

U.S.A. and Canada

\$1 a year

Established

June, 1894

VOL. LXVIII, No. 809

Land & Liberty

U.K. and Sterling Area

8s. a year

Editor

P. R. STUBBINGS

OCTOBER, 1961

MATER ET MAGISTRA

The New Papal Encyclical

THE English text of *Mater et Magistra* (Mother and Teacher) issued by His Holiness Pope John XXIII, was published in the July 22 issue of *The Tablet*, the authoritative weekly of English Catholicism. This Encyclical continues the modern series of guides to Catholic thought on social questions, inaugurated in 1891 by Leo XXIII with the historic *Rerum Novarum*. As the Vatican with its vast resources for persuasion is the avowed opponent of the advancing Communist idea one turns to this latest pronouncement for an alternative lead, some clear interpretation of the basic principles of an ancient faith as a remedy for the problems of our time.

That this was the purpose of these Encyclicals may be understood by reference to the first of them, issued at a period when the persistence of poverty, not yet obscured by wholesale State-redistribution, was arousing widespread concern and the demand for confiscation of property had been given pseudo-scientific form by Marx's *Kapital**. Malthusian assurances that by the "iron laws" of political economy the only remedy was deliberate limitation of numbers conflicted with Catholic teaching and Pope Leo XIII was not the man to seek refuge from the dilemma either in silence or in words that could offend nobody. Although then over eighty years of age he had already, as Cardinal Pecci, entered the lists of social controversy. Catholics regarded him as "the most illustrious Pope since Benedict XIV" and he was deeply respected outside his own communion. His non-compromising humanity shines through the forthright style of *Rerum Novarum*. It is apparent that he did not regard industrial progress as any hindrance to the practical application of the social teaching of the Gospels or of St. Thomas Aquinas, the great theologian of the church. He quotes from both these sources as basic principles to which all social regulations must conform. This exactly accords with Henry George's assertion in *Progress and*

Poverty that "political economy and social science cannot teach any lessons that are not embraced in the simple truths that were taught by One who eighteen hundred years ago was crucified."

"SOCIETY," says *Rerum Novarum*, "must be recalled to the principle from which it sprung." "God granted the earth to mankind in general" and "all human subsistence is derived from labour". "The results of labour should belong to him who has laboured." Private property is thus a natural right and the Socialists who would encroach upon it or in place of Christian charity substitute "a system of state organised relief" are "acting against natural justice."

These principles are clear but the limits of private property are not exactly defined and the remedies proposed are not radical. The State is urged to protect workers by regulations and the workers are encouraged to form Catholic trades unions. These proposals, it will be noticed, concede the Marxian theory that private ownership of capital gives the power to exploit. As *The Tablet* observes, *Rerum Novarum* could be cited "as the sheet anchor of private property or the call to higher wages". It did nothing to resolve the apparent conflict and after seventy years we may see the consequences in crushing taxation, imposed on the earnings of labour and thrift, to provide State organised relief to everybody, thus making nonsense of the principle of private property. Unless Catholics today ignore Pope Leo's principles they must re-examine his deductions. To do so could not dishonour his memory, it would accord with his sincerity.

MATER ET MAGISTRA is much longer than *Rerum Novarum* and the core of its messages is so elusive that *The Tablet*, in a short article, refrains from any formal summary. The style sometimes recalls communiqués after economic conferences. Assertions are so qualified and re-qualified that brief quotation is almost

*First 2 vols. published 1867, 1885; English text of vol. I, 1886.

impossible. Some idea of the general tone can however be gained from the introductory pages in which the earlier encyclicals are quoted as guides to principles. *Rerum Novarum's* challenge to socialism is not emphasised; it appears rather as a protest against the "naturalistic" operation of economic law in a free market which, the new Encyclical infers, enables some to become rich at the expense of others. Industry must not be conducted "only for profit", wages and interest must not be left to "the mechanical play of market forces". The State must "regulate work relations according to justice and equity". Workers and employers must arrange their mutual affairs "on the principle of human solidarity and Christian brotherhood because both competition in the liberal sense and the class struggle in the Marxian sense are contrary to nature and the Christian conception of life". But "private property, including that of productive goods, is a natural right which the State cannot suppress". The right to the use of "material goods" is "prior to the right to property . . . goods which were created by God for all men, should flow to all alike, according to the principles of justice and charity". No indication is given whether private property or material goods means land, or estate in land, or wealth produced by labour; or whether productive goods means capital. Perhaps such definitions are considered of minor importance in view of the opinion, subsequently expressed, that the managed economy has on the whole succeeded in checking depressions and unemployment, so that the economic problem is virtually solved.

