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THE CHANCELLOR AND THE TRADE UNIONS

The purport of the Chancellor of the Exchequer's address to the Trades Union Congress, on September 4, was to dissuade trade unionists from pressing for wage increases. "Can anyone seriously challenge the conclusion that wage and salary increases, above any rise in productivity, are passed on in higher prices?" he said. Congress was told that further confiscation of dividends could yield only negligible amounts to the Treasury and was, moreover, impracticable. Taxation was not at present high enough to damage industry or "seriously affect incentives" but it could not be increased without having those effects. The only hope held out was a vague suggestion that workers should be given bonus shares in businesses, the advantage of this being that no more money would be put in their pockets to spend as they liked and thus "cause inflation." "We want less, not more, money spent on consumption," he said, as if to imply that the money that "we" possess should have some other disposal, to be hoarded or loaned or taxed out of our control. Even so, who are the "we" that are spoken of? They are not likely to include the care-worn housewives, the pensioners, the elderly retired folk and a host of others being pushed by rising prices below the poverty line.

The Chancellor argued that, if wage claim demands were pressed too far, "general inflation could happen here" with the same disastrous consequences as in other countries. Confusion on this subject can be traced in his statement that, "If incomes go up more than production goes up, then prices will rise." But if incomes are drawn from production, how can they possibly exceed production? On the other hand prices can always be made to rise by the simple process of issuing more money than that required for normal purposes of trade; issuing money, in fact, not against goods but against nothing. If a private person does this, by coining or counterfeiting notes, he is subject to the severest penalties of the law, and justly, because he is enriching himself at the expense of the community. Governments alone have the authority to issue currency or empower others such as banks to do so and it is the use or abuse of these powers that dominates the situation. What is called "inflationary pressure" is in fact the deliberate act of the Government to obtain for itself purchasing power by use of the printing machine. It is their easy way of trying to overcome the consequences of their own extravagance and of fooling the people into a false sense of prosperity. This monetary policy in Great Britain, for example, arises

largely from efforts to cure poverty without removing its essential cause: the monopoly ownership by private individuals or corporations of the natural opportunities and social advantages involved in the tenure of land. "The Roman Empire perished," said Lord Acton, "for want of a good Land Bill." But the crash did not come until after the Roman Government had tried the expedient of inflation.

The land monopoly is indeed the oldest and most entrenched of all monopolies. It spreads its tentacles into all branches of society and in an urbanised civilisation is especially capable of concealing its power and responsibility from the victims. It is not surprising that governments find it much easier to debase the currency and thereby give themselves temporary relief than to undertake the formidable task of challenging the private appropriation of the rent of land. When such challenges were made by a Liberal Government in 1908 and 1909, and by a Labour Government in 1931 by measures applying the principle of collecting land values for public purposes the vested interests concerned with land monopoly showed themselves capable of forcing elections upon the country, violating constitutional usage and breaking solemn electoral promises in their efforts—unfortunately successful—to avert the danger and maintain their privileges. They have shown no such virulence in their resistance to nationalisation of industry or the financial provisions of the Town and Country Planning Act. But, however powerful the forces of privilege may be, no government can be exonerated on this account from shirking its duty of suppressing these forces for the good of all. It is lamentable to see the present Labour Government instead of attacking land monopoly that causes poverty, themselves oppressing the poor by inflation, a method of taxation which bears more heavily upon the poor than the rich. When prices of almost all commodities are continually rising anyone with money to spare can guard against real loss by investing in goods; those without money to spare are exposed to the full effects of the increased prices—and they are lectured by Labour leaders if they ask for any increase in wages.

Mr. Gaitskell was at pains to persuade his audience to allow owners of businesses to use part of their returns to repair and modernise their equipment, saying truly that it was only by so doing that production could be carried on or increased. That shareholders should be allowed to own this, their improved property, he said, constituted a "problem" but it was the problem of "the ownership of property," a subject quite distinct, he implied, from the distribution of income. But the Labour movement "would have to think hard in the next year or two" in order to "frame a popular and effective policy" on the distribution of property. The surprising aspect of Mr. Gaitskell's speech was his easy-going approach to that subject. If Socialism is concerned with anything it is concerned with the question of property; of all the millions of Socialist books, pamphlets and speeches that have been disseminated since the days of St. Simon, scarcely one can have escaped it. But now, a year or two's "hard thinking" by members of the Labour movement is to accomplish what Marx and all his co-adjutors have apparently failed to do. Such were the advices to the Trade Union Congress. Nothing could have been more in contrast with fervent Socialist speeches of a generation or so ago, when the nationalisation of industry evoked hopes of universal prosperity. Perhaps the known divergence of view between Mr. Gaitskell and Mr.

