

If enough cottages were to be built, then to meet the need many landowners themselves were admitting that it would have to be done by the Rural District Councils, but they, too, had a difficulty how to build for the agricultural labourer without burdening the rates. It must be allowed that in most districts this was an impossibility, unless a rise in the amount of his cash wages enabled the labourer to pay a higher rent for his cottage.

Miss Churton is not alone in her belief in this method of dealing with the housing problem. Whenever the question of coping with the dearth of decent houses arises at the meetings of local authorities, the schemes put forward—when any scheme at all is advocated—are invariably of the State-aided, demolish and rebuild type.

The Reason of Failure.

There is one overwhelming reason why this type of "reform" is useless. It has been tried for many decades now and yet the housing evil is more acute than ever. It has been proved a failure. Many hundreds of slum areas have been cleared—especially in the towns—and new dwellings have been erected out of State-aided loans. But faster than the old slum-areas have been cleared away, new slum-areas have come into being. There is no reason why a method that has proved worse than futile in the towns should prove successful in the villages.

The reason of failure is not far to seek; it lies in ignoring the basic causes of slums—high rents and the poverty of the slum dwellers. When a local authority clears out a slum area, and erects dwellings, the people who are displaced cannot afford to pay the rents that, under present conditions and circumstances, must be charged for the new dwellings. The dispossessed go elsewhere, overcrowd in another district and create further slums. Even where the rents are kept low by means of State-aided funds, the evil is not abated—its sphere of operation is merely changed.

The Minimum Wage.

Many reformers have got so far as to recognise that the question of low wages has a strong bearing on the question and are now busily advocating the establishment of a "minimum wage." Will this take us any nearer the solution of the housing problem? Low wages, it can be granted, is one of the chief factors in the problem, but wages cannot be raised by Act of Parliament. Minimum Wage Acts may be passed and money wages may be raised, but economic law, alike with experience, goes to show that prices and rents will keep pace with such advances, other conditions remaining as they are.

The Real Factors in the Problem.

The real factors in this housing problem are high rents and low wages. Rents are high because land on which houses can be built cannot be secured except at prohibitive and even extortionate prices, and because the prevailing system of rating and taxation imposes a perpetual fine on houses as soon as they are erected—the better the house the bigger the fine.

To remove slums and solve the housing problem we must cut deeper into economic tendencies; we must invoke new laws which will tend in the direction of making it easy for workers to have the use of land, and to do this we must bring the monopoliser of land into the field of competition. Just now capital competes with capital, labour with labour, and capital and labour with each other. We must bring the landowner into this circle, and we can do this only by asking him the value of the land he monopolises, so that he may be rated and taxed on this value. In such altered circumstances landowners would be readily persuaded to improve their "property" or allow others to do so. The rate collector fines the house-builder for erecting houses. We must give this public servant another job. We must send him after the man who stands in the way of houses being erected. And when we do this—the only way—by the Taxation of Land Values, at that moment a fresh demand for labour will set in and wages will advance naturally, without the help of ill-devised laws for the payment of a minimum wage, which so far as we can judge signifies a mere cut above the starvation wage now in vogue.

S. J. P.

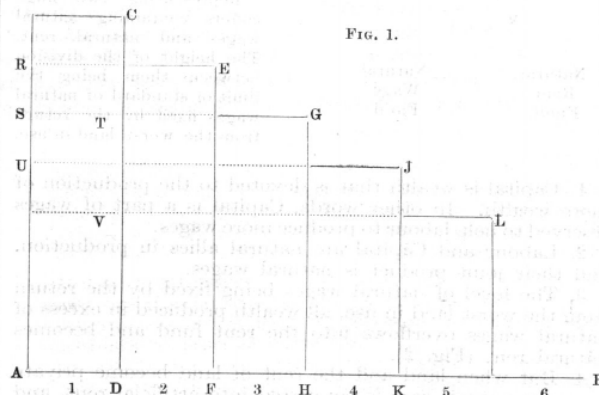
THE TRUTH ABOUT RENT, WAGES, AND TAXATION.

BY ALEX. W. JOHNSTON, M.A.

Ch. I. Natural Wages and Natural Rent.

1. Wealth is produced by labour applied to land.
2. Under equal conditions equal labour applied to equal areas of land of the same quality must produce equal returns of wealth, and the returns from areas of different qualities must be unequal.
3. The area which yields the smallest return must be the worst area in use, and other areas are better in proportion as their returns are greater.
4. The entire return from the worst area is the natural wages of the labour applied to that area, and an equal portion of the return from each better area is the natural wages for that area.
5. The difference between the return from any better area and the return from the worst is the natural rent of that better area. That is, the natural rent of any area is the amount by which its return exceeds that of the worst area in use.
6. For example, if the return from the worst area is £100 a year, the natural wages for all areas is £100 a year, the natural rent of any area is the amount by which its return exceeds £100 a year, and the worst area in use yields no natural rent.
7. Natural rent is therefore the equalisation of natural opportunities and of natural wages.
8. When better land is not available, an increase of population forces inferior land into use, and thus causes natural rent.
9. Therefore, as population increases, natural rent must rise and natural wages must fall.

