

it is only necessary, as land varies in its advantages, that the value of any such advantage should be taken for common purposes—from the occupier of a favourable portion of the common inheritance.

To prevent confusion of thought, however, in regard to this statement it is essential to remember that the value of "improvements" traceable to the private expenditure of labour and capital upon the land is not included. It is only after these improvements have been deducted that the value of any advantage of productivity or position should be measured for communal use. After this deduction has been made the economic advantage of purely rural land might be very small whilst in the centre of London and our large cities it would be very great; but whether large or small, whatever it is, the value should be taken for common use.

The economic effect of taking economic rent for communal use would immediately react upon such problems as overcrowding and unemployment.

It was only possible to lay the matter before the meeting as a broad question of principle, and the inadequate time for general discussion made it difficult for the meeting to record a considered judgment. The minute recorded was distinctly of a non-committal character and read as follows:—

Yearly Meeting, Minute 67.

Minutes of London and Middlesex and of Yorkshire Quarterly Meetings respecting the private ownership of land, minerals and water are received and have been spoken to by Charles H. Smithson.

In setting before us the fact that the earth and its natural resources have been provided by the Creator for the use of all His creatures, Charles H. Smithson has asked us to consider the many evils that result from the present application of private ownership.

While unprepared at this time to make a definite pronouncement on the general principle involved, we recognize the importance of the question and encourage Friends to give careful study to it in all its bearings.

The Quakers were the first of the Christian Churches to take up the question of chattel slavery as a subject involving a religious principle—but the same hesitation was shown in the early days of the anti-slavery movement to discuss the question as a matter of principle.

"You left journalism a profession," said Mr. Kennedy Jones, one of the founders of the DAILY MAIL, to Lord Morley, "we have made it a branch of commerce." And in his book on journalism, Mr. Jones proceeded to describe the kind of commerce he had in mind. "What sells a newspaper?" he asked. And his answer was: "First, war; secondly, a State funeral; and thirdly, a first-class murder." Or take Mr. Jones' great partner, Lord Northcliffe. A friend of Lord Northcliffe once reproached him with his method of conducting the DAILY MAIL during the Boer War. Lord Northcliffe promptly replied: "Prove to me that two-thirds of England is pro-Boer, and I'll make the DAILY MAIL a pro-Boer newspaper to-morrow."—H. W. Massingham, formerly editor of THE NATION, in the CO-OPERATIVE NEWS, 28th June.

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To Colonel Josiah Wedgwood, M.P.,
Chancellor of the Duchy of Lancaster.

DEAR "JOSH,"—Right glad I am to find you speaking out on the land question which lies at the root of so many social evils, and I hope we shall not be presently told you were "not speaking for the Government." Land reform ought to make a compelling appeal to the mind and heart of Labour, for land-hunger and poverty walk hand in hand.—JOHN BULL, 28th June.

THE ANALYST ANALYSED

By W. R. Lester, M.A.

Mr. Wheatley, the Minister of Health, has made an analysis of the rent payable on a working class house of the type it is proposed to build under the Government's Housing Bill at a cost of £500, which sum is to be raised on loan at 5 per cent. per annum repayable in 60 years. He wishes to show just where the rent charged for the house goes and how it might be reduced. His method is to find out how much of this rent is due to: 1st, land; 2nd, wages; 3rd, cost of materials and profits; and 4th, the £500 loan.

Having arrived at this, he divides each by 60 and finds that the land accounts for 1½d. per week per house, materials and profits 1s. 10½d., tradesmen's wages 1s. 3d., interest on the loan, 6s. 6d. The useless burden of finance is therefore twice as great as all the really useful services put together. So that, if it could be eliminated, the houses would be let at one-third of the rent now possible and no subsidy would be necessary because the rent would then be within the tenant's reach. "The burden of finance," he says, "trebles the rent, because 6s. 6d. per week has to be added to pay interest to bondholders who have done nothing but lend their credit. This charge," he says, "cannot be justified and under Socialism would not exist."

Such is the analysis of the Minister of Health. Let us analyse the analysis.

The situation is that a very large number of new houses are needed and Mr. Wheatley undertakes to provide them. But not having the money and being unwilling to add to taxation, he invites subscriptions to a Housing Loan on which 5 per cent. interest is offered, payable over a term of 60 years. Having got the money on these terms, he turns to the nation and tells it that an unduly high rent must be asked for the houses because of the demands of the unproductive bondholders and that were it not for this burden they could be let at an economic rent.

Now, for anyone to borrow money for house building and then say the cost of the house is the land, labour and materials *and in addition* the borrowed money, is absurd. That is to compute the same thing twice over. The money is borrowed to pay for the land, labour and materials which make up the house, so Mr. Wheatley is guilty of the absurd statement that the cost of the house is double the cost of the elements which constitute it.

Suppose Mr. Wheatley, desirous of starting a business in coats, enters a store with a view to acquiring a stock-in-trade. He finds that £2 is asked for each coat, which represents the wages, materials and profit in the cost. To this price he agrees. But, being short of cash, he asks the storekeeper to advance him the necessary loan and undertakes to repay him with interest over a term of years. A bargain is struck and Mr. Wheatley departs with the coats. He now proceeds to price his stock-in-trade with a view to making sales and decides that, if costs are to be covered, he must not only charge for the wages, cost of materials and the storekeeper's profit, which amount to £2 in all, but in addition the sum of all the interest payments he has to make to the storekeeper which amounts to £4. To avoid loss he says he must therefore charge £6 per coat. When his customers say they cannot afford any such price Mr. Wheatley tells them he is forced to ask it because of what he has to pay on the loan made to him by the storekeeper, though were Socialism in operation he declares he could sell at £2 instead of £6 as under Socialism usury charges would be abolished. In all this there is a screw loose and the same screw is loose in Mr. Wheatley's analysis of house rents.