Consistently with this opinion the many pages which follow the introduction are concerned with a review and general approval of the economic ideas and organisations current today. On one subject the Encyclical is brief. Taxation must "be proportioned to the capacity of the people contributing" but agriculture must have special treatment. This conforms to "justice and equity". Land taxes are not mentioned. Seeing that taxes on wages have reached their limit and the other measures envisaged in the Encyclical require not less but more revenue it is unfortunate that in a document of some 20,000 words more space was not available for this important subject. Apart from land revenue the Church cannot be indifferent to methods of taxation involving usury stimulated by gambling, or debasing the currency.

THE inevitable responsibilities of his office must make it extremely difficult for any Pope to write an Encyclical to rival the direct appeal of "Man shall not exploit his fellow man". If, in addition, an attempt is made to reconcile the simple, challenging truths of religion with modern economics, concerned only with expedients to overcome immediate difficulties, the task becomes impossible. The old prophets saw the hand of God manifest in His gift of the use of the earth, "the Mother of all things". They were not concerned with expedients to allay the consequences of denying this gift but with safeguarding the right of all men to their heri-

tage, as the land laws of the Hebrew commonwealth clearly demonstrates. To modern economists land is the Great Unmentionable and the Providence of God to men, obscured by industrial conditions, has given way to the guiding hand of the State with its providence drawn arbitrarily from the earnings of labour in all forms of production. If one assumes that such things as unemployment and low wages can be checked only by endless compulsions and interferences with natural action then the inference is that such evils are part of Creation. The millionaire land-speculator becomes an almost sacred figure and the Golden Rule mere verbiage.

Church leaders, no doubt, depend on advice in economic affairs. One regrets that Pope John's advisers did not consult the writings of some distinguished Catholic clergymen who, in complete accord with the traditions of their Church, refuted the doctrines of the class war equally with Malthusian economics and indicated how political economy, sincerely examined, revealed how the basic truths of Christian social teaching could be applied to removing the roots of modern as of ancient wrongs.

IN 1881, during the Irish land controversy, Dr. Thomas Nulty, Bishop of Meath, (who at that time was unacquainted with the works of Henry George) published an address to the clergy and laity of his diocese which, under the title of *Back to the Land*, attracted much attention. Land and the capacity to labour, he states, are the gifts of God to all mankind. The results of labour constituted private property to which the producer had an inviolable right, as well as to the possession of an estate in land on which his labour could be exerted in security. But any claim to ownership in the land itself, although established by law in all civilised countries, was a monopoly in denial of God's gift. It was this State-established monopoly, and not the operation of any economic law, or the alleged power of owners of capital, which reduced the landless to a condition of servitude so that they had no power to bargain on equal terms for wages. If the monopoly were abolished and all were restored to their essential rights, bargaining itself would raise wages to their natural level. It was impossible in practice to redistribute landed estates equally but the rent of land, collected by public authority and devoted to public purposes, would ensure that all had equal benefit from the land of their country. The rent of land, which arose and grew with the growth of the community, was the natural revenue of society, "the design of the Divine Providence". Capitalists and operatives, instead of wasting their energies in all "insane internecine war" should join hands against "the existing system of land tenure which robs both parties for the benefit of a class who do not labour at all".

In 1882 the Rev. Dr. Edward McGlynn, one of the most influential Catholic clergymen in the United States and a friend of Henry George, associated himself

prominently with the same principles as those expressed by the Bishop of Meath. In 1892 these views, after examination by a Committee of four Professors of the Catholic University of Washington, were declared "to contain nothing contrary to Catholic teachings".

