

nature, a restriction of opportunity for those who could make use of those resources. There should indeed be no hindrance to the exchange of goods, but there should equally be no hindrance to the production of goods for if they are not produced they cannot be exchanged.

This is a point which Mr Keynes and many others ignore or evade, but it is fundamental. The relations of man to land lie at the base of all social activity. Denial of access to land causes unemployment and all its consequences. Private appropriation of the rent of land puts

into the pockets of a few what has been created by the efforts of all, and obliges the many to pay heavy taxes so that the few may continue to enjoy what all have produced. If we change that we shall enable men to have abundance instead of scarcity.

DEAR LAND MAKES LOW WAGES

A CORRESPONDENT has sent us the following interesting extract from *A Text Book of Modern English History*, by G. W. Southgate (Dent & Sons Ltd.), Book II, Chap. XLII, page 279, the more interesting because, as our correspondent says, the author seems in his chapter not to have heard of Henry George, who in his economic teaching so fully reveals the relationship of the law of rent with the law of wages:

"Free settlement began in W. Australia in 1829. In order that settlers might be attracted, land was offered at a nominal price, and many large grants were made without any payment at all. The settlers received large estates which were too widely scattered. There were no markets for their produce, and the colony was almost without roads. Labour was scarce and wages high. Labourers newly arrived from Great Britain earned so much money that they were soon able to become landowners, and the shortage of labour remained unrelieved. Under such conditions the colony failed to prosper and the home Government was asked to send convicts to West Australia. This was done between 1849 and 1868, and the labour difficulty was met.

"A different policy was followed in the colonization of South Australia. Edward Gibbon Wakefield, an English writer, contended that, for a colony to be successful land must not be too cheap. It must be sold to settlers at a 'fair price,' so that immigrant labourers would have to work for some years before they could afford to become landowners. Wakefield argued, further, that if the price of land was substantial, there was less likelihood of the formation of estates of great size. The settlement of Adelaide, in 1836, was based on these principles, land being sold at 12s. per acre, and later at 20s. per acre. But fewer settlers arrived than was anticipated, for while they could obtain land for 1s. 6d. per acre in W. Australia, it was not to be expected that they would pay a much higher price in S. Australia. The colony incurred a heavy debt, and was saved from bankruptcy only by the discovery of copper."

In his *Science of Political Economy*, Henry George thus refers to the same incident:

"Edward Gibbon Wakefield visited this country (U.S.A.) in its more democratic days in the first quarter of the century, ere the natural result of our thoughtless acceptance of land and true property as alike wealth, and our desire to get in the first place an owner for land had begun to show so fully its effects. He was impressed with the difference between the society growing up here and that to which he had been used, and viewing everything from the standpoint of those accustomed to look on the rest of mankind as created

for their benefit, he deemed the great social and economic disadvantage of the United States to be 'the scarcity of labour.' To this he traces the rudeness of the upper class—its want of those refinements, enjoyments and delicacies of life, common to the aristocracy of England. How could an English gentleman emigrate to a country where he might actually have to black his own boots, and where no one could count on a constant supply of labour ready to accept as a boon any opportunity to perform the most menial and degrading service? He saw, as Adam Smith before him saw, that this 'scarcity of labour' came from the cheapness of land where the vast area of the public domain was open for settlement at nominal prices. Without the slightest question that the land was made for landlords, and that labourers were intended to furnish a supply of labour for the upper classes, he wished the new countries which England had yet to settle to be socially, politically and economically newer Englands; and, without waiting for the slower process of speculation, he wished to bring about in these new countries such salutary 'scarcity of employment' as would give cheap and abundant labour from the very start of settlement. He, therefore, proposed that land should not be given, but sold at the outset, at what he called a sufficient price—a price high enough to make labourers work for others until they had acquired the fund necessary to pay a price for what nature offered without money and without price. The money received by the state in this way he proposed to devote in paying the passage of suitable and selected immigrants. This would give from the start two classes of immigrants to settle the great waste places which England still retained, especially in Australia and New Zealand—the better class, who would pay their own expenses, and buy from the government their own land, which would at first have a value; and the assisted class, who, being selected from the best workers in the old country, would at once be able to supply all the required labour. Thus the new country, where this plan was adopted would from the first, while wages were still enough higher than in England to make working-men, especially if assisted, desire to go there, offer the inducement to a wealthy and cultivated class of a 'reasonable' and ready supply of labour, and save them from such hardships from the lack of it as made the United States so unattractive to the 'better class' of Englishmen.

"This plan was very attractive to the more wealthy and influential class of Englishmen concerned in, or thinking of, emigrating to the newer colonies." It was "another curious example of the perversion of the doctrine of the relation between land and labour" but "even its obvious inferences never affected the teaching of

political economy." We would add, not until *Progress and Poverty* was written, shedding its light on the matter.

Karl Marx in *Das Kapital* also drew the moral in the following passages:

"It is the great merit of E. G. Wakefield to have discovered, not anything new about the colonies, but to have discovered in the colonies the truth as to the conditions of capitalist production in the mother-country. As the system of protection at its origin attempted to manufacture capitalists artificially in the mother-country, so Wakefield's colonization theory . . . attempted to effect the manufacture of wage-workers in the colonies. . . .

"First of all, Wakefield discovered that in the colonies property in money, means of subsistence, machines, and other means of production, do not as yet stamp a man as a capitalist if there be wanting the correlative—the wage-worker, the other man who is compelled to sell himself of his own free-will. He discovered that capital is not a thing, but a social relation between persons, established by the instrumentality of things. Mr Peel, he moans, took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of £50,000. Mr. Peel had the foresight to bring with him, besides, 3,000 persons of the working class—men, women and children. Once arrived at his destination, 'Mr Peel was left without a servant to make his bed or fetch him water from the river.'"

From *The Times* of 23rd May, 1842: He (Lord Brougham) distinctly declares that a legislative provision for the poor is a grand mischief; and he refers to "The accursed statute of Elizabeth" as opposed to "the true principles of population on which a Malthus has enlightened mankind!" He takes his ground on these principles and on Malthus, who says, "A man who is born into a world already possessed, if he cannot get subsistence from his parents, on whom he has a just demand, and if the society do not want his labour, has no claim of right to the smallest portion of food, and, in fact, no business to be where he is. At nature's mighty feast there is no vacant cover for him. She tells him to be gone." This is Lord Brougham's creed.

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