Diagram of Natural Wages and Natural Rent.



1. Let the line AB represent land. Let this land be divided into equal areas, 1, 2, 3, &c. Let area 1 be first class land; area 2, second class land, and so on. Let equal labour be applied to each area in use. Let the parallelograms AC, DE, FG, &c., represent the wealth annually produced from areas 1, 2, 3, &c., respectively.
2. So long as area 1 is the only land in use, the entire return AC is the natural wages of the labour applied to area 1. But when the increase of population forces area 2 into use, the return DE is the natural wages for area 2, and the return AC is divided into two parts, viz., RC, the natural rent, and DR, the natural wages for area 1. This division is the natural distribution of wealth into natural wages and natural rent.
3. The successive increments of natural rent, CR, RT, TU, &c., and the consequent decrements of natural wages, are caused by the increase of population forcing into use the inferior areas 2, 3, 4, &c., and the same process is repeated when other inferior areas are forced into use.
4. Therefore, as population increases, natural rent must rise and natural wages must fall.
5. Natural rent is public property, and natural wages is private property.

Ch. II. Natural Rent and Natural Revenue.

1. By using machinery and employing new forces and improvements of the arts and sciences, that is, by utilising capital in production, the downward tendency of natural wages caused by the continuous increase of population is overcome.

2. That is, the joint product of Labour and Capital is added to the wage fund, and the fall of natural wages is thus converted into a great and continuous increase.

3. The increase of population compels the people to set up a form of Government to defend life, liberty and property against aggression.

4. The Governing body must have a revenue to defray its expenses.

5. Natural rent and natural wages are the only sources of revenue.

6. Natural rent is natural revenue because it is public property.

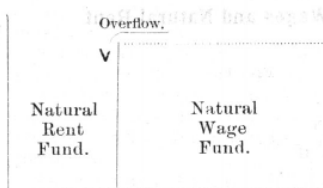
7. Collectively, all the people have a natural right to the use and enjoyment of public property, and no person can have any exclusive right to possess, use, or enjoy it. Individually, every person has an exclusive natural right to possess, use, and enjoy the entire product of his own labour, and no person has any right to deprive him of any part of it.

8. Therefore the governing body has a natural right to use natural rent as natural revenue, and it has no right to seize private property for any purpose whatever.

9. Instead of acting upon these principles, all governments have made private property of the people's common property, the land and the natural rent of land, and have raided private property to provide an artificial revenue for themselves. They have thus violated the natural rights they exist to defend.

Ch. III. Artificial Rent.

FIG. 2.



Representing two huge coffers containing natural wages and natural rent. The height of the division between them being the limit or standard of natural wages fixed by the return from the worst land in use.

1. Capital is wealth that is devoted to the production of more wealth. In other words, Capital is a part of wages reserved to help labour to produce more wages.

2. Labour and Capital are natural allies in production, and their joint product is natural wages.

3. The level of natural wages being fixed by the return from the worst land in use, all wealth produced in excess of natural wages overflows into the rent fund and becomes natural rent (Fig. 2).

4. But when land and the rent of land become private property natural rent is converted into artificial rent, and natural wages into artificial wages, by devices which enable land owners to seize as rent all the wealth produced by labour and capital, except what is necessary to keep labour alive and to replace capital consumed in production.

5. The devices which render this robbery possible are the laws of distraint and eviction, which confer upon landowners legal power to seize and sell the property of tenants and to expel them from their holdings.

6. Under these laws the system of "rackrent" flourishes, poverty increases because the wage fund is reduced to the lowest possible level, and is kept at that level in spite of the people's efforts to raise it by employing capital in the production of wages, and the law prevails that as population increases wages must fall and rent must rise.

Ch. IV. Artificial Revenue.

1. Having converted its natural rent-revenue into private property, the governing body is driven to provide an artificial revenue in its stead.

2. To raise this artificial revenue taxes are imposed, the incidence of which is hidden under such names as "Customs and excise duties," "license fees," "income taxes," and many other charges all of which are taxes on wages because they are not charges upon rent.

3. By means of an increase in rent, which cannot be resisted, any direct tax on rent is easily converted into an indirect tax on wages.

4. All taxes are therefore taxes on wages, and the artificial revenue raised by them is stolen from wages.

5. Robbed by artificial rent and robbed again by artificial revenue, no expenditure of labour and capital can raise wages, and the people are kept always on the brink of starvation (Fig. 3.).

FIG. 3.

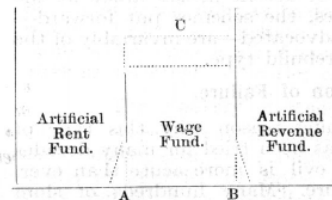


Diagram of artificial rent and artificial revenue showing (A) the valve "distrain," and (B) the valve "taxation," by which they can draw the last possible drop from the wage fund and keep the people always in poverty by reducing it below the level of natural wages (C).

6. No strike can persuade or compel the robbers to cease plundering the wage fund, and they speedily filch from the people any small increase of wages however obtained.