The investigation itself was evoked by the publication of *The Condition of Labour* a comprehensive letter addressed by Henry George to Pope Leo XIII after the appearance of *Rerum Novarum*. This letter, in terms reflecting the writer's profound respect for the Pope's personal character and exalted office, pointed out His

Holiness's oversight in assuming that the undoubted private right to possess an estate in land meant also ownership of the land itself, with all its socially-created value. In tracing the implications of this oversight Henry George uncovers the false basis of modern industrial society and all the evils and confusion of thought arising from failure to perceive it. How this confusion hampers Christian teaching today is apparent in *Mater et Magistra* and in the opinions expressed by leaders of other Churches.

F.D.P.

NOTES OF THE MONTH

Design for Disaster

Only a totalitarian regime could carry through to completion the "bold and far-reaching" plan for the State to buy the freehold of the British Isles which an unofficial Labour group of experts has devised.

EVEN more disastrous than the partial land nationalisation scheme proposed by the Labour Party's national executive in *Signposts for the Sixties* is one published last month in *Socialist Commentary*. It has been drawn up by a group of architects, town planners, economists and some other experts who dismiss the *Signposts* scheme as "extremely vague" and as "administratively cumbersome". They believe that the only real solution of the land problem is "an extremely bold and far-reaching measure" by which the nation would acquire the freehold interest in all land, subject to a number of conditions and safeguards which, they claim, would answer all "legitimate objections".

Details of the scheme are as follows. From vesting day, under the new law nationalising freeholds, a public authority, probably the regional planning authority, would become the ground landlord. Existing users of land, whether owners, tenants or sub-tenants would continue in occupation. All leases and sub-leases would remain in force. Trained valuers would then begin a systematic valuation and appraisal of all property, beginning with the older buildings. By this process, spread over many years, they would assess the reasonable life of each building, taking into account its age, condition, amenities and suitability. The life given to each building would then be called its "statutory life", ranging from nil up to a maximum of, say, 80 years. This is on the principle that 80-year-old buildings have normally reached the end of their life, and should be continued in use only if they are of exceptional quality or value.

The former freeholders would continue to hold their land, initially without payment of rent, as statutory lessees for the "statutory life" fixed by the valuers. At the end of the lease the land and buildings would revert to the owning authority. All statutory leases of former privately owned property would incorporate a rent revision clause enabling the owning authority, at intervals of seven years, to fix rents that would recover a share, say 50 per

cent, of the increase in land values for the community. At the end of the lease the owning authority would decide either to renew it or that the building should be replaced by a new one under a new 80-year lease. At the end of the statutory life of the building, but not before, compensation would be paid for the loss of the freehold. This would be assessed on the value of the site, not the building, for its existing use at the vesting date, plus a percentage, say 50 per cent, of the increase of its value since that date.

Nobody knows how much the land of Britain is worth today but it must run into thousands of millions of pounds. This fantastic sum, it is calmly proposed, should be handed over to present title holders and, presumably, their successors in title. Aside altogether from the fact that the value of land is communally created and belongs of right to the community, as they seem to acknowledge in a hazy, half-hearted fashion, where do they propose the money should come from? Certainly not from the rents the public authority would charge since those, presumably, would be needed in part to amortise buildings and in part to provide that "say 50 per cent" bonus which would be added to the vesting day value and paid as compensation on the statutory death of freeholds. Nor could it come from taxation. The only other alternatives are to unleash an inflation which would raise the price of a postage stamp or cup of tea to hundreds or thousands of pounds and smash the economy, or to increase by some thousands of millions the national debt which already stands at more than £27,000 million and that too is unthinkable. Clearly, then, the scheme is financially impracticable as it also cumbersome, unnecessary and morally indefensible. Politically it is unacceptable and only a totalitarian regime could carry it through to completion.

Had the eminent, well meaning people who drew up this scheme studied and discussed the case for land value taxation, they would have seen that it holds promise of the regeneration of society and its physical environment