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THE NATURE AND FUNCTION OF RENT By Patrick Edward Dove

IN OUR issues of April and May, 1941, we printed extracts from Dove's *Theory of Human Progression* which were later embodied as Chapter XX of the book *Why the German Republic Fell*, being a miscellany of articles that have appeared in *Land & Liberty* since September, 1939. The following extract is taken from Dove's less well-known *Elements of Political Science*, published in 1854, few copies of which now exist. Among those few is the one in the Edinburgh University Library. It succeeded the *Theory of Human Progression* which was published in 1850.

Several special advantages would attend the allocation of the rents of the soil to the nation.

First.—All Customs and Excise might be abolished. This would permit a perfectly free trade with all countries, and a perfectly free trade would unite the various nations in a bond of amity which would not be the less secure because attended by commercial and pecuniary advantage. It would also set at liberty all persons engaged in the collection of customs, preventive service, etc., and as these are utterly unproductive in their present occupation, the nation would make a clear profit of their future labours.

Second.—It would make one simple tax, which could be collected without expense, as the renters of the soil should be ordered to pay the rents into district exchequers and be accountable for all expenses if they did not do so.

Third.—It would unite the manufacturing and agricultural classes into one common interest. The more the manufactures, the more the rents of the soil would increase, and the greater would be the national revenue; and the greater the revenue, the more would be expended on public works, which would still further increase the facilities for manufacture. The greater the revenue, the better it would be for the nation; whereas now, the greater the revenue, the worse for the nation.

Fourth.—It would secure the utmost possible production that the soil was capable of affording. Millions of acres in England, Ireland and Scotland are uncultivated, either because the proprietors are already so wealthy that they can afford to leave large tracts of land in parks, game preserves, or game muirs, or because the land, although capable of supporting a population, is not capable of producing sufficient rent to render the rent an object to the wealthy landlord. Hence the Highlands of Scotland are rapidly becoming depopulated.

Fifth.—It would eminently tend to secure the education of the people; because—as the State would be directly interested in the labours of every man, and an educated population would always be more productive than an ignorant population—the State would immediately

have a direct interest in raising the character of the people; in suppressing all that was detrimental to their welfare; in encouraging skill, industry, and talent, and consequently, in providing the fullest possible instruction for the whole nation; for the more the people were educated, the more intelligent would all labour become, and the more would the national revenue increase under the influence of intelligent labour.

Sixth.—It would secure to every labourer his share of the previous labours of the community. It is quite evident that a greater amount of outlay has been made on the island of Great Britain than on any other part of the world of similar extent. In harbours, roads, railroads, land improvements, houses, towns, etc., etc., England is unequalled. Yet the labourer who inherits all these facilities is not so well off as in Arkansas or Wisconsin, where no capital has been previously expended. This in itself is a sufficient proof that there is something wrong in the very construction of society; for undoubtedly a man born in a country where thousands of millions have been expended in rendering the country more suitable for man's requirements, ought to find his labour better remunerated than in a country that remains in a state of nature. All the previous expenditure of Great Britain goes to swell the landlord's rent, instead of tending to improve the condition of the labourer. On the contrary, if the rents were allocated to the nation, the condition of each man would improve, not merely through his own labours, but through the labours of all who had gone before him, which is fair and just, and which, in fact, constitutes a nation. Only under such circumstances can there be any moral obligation on one generation to defray the debts or liabilities incurred by a previous generation, for a national debt may morally be a debt on the PROPERTY of the country (the property, for instance, having been preserved from the effects of foreign invasion), but a national debt can never be morally a debt on those who inherit nothing but their labour.

Seventh.—The allocation of the rents of the soil to the nation is the only possible means by which a just distribution of the created wealth can be effected. It is true that this is not the only requisite—for a systematic co-operation in the whole field of labour is also needful—but is the first main requisite, the first necessary arrangement of society which would prevent the profits of labour from escaping, as they now continually do, from the labourers to a class that labours not, yet constantly increases in wealth. So long as the rents of the soil are allocated to individuals, there is a continual drain upon the natural profits of labour—a