7. After reducing the people to poverty the governing body proposes to relieve their sufferings by levying more taxes to provide pensions and insurance funds stolen from the wage funds.

Ch. V. The Remedy.

1. The legalised robberies perpetrated by artificial rent and artificial revenue are causes of poverty, and poverty is the mother of industrial war and of many other evils which threaten to overturn the whole civilised world.

2. To put an end to these robberies, to abolish poverty and restore peace, the first thing to be done is to destroy the robbers.

3. Artificial rent can be destroyed by converting natural rent into natural revenue, and artificial revenue can be destroyed by abolishing taxation of all kinds.

4. By these means the natural rent and wage funds will be restored, and there will be no more robbery and no more poverty.

5. All the wealth produced by labour and capital will flow into the natural rent and wages funds, and will be subdivided among all the people, the natural wage fund by means of mutual services rendered by the people to each other, and the natural rent fund by means of public services rendered to all the people by the governing body.

6. The natural rent and wage funds will thus become practically one, because all the people will revive the full benefit of both.

7. Evil is very strong. It wields all the power of wealth and wickedness; the power of compulsion and corruption; it offers immense bribes and threatens terrible things to all who oppose it; and it will not be easily conquered. But evil cannot live for ever, and the final triumph of right and justice is therefore assured.

Ch. VI. Ethics of the Subject.

1. The only sound basis for civic law is the moral law, the grand ethical standard of right and justice.

2. Recognising this, the late W. E. Gladstone confessed that "what is morally wrong cannot be legally right." And it is a principle of British jurisprudence that any provision of civic law which is opposed to the moral law is void.

3. But legislators have always assumed that they have a prescriptive right to legislate without reference to this or any other standard.

4. For this reason modern legislation is a mass of conflicting and contradictory enactments and judges frequently declare the law in opposition to justice.

5. The moral law forbids theft. Therefore the civic laws are void by which the land and the natural rent of land have been stolen from the people and given to a few as their private property.

6. So also are the civic laws which impose taxes upon the people and steal their wages.

7. These laws are morally wrong because no person has any moral right to enact them.

8. Hence it is a moral obligation, which legislators cannot shirk or neglect without dishonour, to rectify these wrongs immediately.

9. That is, the public property of the nation, the land and the natural rent of land, must be restored to the nation, all taxation must be abolished, and natural rent must be taken as the natural revenue of the country.

10. This reform is a great and imperative necessity, because it is the only way to avert revolution. Already

on the horizon may be seen the clouds of the gathering storm of an industrial war that will shake the civilised world to its foundations. This war is caused by artificial rent and artificial revenue, and can be averted only by removing those causes.

YOUTH AND THE SINGLE TAX.

"To thine own self be true."

"We honour Liberty in name and form. We set up her statues and sound her praises. But we have not fully trusted her. And with our growth so grow her demands. She will have no half-service.

"Liberty! it is a name to conjure with, not to vex the ear in empty boastings. For liberty means justice, and justice is the natural law—the law of health and symmetry and strength, of fraternity and co-operation.

"They who look upon liberty as having accomplished her mission when she has abolished hereditary privileges and given men the ballot, who think of her as having no further relation to the everyday affairs of life, have not seen her real grandeur—to them the poets who have sung of her must seem rhapsodists, and her martyrs fools. As the sun is the lord of life, as well as of light; as his beams not merely pierce the clouds, but support all growth, supply all motion, and call forth from what would otherwise be a cold and inert mass, all the infinite diversities of being and beauty, so is liberty to mankind. It is not for an abstraction that men have toiled and died; that in every age the witnesses of Liberty have stood forth, and the martyrs of Liberty have suffered.

"We speak of Liberty as one thing, and of virtue, wealth, knowledge, invention, national strength and national independence as other things. But of all these Liberty is the source, the mother, the necessary condition. She is to virtue what light is to colour; to wealth what sunshine is to grain; to knowledge what eyes are to sight. She is the genius of invention, the brawn of national strength, the spirit of national independence. Where Liberty rises, there virtue grows, wealth increases, knowledge expands, invention multiplies human powers, and in strength and spirit the freer nation rises among her neighbours as Saul amid his brethren—taller and fairer. Where Liberty sinks, there virtue jades, wealth diminishes, knowledge is forgotten, invention ceases, and empires once mighty in arms and arts become a helpless prey to freer barbarians!

"Shall we not trust her?"

"In our time, as in times before, creep on the insidious forces that, producing inequality, destroy Liberty. On the horizon the clouds begin to lower. Liberty calls to us again. We must follow her further; we must trust her fully. Either we must wholly accept her or she will not stay. It is not enough that men should vote; it is not enough that they should be theoretically equal before the law. They must have liberty to avail themselves of the opportunities and means of life; they must stand on equal terms with reference to the bounty of nature. Either this, or Liberty withdraws her light! Either this or darkness comes on, and the very forces that progress has evolved turn to powers that work destruction. This is the universal law. This is the lesson of the centuries. Unless its foundations be laid on justice the social structure cannot stand."

—HENRY GEORGE.