Aneurin Bevan indicates a revolution in thought among those members of the Labour Party frank enough to admit to themselves that nationalisation has proved a failure. If Labour supporters are prepared to study the problem of property distribution objectively, without jumping to Socialist conclusions, valuable results are to be expected. They may be led eventually to see the essential difference between property which is the work of men's hands, and property resting only in the legal

power of extracting tribute from the producers. Examples of the latter form of property are myriad, and they have been multiplied, not reduced, under Labour Government; but the most flagrant and far-reaching is the legal power at present possessed by private persons of claiming part of the earth's surface as their exclusive property, and, in consequence, exacting a toll from those who desire, and are in effect compelled, to use it.

F. D. P.

HENRY GEORGE AND HIS SIMPLE REFORM—By F. R. Jones

English Version of Esperanto Radio Speech, Radio Roma, 22nd August, 1951

In my last radio speech, entitled "The Prophet of San Francisco," I gave a short sketch of the life and writings of the famous American thinker, Henry George. I propose now to demonstrate more fully the greatness of this man and to explain his simple reform and its effects. I can do this best by presenting some outstanding quotations.

At Henry George's funeral JOHN SHERWIN CROSBY well said:—

"Henry George believed in the Declaration of Independence; accepted the self-evident truth of its sublime preamble that every man has, by the very nature of his being, certain inalienable rights; rights derived not from governments; rights, of his absolute, indefeasible title to which no government or established order can deprive him; rights, chief among which is the right to a place on earth. He saw that one man has as much and the same right on earth as another, and that if one man has as much right as another, no man can have more right than another.

"This man was no dreamer. He had no plan for remodelling the state or reconstructing society. Plato in his *Republic*, More in *Utopia*, Bacon and Bellamy have given us visions of society arbitrarily moulded according to man's finite conception of what it ought to be. They proposed to deal with results rather than causes—giving little thought as to the feasibility or justice of means by which their dreams were to be realised. Henry George, on the other hand, in his great book *Progress and Poverty*, began with fundamental principles and proceeded by logical deductions to inevitable conclusions. And no man yet has ever answered him."

The most logical of thinkers, Henry George nevertheless profoundly loved his fellow-men.

As also at the funeral the REVEREND LYMAN ABBOTT, D.D., explained:—

"Industrial injustice he did not look upon as an irremediable wrong. He did not study economic questions in the quietude of a library; he plunged himself into life. He identified himself with those whose wrongs he suffered as though they were his own. He interpreted those wrongs through his own strong feelings. He loved truth, but he loved truth most because truth served mankind. He loved his fellow-men, and loved to identify himself with his fellow-men. He served his fellow-men with a consecration worthy of more than our praise; worthy of our imitation.

"With his brilliant talents, with his mastery of the English language, with his knowledge of economic principles, with his rare power of expression, with his genius for arousing enthusiasm, Henry George might have attained almost any position he chose in political life, or in journalism, or in social life, had he been

willing to yield one iota of his convictions, or even to make such compromises as most of us deem it quite proper to make. But he was inflexible when he believed he was right. He never considered the effect upon himself of anything he said or did . . . It would be difficult to find a public teacher who considered less the immediate effect of his utterances, or the effect immediate or ultimate on himself, than did Henry George."

HENRY GEORGE, JR., the worthy son of the great father, wrote:—

"Henry George . . . believed, with all his soul believed, that he had found the way and the only way to rid civilisation of its cancer—its extremes of wealth and want, that lead some to the madness and destruction of vanity, and multitudes into the suffering and brutishness of poverty. He believed the remedy lay in making all men equal before nature by the simple process of letting any who would, hold land, but compelling him to pay its entire rental value in the form of a tax into the public treasury. Each paying the full value of all the land he held, there would be no object in holding land not at once to be used, or in not using land to its highest capacity. On the contrary, all land, used or unused, being compelled to yield to the state its full annual value, the man who held valuable land idle would find that he had to pay as heavily on it as if the land were put to its highest use, since the value of the land itself, not its produce, would be the thing taxed.

"The land value tax would discourage—would kill—land monopoly. Enormous quantities of valuable land, in cities, towns and villages, in agricultural, timber, mining and grazing regions would be thrown open to users. That is, land—good, accessible, valuable land—now held out of use in the expectation that increasing population will be compelled to pay a large advance for it, would become cheaper and easier to get.

"And since all men are land users in some form, this would be a common benefit. Land being at the base of all production, all production would be wonderfully stimulated; and doubly stimulated when, the revenue received from ground rents being sufficient to satisfy the normal needs of government, all other taxes could be remitted. This would remove a mountain of taxation from the shoulders of labour. It would concentrate the revenue burden in a single tax resting upon land values. It would, in effect, give to the producer the full measure of that which he produced, while he that would not work, neither should he eat.

"There then would be no spectacle of some men rioting in superabundance and other men, willing and anxious to work, unable to find opportunity to work. Then some would not be landlords and others landless. Then all would be equal before nature; all would have