Analysis of Mr. Wheatley's analysis discloses a further mistake. Though simple, his method is fallacious, because he treats as identical things that are different. The loan transaction which is based on deferred payments, he treats as identical with the wages and material transactions which are on a basis of cash down. Mr. Wheatley makes no allowance for the fact that while wages and materials are paid for on delivery of the goods, repayment of the Housing Loan is spread over a period of 60 years and that no one will sell as cheaply when payment is deferred as when it is on a cash basis. Wages, he says, account for 1s. 3d. of the weekly rental of each house and materials account for 1s. 10½d. Let Mr. Wheatley ask the workers and the providers of materials what their charges would be if they were told that repayment for their work were to be deferred for many years.

It is more desirable to get payment to-day than years hence. Thus arises interest which is only compensation for the disadvantage of deferred payment. We set up no defence of interest as it operates under present unjust conditions. Given an unjust distribution of capital, interest must also be unjustly distributed and become the perquisite of the few. But we hold that when men gain equal right to land they will have won an equal chance to gain capital. Then both capital and interest will be widely and fairly distributed and Mr. Wheatley's need to borrow will no longer exist.

The trouble is not that borrowed money has to be repaid with interest but that the State has to borrow money for houses at all. Business carried on with borrowed money is bound to be costly whether the goods dealt with are houses or coats. Mr. Wheatley should ask himself why he is driven to borrow before he can build his houses, and if he does so he will trace it to the diversion of the State's natural revenue—land rent—into private pockets and to the consequent necessity imposed on the State of getting its revenue by taxing and rating products of industry such as houses. This burden on housing has to be imposed in consequence of the prior wrong which is permitted—the private confiscation of the rightful communal revenue. At a very moderate estimate this burden of rates and taxes on houses amounts to 50 per cent. of the rental. This is the penalty now imposed on the building industry which of course, has to add these rates and taxes to house rentals. Though we are constantly told it has failed, private enterprise in the building trade is given no chance. Remove this 50 per cent. penalty and houses will be provided by those whose business it is to build them and let at fair rents, without the State having to borrow or tax a penny. Mr. Wheatley would then no longer labour under the necessity of borrowing because the proper revenue of the community would be available for the purposes of the community.

Mr. Wheatley, therefore, has no reason to complain because the State has to repay with interest money borrowed for housing. The wrong really has its origin in a landless population from most of whom all chance of gaining capital has been taken away. The small minority, alone, have any such chance and thus in a very real sense they become the tribute gatherers whom Mr. Wheatley denounces.

The MONTHLY BULLETIN issued by the Mid-Bucks Liberal Association contains in its May number an article on the Taxation of Land Values, contributed by Mr. Rupert East.

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KARL MARX AND THE LAND QUESTION

From an address at the Henry George Club (London),
By MRS. M. F. DOUGLAS, M.A.

Mrs. Douglas began her informing address in dealing faithfully with Karl Marx's well-known views on "Capital." Coming to the land question, the lecturer continued, we have the great admission (*DAS KAPITAL*, p. 739.): "The expropriation of the agricultural producer, of the peasant from the soil, is the basis of the whole process." Marx then gives a brief history of the expropriation in Britain. "In the 15th century the majority of the population were peasant proprietors; there were a few wage labourers who however owned their own cottages and a few acres of land, besides having the use of the common land. In the beginning of the 16th century the great feudal lords drove the peasantry from the land and usurped a great deal of the common land to sheep farms. Then came the reformation and the suppression of the monasteries which were the feudal owners of a great part of the land. Those who received the church lands drove out the peasants and in the reign of Queen Elizabeth the first paupers are met with and the first poor rate levied (p. 746). After the restoration of the Stuarts the landed proprietors carried, by legal means, an Act of Usurpation, effected everywhere on the Continent without any legal formality. They abolished the feudal tenure of land, *i.e.*, they got rid of all its obligations to the State, indemnified the State by taxes on the peasantry and the rest of the mass of the people, vindicated for themselves the rights of modern private property in estates to which they had only a feudal title and, finally, passed those lands of settlement which, *mutatis mutandis*, had the same effect on the English agricultural labourer as the edict of the Tartar Boris Godunov on the Russian peasantry. The 'glorious revolution' brought into power, along with William of Orange, the landlord and capitalist appropriators of surplus value. They inaugurated the new era by practising on a colossal scale thefts that had hitherto been managed more modestly" (p. 746).

The last great usurpation took place between 1801-1831 when over 3½ million acres of common land were enclosed by Acts of Parliament. The same kind of thing happened in Scotland where the clansmen were driven from the land with the greatest brutality and ruthlessness by the heads of the clans who appropriated the lands.

Consequent on this we get legislation against vagabondage. These people were who driven off the soil could not find employment in the towns in the small industries so they became tramps and beggars. They were branded and whipped for something which they could not help. Marx says: "The fathers of the present working class were chastised for their enforced transformation into vagabonds and paupers. Legislation treated them as voluntary criminals and assumed that it depended on their own goodwill to go on working under the old conditions which no longer existed" (p. 748).

He says, "Self-earned private property that is based, so to say, on the putting together of the isolated independent labouring individual with the conditions of his labour is supplanted by capitalistic private property which rests on the exploitation of the nominally free labour of others" (p. 788). From that it would appear that Marx has no objection to private property provided that it represents merely the earnings of the labour of the owner and nothing more and nothing less.

But "political economy confuses in principle two very different kinds of private property, of which one rests on the producer's own labour, the other on the employment of the labour of others" (p. 790). In the colonies the two systems are side by side and