

LAND VALUES.

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"OUR POLICY."

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacred to the individual all that belongs to the individual."—Henry George.

RENT—ITS USE AND ABUSE.

RENT is very commonly spoken of as though it were a necessary evil and must always remain a species of fine imposed upon industry. It may, therefore, not be amiss to make clear precisely what is the natural function of rent, and to show in which circumstances it is a blessing and in which a curse. It should scarcely be needful in this place to say how rent arises. It is simply a difference. It is the price paid for leave to use a superior natural opportunity. Natural rent is not the product of individual labour, but that of the superior opportunity on which individual labour is exercised. Forming therefore no part of the earnings of individual labour, clearly it does not rightly belong to the individual. Granted that all men have equal rights to satisfy their wants with the smallest exertion possible, provided only they do not infringe on the equal right of others, and it follows that none can rightly have exclusive use of superior opportunities without paying compensation to those of their fellows who have in consequence to work on opportunities incapable of yielding so much to their labour.

Were these latter not so compensated the equal right of all men to equality of reward for equality of exertion and skill would be violated, though this indeed is the highest, and some will even affirm the only duty of the State to secure. On the other hand,

given such compensation for use of superior opportunities and equal reward for equal exertion is "ipso facto" secured to all.

Rent then under natural conditions is the compensation paid by those who are allowed exclusive use of superior natural opportunities to those who in consequence of their exclusion have to use inferior natural opportunities, and from this it follows that the true function of rent is simply that of an equaliser or leveller. Not, be it noted, an equaliser of ability nor yet of the yield to varying degrees of ability, but simply a means of securing equality of yield to equality of ability, exertion, and skill, and the corollary is that with rent allowed to perform this its proper function, varying degrees of exertion would secure varying degrees of reward—*i.e.*, reward would be proportioned to service rendered. Allowed thus to perform its real mission rent ensures equal chances to all, and the question may well arise: Is it not possible that given such conditions we would have no call for further Governmental interference between the members of a community, for each then reaps the consequences of his own action or inaction?

With rent thus performing its proper function, "Laissez faire" would then have come by its own. We could safely "let alone," for "the ways having first been cleared" none could command service from others without having rendered it to others.

Take as illustration the case of two tradesmen whose shops are situated, one in the centre of a town and the other in the outskirts, and suppose them to be possessed of equal stock, equal skill, and equal industry, but that, while 10,000 people daily pass the window of one, only 1,000 pass the window of the other. We might then infer that one will make ten times the income of the other, unless some equalising influence is brought in to adjust the balance. And to attain justice some such equalising influence is obviously needed, for the two men are equally productive members of society and there is no reason why one should profit more than the other from a circumstance with which neither of them has had anything to do—the circumstance that the number of passengers through different streets varies. But it is precisely this circumstance which here gives rise to rent, and rent must therefore be paid into the common fund by the more favoured tradesman and divided equally between the two men, thus ensuring that on one condition only can the income of one exceed that of the other—*viz.*, that he shall have exercised greater diligence and greater skill. That is to say, this compensation paid for use of the superior opportunity determines that one shall be able to command greater service provided only that he has rendered greater service than the other.

Natural rent then is wholly beneficial in its action. Let us now see how rent may become harmful. Rent always will and must persist so long as men have to

work on varying opportunities. But though we can never abolish it, control it we certainly can. That is, we can determine what use is to be made of it, and who is to profit by it.

There are only three directions in which it can possibly be made to flow — (1) It may be equally distributed among all the members of a community, or, what is the same thing, used for purposes from which all derive equal advantage. Were this done we would have the Single Tax on the value of land. (2) It may be allowed to remain in the hands of occupiers in which case equal degrees of exertion on the part of occupiers will not meet with equal reward. This is the case with peasant proprietorship. (3) It may be appropriated by a distinct and favoured non-producing class who perform no service to society in return for the privilege granted them. This is landlordism as at present known in England.

Only when used in the first of these three ways can rent perform its natural office of equaliser, because only when so employed does it take from those who are privileged to use specially productive land and divide the excess of its produce equally among all thus equalising to all the chances of making wealth.

When employed in either of the other two ways rent, instead of being an equaliser becomes, on the contrary, the most potent engine of inequality.

But more. If so employed spurious or artificial rent soon appears owing to the inducement offered to individuals to withhold land from use. For spurious or rack-rent to arise it is not necessary that this habit should be universal, nor for that matter, general even. It is enough if only a little desired land here and there be withheld from use to artificially raise rent of all the remaining used land. For now in order that the community shall be able to satisfy its wants it must make up for the artificially-created deficiency by having recourse to land of a lower quality than would under natural conditions have been necessary.

This lower quality of land which was previously rentless is now forced to yield an artificial rent. But the matter does not end there, for the rent of all superior land is forced to rise in like degree, so that rent over the whole field of industry rises above its natural level, that is, spurious or rack rent becomes general.

But not only is the producer under these circumstances forced to yield more in rent, but the actual return to his labours, quite apart from payment of this exaction, becomes less, owing to the circumstance that now some labour is driven to work on less fruitful opportunities than it would have done were no desired land withheld. For spurious rent, unlike natural rent, is a deduction from the earnings of individual labour. Resulting as it does from the forcing of labour to make use of poorer opportunities, each worker over the whole field of industry receives for his services a proportionately lower reward.

The injury to the community by the perversion of rent into private hands is therefore threefold—

- (1) It can no longer perform its natural function of equaliser of opportunity.
- (2) Higher tribute is exacted for the right to work.
- (3) There is a smaller gross produce out of which to pay the tribute.

And what is the moral? The effect of the law of rent on the relationship of men to each other in society is good. But when diverted from its natural use, as today is the case, it becomes a scourge to humanity, determining that though service be rendered by some, they shall be unable to command equal service in return, so that while some shall be doomed to labour for miserable reward, others shall, without labour, exertion, or service rendered, continue to live on the fat of the land.

W. R. L.

PUBLISHER'S NOTES.

"Land Values" is increased in size this month by four pages. An extra supply is printed in view of the Edinburgh Conference and public meeting to be held on the 28th inst.

Now is the time to enrol new Subscribers. We ought to reach to a much greater extent the public growing daily more interested and concerned in the progress of the movement. The best kind of spade work going is to obtain half-a-dozen additional readers for "Land Values."

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