drain that perpetually condemns the unskilled labourer to receive no more than a maintenance, a drain that robs industry of its true reward, and that only tends to swell the revenues of a small number of families who could be removed from the nation without leaving the nation one shilling the poorer. But if, on the contrary, the rents of the soil were allocated to the nation—that is, to the whole associated community—the condition of the labourer would continually improve, because he would inherit a continually improving country. Every expenditure upon the country, if judiciously made, would make the country produce more with the same amount of labour, exactly as the improvement of a machine enables it to do more work with the same expenditure of human labour—and, in fact, the soil of a country is only a vast and complicated machine that manufactures, under human skill and labour, the various necessities and luxuries of human existence. Now, if England be the most improved machine in the known world, the labourer in England ought to receive a higher reward than elsewhere—and for this reason, that he produces more with the same amount of labour. But so long as mere labour is separated from what it produces, it never can receive its legitimate reward—nor would its remuneration rise even if the productions were a thousand times greater than they are. The labourer would receive only his maintenance, and the extra profits would go to the landowner and the capitalist.

And *Finally*, It is the law of God, as declared in the constitution of the terrestrial world, and the law of Christianity, as declared in the written Scriptures, that the industrious man should be rich, and that the man who labours not should be poor. The whole economy of Britain is a direct infringement of this great law of property—of this great and fundamental principle which God established for the economical government of the world, when he made the earth to yield its riches in return for human labour. The richest men in England are those who do not labour, and who never did labour. And their wealth is secured in such a manner that it descends from generation to generation, and goes on constantly increasing without any exertion on their own part. Were they to sleep for a hundred years, they would wake more wealthy than ever; and if they did wake, they would wake only to encumber the industry of the country, to retard its progress, to prevent the amendment of its institutions, and to maintain a party warfare against its real prosperity. As a class they are antagonistic to industry, enemies to freedom and to progress, barriers to the civilization of the world, living on the fruits of other

men's labours, yet hating the toil which alone endows them with wealth. They are the evil remnants of the feudal system, who, in their faded power, have sunk into the bribers and corrupters of the electors of the country. They are the fatal heritage which France was obliged to remove, and which America, happily for herself, has never known. They are the true "surplus population"—ever consuming, nothing producing—fed, clothed, and sheltered at the expense of the nation, and returning to the nation nothing but hindrance to its welfare.

Such a system—a shilling a day to a labourer who *does* labour, and a thousand pounds a day to a lord who does *not* labour—such a system contains within itself either the elements of national decay, or the elements of national disaster. Either the nation must be sacrificed to the landed interest, or the landed interest (composed of thirty or thirty-five thousand families in Great Britain) must be sacrificed to the interests of the nation. Either the population will found or seek new countries where labour shall meet with a more equitable reward, or a war of classes will ultimately ensue, having for its theme, not *liberty*, as in former days, but *property*. If the population diminish—and it seems already to have that tendency—England must relatively decay, and, notwithstanding all her wealth, fall into the rear of those younger nations, where the spirit of man is esteemed of more importance than the mere wealth he can create. And if, on the contrary, the labourers of England go on increasing as heretofore—the wealth of the few standing out continually in stronger and stronger contrast with the poverty and degradation of the many—there must come a time when the classes will enter into a struggle of which none can foresee the results. It may be a peaceable struggle, but for the time it must be attended by those disasters which—like the fevers that cure a long course of constitutional derangement—bring many latent evils to the surface, disfigure the aspect of society, and for a time engender a tumultuous life of present suffering—although, it *may be*, of future health.

The great requisite, then, is to return to the laws of Nature, of Providence, of God—to let the skilful and industrious man be rich, and not to accord wealth to those who produce nothing for the welfare of mankind. If, as I have endeavoured to prove, the rents of the soil are the only common profits of the whole labours of the community, the rents of the soil are the only legitimate source of taxation—the only possible source from which the revenues of the nation can equitably be derived. To tax labour is to disunite society—it makes the nation only an aggregation of unassociated individuals. To tax the rents of the soil is to unite society—it makes the nation a community bound together by the ties of a common interest, and a common welfare. This is the true, and the only true, theory of a *Nation*—that the soil belongs to it in perpetuity, and never can be alienated from it; and that he who will give the greatest rent for the soil becomes its cultivator, and pays the rent to the nation for the benefit of the whole community. Then, but not till then, will labour reap its natural

reward—the reward appointed by Providence in the divine constitution of the terrestrial economy. Then will the welfare of one be the welfare of all—then will men be banded together by a true citizenship—and then will the first great step be taken towards that mighty brotherhood which springs from our common parentage, and which is at once the promise and the prophecy of the Christian faith:—

"And man to man the world o'er
Shall brothers be, an' a' that."

