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George Bernard Shaw on "The Law of Rent."—In a captivating article in *John O' London's Weekly*, 10th March, under the above-named title, Mr Bernard Shaw, referring to the subjects now taught in schools, said:—

It is not possible to maintain freedom in any State, no matter how perfect its original constitution, unless its publicly active citizens know a good deal of constitutional history, law, and political science, with its basis of economics. If as much pains had been taken a century ago to make us all understand Ricardo's law of rent as to learn our catechisms, the face of the world would have been changed for the better. But for that very reason the greatest care is taken to keep such beneficially subversive knowledge from us, with the result that in public life we are either place-hunters, anarchists, or sheep shepherded by wolves.

It is well said, but the failure of the schools to teach this fundamental economic truth is no reason why our gifted counsellor should have observed such a long silence in making the Law and its implications known and understood. There are teachers outside the schools with more influence than those inside, and Bernard Shaw can count his scholars by the million.

If an understanding of the law of rent a hundred years ago would have changed the face of the world for the better, there is surely greater need to-day for such an outlook. If this view of the matter is not in dispute, the question to be put to Mr Shaw is: Why not take pains now to have it brought into the open forum of debate?

The Essence of the Teaching.—In his vivid and impelling manner, Mr Shaw presents the argument for this "subversive" teaching:—

The most important fundamental economic truth to impress on every child in complicated civilizations like ours is that whoever consumes goods or services without producing by personal effort the equivalent of

such goods and services, inflicts on the community precisely the same injury that a thief inflicts, and would in any honest State, be treated as a thief, however full his or her pockets might be of money made by other people. The nation that first teaches its children this truth instead of flogging them if they discover it for themselves, and sacking any teacher who hints at it as a Bolshevnik, may have to fight all the slaves of all the other nations to begin with; but it will beat them in the long run as surely as an unburdened man with his hands free and with all his energies in full play can beat an invalid who has to carry another invalid who has to carry a third invalid on his back.

As far as it goes, and it goes some distance, this is bold and a brilliant reflection on the law of rent, but it is just the kind of statement that falls short of what is required. It is only half the truth, and half-truths are apt to make confusion worse confounded. The law of rent has its corollaries in the law of wages and the law of interest, and the children of the nation are entitled to the fuller and more complete explanation. Taken by itself, Ricardo's law of rent is a mere intellectual possession: carried into the domain of urban land, and related to wages and interest, it becomes a moral force and an inspiration to the student in search of the highway to prosperity and progress.

Rent, Wages and Interest.—As Henry George states the case in *Progress and Poverty*, Book III, chapter VIII, a new light is thrown on the subject:—

Three things unite in production—labour, capital and land. Three parties divide the produce—the labourer, the capitalist, and the landowner. If, with an increase of production, the labourer gets no more and the capitalist no more, it is a necessary inference that the landowner reaps the whole gain. And the facts agree with the inference. Though neither wages nor interest anywhere increase as material progress goes on, yet the invariable accompaniment and mark of material progress is the increase of rent—the rise of land values. The increase of rent explains why wages and interest do not increase. The cause which gives to the landholder is the cause which denies to the labourer and the capitalist.

There is a school of thought, outside the schools, that looks on interest as the robbery of labour, but as a rule those who hold to this view confuse the legitimate earnings of capital with the profits of monopoly. But there need be no laboured argument on the point. For if capital be a part of wealth and the Single Tax on Land Values will distribute wealth more equitably, a corresponding distribution of capital is assured. An equitable distribution of capital is inherent in the Single Tax principle, and the increase that attaches

to the use of capital will benefit all workers. In other words, if economic interest prevails after economic rent is taken for public purposes, the workers will share in it, and if it ceases to exist no one is injured.

Capital but a Form of Labour.—To quote Henry George's closing words in the chapter devoted to "The Law of Interest," which, as he says, he has examined in deference to existing terminology and modes of thought:—

In truth, the primary division of wealth in distribution is dual, not tripartite. Capital is but a form of labour, and its distinction from labour is in reality but a sub-division, just as the division of labour into skilled and unskilled would be. In our examination we have reached the same point as would have been attained had we simply treated capital as a form of labour, and sought the law which divides the produce between rent and wages; that is to say, between the possessors of the two factors, natural substances and powers, and human exertion—which two factors by their union produce all wealth.

