.

I shall be pleased to know what your readers think of the scheme propounded, and welcome any criticism of it.—E. J. Craigie, Adelaide, South Australia.

Mr. Benjamin Doblin's very interesting notes on the History of the Manhattan Single Tax Club are crowded out of this number.

THE SINGLE TAX AND COST OF LIVING.

Editor Single Tax Review:

Your view of Mr. George White's criticism of Mr. Hardinge, is correct, but I think all three of you ignore the effect of present taxation on prices. A tariff makes high prices; the great profit resulting may be partly absorbed by the site owners in higher rent; in this way high prices are the cause of rent, rather than the reverse. Read page 413, Doubleday's "Progress and Poverty."

Mr. Hardinge is technically wrong in saying, "the higher the value of land the higher the price of everything brought forth from it." Prices are fixed by the cost on the poorest land. The abundance from the best land will sell at the same price. Nowhere are products so cheap as at department stores, where site rent is the highest. A small profit multiplied yields a greater profit than a few sales at a large profit. It is the possibility to make many sales that gives value to a site.

Rent, even monopoly rent, cannot enter into price, in any given time or place. Abolition of taxation must reduce prices one half, perhaps two thirds; which will double or treble wages. This alone will give the producer justice. A greater production on land set free, will further reduce price, unless this is offset by a greater demand from the millions of laborers suddenly invested with more purchasing power. But such reduction is the result of land set free, rather than from the reduction of former high rent. Site rent, at any time, is but the reflection of site advantage at that time.—C. F. Hunt, Chicago.

THE DIVISION OF THE PRODUCT.

Editor Single Tax Review:

Professor Irving Fisher of Yale in "The Purchasing Power of Money" gives five distinct factors in his argument and arrives at the anti-climax of fixing an index and adapting the weight of gold to the dollar to that index.