[The above passage is open to little comment by way of criticism, except that Dove does not show how the rent of land should be allocated to the nation; nor is it clear whether he would have obliged landholders to pay not only the rents they were actually receiving but also the rents they might receive, whether their land was used or not. He does not indicate that his policy would directly raise wages, in addition to procuring for the labourer the indirect advantage of an equal share of the rents collected by the State. Henry George came later to correlate the law of rent and the law of wages, and to formulate the easy and rational plan whereby existing taxing machinery might be employed for appro-

propriating rent by the taxation of land values and abolishing all other taxes, without involving a needless shock to present customs and habits of thought or a needless extension of governmental machinery. While the rent so appropriated would be devoted to public purposes, just as the proceeds of the present (unjust) taxes are employed, the effect would be at the same time to liberate industry, to cause all land to be put to its best use, to reduce rent to a just level, and *necessarily* to increase wages.

We cannot blame the feudal system for our present ills, nor is America any better for not having experienced that system. It is the lesson of *Progress and Poverty* that, given the right of individuals to appropriate rent, any country will suffer the "fatal heritage" of more and more unequal distribution of wealth caused by the natural increase in rent and by the speculation in land which the expectation of future increase engenders. Dove evidently regarded America as a country free from landed privileges, but it never was. Conditions in America and in all civilized countries to-day prove that the law of rent knows no geographical boundaries.—EDITOR, *Land & Liberty*.]

THE CHURCH AND SOCIAL PROBLEMS

Land Value Taxation Urged

AT THE invitation of the Archbishop of York a conference under the auspices of the Industrial Christian Fellowship met at Malvern in January, 1941, and its findings were published in a document entitled "The Life of the Church and the Order of Society." The Conference, however, desired further elucidation of certain questions which were referred to a Committee of Industrialists and Economists with Theologians. The report of this Committee with an introduction by the Archbishop of York has now been published under the title *Malvern and After* (Industrial Christian Fellowship, price 2d.).

The report says that "the ordering of human life in accordance with God's laws involves the provision for all mankind of the opportunity to live in the dignity and freedom proper to those who are God's children, created for fellowship with him, and, in Him, with one another, both here and hereafter." For this every citizen should have sufficient and appropriate food, suitable housing and living conditions, and "opportunity to contribute to the well-being of the community, and fulfil his personality in true fellowship."

In enumerating the basic rights which should be secured to every individual the Report declares that "every citizen, every people, and every government should regard the resources of the earth as God's gifts to the whole human race, to be used and conserved with due consideration for the needs of all mankind in its present and future generations."

In amplification of this a later passage in the Report says:

"Far-reaching changes in the present system of land ownership are required.

"Occupying serviceable ownership is a pre-requisite of any ethically sound land system. Absentee ownership and

non-serviceable ownership are contrary to a morally sound system. Serviceable ownership must be both subject to discipline if it fails in its stewardship, and also admissible to remedial assistance if unforeseen or natural causes hinder fruitful stewardship. In like manner any system of rating and taxation, local or national, must be conformable to ethical principles and not based solely upon considerations of expediency.

"Much of our trouble is due to ill-managed land; to the evils of mortgaging and to the existing rights of landlords; and it is undeniable that these last are excessive if social function is taken as the justifying correlative of possessive rights. In particular, the owner of the sites of cities has hardly any function that would not be as well or better performed by a public body, while he absorbs a great deal of wealth communally created; this is conspicuously true of those who own land on the outskirts of growing towns. These are tempted to hold up land needed for development in hope of a rise in price. Thus private interest is directly opposed and deliberately preferred to public welfare. That is morally wicked; but it is also so pernicious politically that it ought to be prevented. For some critics, it is not ownership which is objectionable but the power to collect economic rent, to evict, and to forbid the use of natural resources.

"Both these classes of evil would be remedied in great measure by the levy of a tax on the value of sites (as distinct from the buildings erected upon them), whether used or unused, rural or urban. In this field the inversion of the natural order, which is characteristic of our whole modern life, is especially important. If house property is improved (a social service) the rates are raised and the improvement so far penalised; if it is allowed to deteriorate (an injury to