The Single Tax, January, 1897

**Socialist Economics.**

A criticism of the Pamphlet issued by the Fabian society, entitled “Capital and Land”

By William Cassels

This pamphlet is called "Capital and Land" not by accident but evidently by design, for the intention of the writer or writers is manifest on every page; it is to render absurd and useless the separation in thought of Capital and Land.

At the beginning we are told that "The practical aim of Socialists with regard to the materials of wealth is the emancipation of land and industrial capital from individual and class ownership and the vesting of them in the community."

Now if we analyse this sentence we find land and industrial capital placed under the general term "materials of wealth."

That Land is a material of wealth is incontrovertible, and being a material of wealth, it cannot be wealth itself it requires something to be superadded to make it wealth. In the same way, if Industrial Capital be a material of wealth it cannot at the same time be wealth, and per contra, if it be wealth it cannot be a material of wealth. Taken either way the statement is illogical and leads to the vitiation of thought. It may be said this is a quibble, but a moment's thought will show that it is a vital criticism and that Land is the only material of wealth. The statement is somewhat analogous to that made by a schoolboy in an examination paper, when he was asked what, were the principal products of the United States, and he replied, "Fruit, apples, and tomatoes." So much for the practical aim of Socialists.

The writer or writers there go on to say that " land and capital are instruments with which man works for the production of wealth material for the maintenance of his existence and comfort. Now, it is important to notice that though in common talk we separate the two, and though political economists have given a scientific dignity to this rough classification of the instruments of production, distinguishing as land that which has been provided by nature, and as 'capital' that which has been made by human industry. The distinction is not one which can be clearly traced in dealing with the actual things which are the instruments of production, because most of these are compounded of the gifts of nature, and the results of human activity."

In the first place, classification into land and capital is not merely the classification of common talk; it is a classification in the nature of things like that of "man and nature," nature and art due to a common perception of a position and environment necessary to the exertions of human industry, and to the common understanding of man that he has not created that position and that environment.

How transitory the human element is may be seen in the relics of great civilisations, such as the Pre-Incan.

Let man but disappear or be cut off from existence for a few years, and where will the great human element which is intermingled with land go to? It will pass away. But land, nature, position, will remain for man when he shall appear again.

The classification into land and capital is not a rough classification, because it is not capable of concrete manifestation; no classification is concrete. The idea of classification involves abstraction. A concrete classification is an absurdity.

Again, the classification of the elements of production into land and capital has not been given a scientific dignity by economists without reason. A scientific man could make no other classification; for science must be logical. We are not inclined to throw overboard the economics of the economists, with its occasional absurdities, for the Fabian Socialist economics, with its abstract of all the absurdities of all the economics.

Another point worthy of notice is that while land and capital are necessarily compounded, or, to speak more correctly, while capital is very generally compounded with land, it does not follow that the values of land and capital cannot be clearly separated, indeed they are separated daily, no one has ever heard of an insurance company insuring land. Insurance companies separate the value of land from improvements or the value of capital daily. While it is true that such undertakings as railways, canals, mines, etc., are necessarily compounded of land and capital, yet there is no capable manager of any of these things who will not give you a separate valuation of the two elements.

All through this pamphlet there is such an inconsistent mixture of terms that one is not surprised that the writers should accept false conclusions, indeed if they ever come to any correct conclusion it must be by accident.

There is a special word for Land Rationalisers, in which category, Henry George and perforce all Single Taxers are included.

"Land Nationalisers," it is said, "go so far with Socialists that they work for the extinction of private property in land." We must demur to this as applicable to Single Taxmen. Single Taxmen do not work for the extinction of private property in land. They work for the extinction of property in land, the state, in their view, has no more right to the land than the individual has; the state being merely a collection of individuals. How much does 36 million nothings come to? Single Taxmen want the values of land to be taken for common purposes, but they want the land not in the hands of the state but in the hands of the users of land, as we say in Scotland, we want the land restored to the people.

It is pointed out as an argument for the nationalisation of capital, that landlords have been robbing Irish tenants and everybody of their wealth (or capital as the writers say), and it is said that we are prepared to treat as sacred capital acquired by thefts of this kind.

Not so fast, Mr. Fabian. We do not look upon such wealth as sacred, but we are more anxious to stop the drain of wealth in the future than to follow any such will of the wisp as this.

"The landlord" (says this Fabian Pamphlet) "compels the worker to convert his land into a railway, his fen into a drained level, his barren sea-side waste into a fashionable watering place, his mountain into a tunnel, his manor-park into a suburb full of houses let on repairing leases: and lo! he has escaped the land nationalisers; his land is now become capital, and is sacred." We had scarcely believed it was possible even for Socialists to write such a nonsensical paragraph as this.

In the first place the land is not converted into a railway; the fen into a drained level ; the barren sea-side waste into the fashionable watering place; the mountain into a tunnel; the manor park into a suburb full of houses; in every case the land is still there and has not been converted into anything. A railway has been constructed on the land, the fen land has been drained, a fashionable watering place has been made of a barren sea-side waste, a tunnel has been drilled through the mountain, and houses and streets have been constructed on manor park land.

Under the Single Tax regime the values of these lands would be taken in taxation, along with increased values due to the increased competition for such lands. This would be the case, suppose such conditions were possible, after land values were all taken for public purposes. But how does the landlord compel labourers to work for him under present conditions? Simply because he owns the element essential to all production. But when all land values are taken for public purposes the land speculator is killed; and if there be sufficient opportunities, as we believe, for all men, Labour will be compelled to work for no man.