

POINTS FOR SOCIALISTS

As it can be so clearly demonstrated that the evils which beset society are attributable to land monopoly and that the system can be overthrown by a simple method, it is at first sight a matter for wonderment that reform has not long ago been achieved. It is obvious that political and social power will be associated with an octopus whose tentacles control all activities corporate and individual. But this reason for the stability of land monopoly is not, perhaps, the predominant one. Rather it is to be found in the fact that the monopolists and their associates have been astute enough to take advantage of an opportunity to meet attacks by applying the principle: divide and rule. This has been achieved in the past by setting at each other's throats in political controversy the advocates of land taxation and those of Socialism. The substance of antagonism between the two propagandist schools of thought is deserving consideration at a time when division is likely to entail the triumph of reaction.

The Socialist, as a rule, is brought into revolt against existent social conditions by the spectacle of poverty due to under-payment of the workers. The sweating employer is a capitalist, and therefore the Socialist argues that the private ownership of factories and machines is the cause of the enslavement of labour. But when Socialist writers and speakers produce illustrations of the inequitable distribution of wealth resulting from Capitalism, they are wont to take those provided by land monopoly and privileges associated with it. Royalty receivers, the beneficiaries of the privileges obtained from Parliament to construct railways, lay gas-mains, and the appropriators of communal values generally, are pointed to as the exploiters-in-chief of labour. Looking abroad, the gigantic aggregations of monopoly plunder in the hands of the owners of American coal, iron, and oil-bearing lands, of city sites, of railways, and allied law-created privileges to rob under a tariff are pointed to as illustrations of "capitalism." This lack of distinction between the results of the ownership of land and the ownership of capital gives and monopoly its stability. For the Socialist is driven to demand the expropriation of the capitalist and the monopolist on the same terms. He realises that the value of true capital such as machines and factories cannot be taken without compensation, and so he has to propose that the land shall be nationalized by way of purchase. This latter proposal brings the land-taxer into the arena against him as his most bitter opponent, and the monopolist immediately hails the Socialist as the honest fellow who is confronting the agent of capitalists seeking to shelter themselves by throwing the burden of taxation on to the owners of land. Consequently a brief statement of the land-taxers' outlook upon capitalism may serve a good purpose. In the first place, a definition of economic terms is necessary. Land is the earth and all natural opportunities related to it. Wealth consists in labour products, the result of the application of labour to land. Capital is wealth not immediately consumed but utilised in the production of further wealth, appearing as the factory and the machine. It is immediately apparent that to confuse land with capital must darken counsel. The land-taxer holds that the under-payment of labour results in an artificial monopoly of capital being created contrary to justice and natural law, for those who create capital by their labour are entitled to possess it. If they were permitted to do so the monopoly of capital would no longer exist, for the workers would be the capitalists. The

Socialist urges that the private ownership of capital, of machines and factories, is the cause of low wages and of the exploitation of the workers. The Land-Taxer urges that the monopoly of capital is the result of low wages—that is to say, a wage which does not represent the full value created by the worker—and that the low-wage system is the result of the private ownership of the land, as has been argued in these pages. He therefore seeks to destroy the enslaving power of capital by undermining its foundation in economic injustice. He seeks, by raising wages above the subsistence level, to make all workers potential capitalists—that is to say, able, if they desire, to acquire machines and factories. This he holds to be the way of freedom, which will assure to the worker emancipation from the control of the individual capitalist without making him a bondman to a bureaucratic State. He holds that many readjustments may be essential, but his plea to the Socialist is to do the first thing first. The first thing assuredly is to destroy the monopoly which is the mother of all monopolies, and to bring all men into equal possession of the natural opportunities provided for their existence, to bring into the common fund for common benefit the value which their communal activities and demands have created. Furthermore, the Land-Taxer urges upon the consideration of the Socialist that by refusing to distinguish between land and capital, between communal land value and the value of labour-products, he erects an artificial barrier to the beneficial fruition of the schemes he advocates. Let us take, for example, the nationalization of the railways. The Socialist, holding no difference to exist between land and capital, must purchase the monopoly value of the railways, which is a land value, as well as purchase the true capital of the railways—that is to say, the rolling-stock, rails, buildings, and value created on the permanent-way by labour. The Land-Taxer, along the lines of his principles, would separate the value of the capital from that of the land, the former he would restore to the companies by payment, the latter he would restore to the community by land taxation. Interest would be payable on such land value as was left unappropriated by the tax, so that the owner of railway land should stand on the same footing as all other owners of land: in temporary possession of communal value in process of being appropriated by the community. But on this basis the railways would only be required to provide revenue to meet the expenditure incurred in the performance of their function as carriers. With monopoly value eliminated the capital cost of nationalization would be enormously reduced, and just wages and lower freights, paid to cover the cost of carriage only, would result. So, too, as regards the nationalization of the coal mines. The Land-Taxer would differentiate between the mineral value, which is a land value, and the value of labour-products utilised in the bringing of coal to the surface. Here again the application of his principle would conduce to make nationalization beneficial, as the land monopolist not having to be provided for, by so much could coal be reduced in price and wages raised. The Land-Taxer sees that in the operation of monopolies, such as coal and transportation, some measure of State control may be essential, but protests against the injustice and inexpediency of permitting compensation for land value in connection with any such enterprise. So far, therefore, the Socialist who wishes to secure State Control over monopoly undertakings stands in his own light by refusing to differentiate between capital and monopoly value.—From "*The Land or Revolution*" (pp. 62-66), by R. L. Outhwaite, M.P.