"The Great Fundamental Fact."—One further passage from this enlightening section of the book which we feel as we quote these golden words should be published in separate pamphlet form:—

But so simple and so clear is this truth, that to fully see it once is always to recognize it. There are pictures which, though looked at again and again, present only a confused labyrinth of lines or scroll work—a landscape, trees, or something of the kind—until once the attention is called to the fact that these things make up a face or figure. This relation once recognized, is always afterwards clear. It is so in this case. In the light of this truth all social facts group themselves in an orderly relation, and the most diverse phenomena are seen to spring from one great principle. It is not in the relations of capital and labour; it is not in the pressure of population against subsistence that an explanation of the unequal development of our civilization is to be found. The great cause of inequality in the distribution of wealth is inequality in the ownership of land. The ownership of land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of the people.

Single taxers can "see the cat" in this picture. It must appear as a bear to the others who keep themselves so very busy in distributing the skin of the animal before it is caught!

The Italics are Ours.—Reviewing a Report on *Danish Farming* (Benn, 1s. 6d.) in the *Spectator*, 10th March, Sir W. Beach Thomas quotes as follows:—

"Undoubtedly it was the Dane's efficiency, his knowledge of land-craft, and his readiness to accept new ideas that chiefly impressed the delegation. It revealed itself at every stage of their journey. They were impressed, too, by the dimensions and influence of the co-operative movement, not only as a vast marketing agency, but as an organization that is constantly stimulating big production and good quality. *Co-operation is, without a doubt, the corner stone of the Danish agricultural system.* The italics are mine."

Co-operation may be the "chief corner stone of the Danish Agricultural System," but that stone, like all the other stones in the building, rests firmly and truly on the Danish system of land tenure. It is his freer land system that has enabled the Dane to develop his co-operative market with its "big production and good

quality." *This is a basic truth that is never brought before the British farmer when he is urged to take a lesson from his competitor across the sea.* The italics are ours.

The Landowner's Light.—It was pointed out to the Surveyors' Institution by Mr P. J. Waldram on 5th March that "Zoning in the Control of Large Cities" was essential in the interest of the ground landlord. Mr Waldram added that the popular appreciation of the value of daylight was rising rapidly and would soon afford all necessary backing to a Ministry of Health desirous of securing at least the minimum of light, air and sunlight medically essential to those who must work and live where their means dictate. It ought to make action quite acceptable when we are assured that, as the *Times* report puts it, "the real estate agents of America find that the new zoning laws of that country, by restricting the ambitions of powerful but grasping landowners, have raised, rather than depreciated, site values."

It only remains to collect for public needs (besides doing this sanitary police work) the site values so raised by public action in husbanding the light which presumably was not created only for grasping landowners. Such a tax if adequate would let more people "live where they like" and not just where a Ministry of Health decides to place them.

What About Over-Population?—The "vacant spaces" of England and Wales are revealed in the population statistics. We have the following figures from the Ministry of Health adjusted to 1st April, 1927: Population of all cities, towns and urban districts, 30,245,954; area of same, 4,301,503 acres. *Population of rural districts, 7,640,754; area of same 33,038,835 acres.* Outside the towns the density of population is 10 persons to every 43 acres. There is no "over-population." On the contrary, the opportunities for intensive cultivation, if once the land was freed, are unlimited.

The Revolution in Transport.—Sir John Jarvis, Chairman of an omnibus combine, observed the other day: "The local train is going the way of the sedan chair, the stage coach and the tramcar." There is not much room for any opposing opinion on the subject. Hard lines on the shareholders of the local train concerns, and of course there is no compensation for them. Their investments are confiscated right before their eyes, the compensation as usual is for those who own the land on which the new roads are cut. And the higher land values on either side of the new permanent ways raise barriers which, as Campbell Bannerman said: "Are a greater peril to the standard of living than all the tariffs of Germany and America, and even our own Dominions."

In our time the local train and tramcar have enriched the ground landlords by tens of millions of pounds, and the new service has already brought hundreds of millions to the same privileged class. It is a glaring piece of daylight robbery that in itself reduces to impotence any and every effort to bring about peace in industry.

"The Capitalist System."—There is much agitation and violent language hurled at the capitalist system, but here it is in the making and on a grand scale; yet the process is passed by with an occasional recognition or a gesture of impatience in the never-ending pursuit of its effects. And as the pursuit continues these effects in turn become the cause of other mischiefs with the assurance of a further crop of new recruits equipped and eager to explain how inquiry and history must be card-indexed more fully and accurately before anything can be done. Additional research committees are organized and their nicely balanced statistics are