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AN OPEN LETTER TO AN ECONOMIST

(Prompted by a Radio Address recently delivered by Sir William Beveridge, Principal of the London School of Economics.)

If economists pursued scientifically the study of Economics and with boldness and freedom of thought aided the diffusion of its truths among the thinking members of the community, governments would be obliged to remove the cause of unemployment. It is more than 40 years since professional economists were reminded that: "Thought on social questions is so confused and perplexed, that the aspirations of great bodies of men, deeply though vaguely conscious of injustice, are in all civilized countries being diverted to futile and dangerous remedies, is largely due to the fact that those who assume and are credited with superior knowledge of social and economic laws have devoted their powers, not to showing where the injustice lies but to hiding it; not to clearing common thought but confusing it." Or, to express this somewhat differently, have not many in the economic field "first raised a dust, and then complain that they cannot see," as Bishop Berkeley said of the philosophers of his day?

Unemployment must be due to some large general cause which operates so powerfully as to prevent the productive power of Labour from the actual production of sufficient wealth to meet the consuming desires of Labour. This is the true position despite the common fallacies that there is an actual abundance of commodities awaiting consumption; and that employment depends on the use of money, and can be increased by governmental use of the money taken by taxation, or borrowed (at rates of interest higher than at present) from the sums alleged to be lying "idle" in banks.

The law of production is that demand for consumption determines the direction of labour in production. If men did not possess desires to be satisfied for food, clothing, shelter, comforts and luxuries there would be no production; and that they find it mutually advantageous to produce these things by sub-dividing their labour and exchanging the products cannot account for the unemployment and limitation of production. When the "dust" is cleared away, it will be seen that the cause of the unjust distribution of wealth is also that which checks that full production of wealth necessary to satisfy the ever-increasing desires of men.

The fact that has to be frankly faced is that there is a serious wrong at the base of our productive organization, which prevents a "just deal," or a "fair field and no favour." One of its manifold effects is that the general diffusion of knowledge is largely impeded. Careless

thinkers, therefore, can bring some of the effects of the wrong into the political field for incessant governmental tinkering without much effective opposition; and so, matters which belong to the sphere of individual wealth production, and which would disappear with the removal of the primary wrong assume the appearance of insoluble social problems. Meanwhile, the tinkering with the results of injustice provides an increasing number of careers, and honours and emoluments for the modern type of reformer.

Anyone sincerely desirous of ending unemployment, and capable of reflection cannot fail to recognize the great wrong that causes it. Is it not the divorce of Labour from land—that some of our number possess the legal privilege to permit or to deny us—as their pecuniary advantage influences them—the use of land? All production consists in changing the place or form (or both) of what nature supplies, and no occupation whatever can be carried on without the use of land; yet, through all the multifarious stages of production from Mother Earth to the retail shop the permission of ground-landlords has to be obtained and tribute or "legalized spoils" paid to them for such permission. In addition production has to carry the burdens of taxation and rating (greatly increased by the collective tinkering) because governments allow the private tax-gatherers to take our common fund. Continue this wrong, and what proposals, schemes, plans, "new deals," with their increase of bureaucracy can avail us? Such quack remedies strengthen land monopoly, and are not only unnecessary, but also unjust, uneconomical, wasteful and ineffective. They are merely devices to re-arrange the wealth that has been already distributed as Wages; and they leave untouched the legal power which decides not only the amount of wealth that shall be produced, but also its present maldistribution.

Men are locked out from the field of employment provided by Nature. Legally deprived of their natural alternatives for satisfying their desires by their labour, they are left with the sole recourse of asking employment from those whom the ground-landlords have granted permission to use some of Britain's natural opportunities for employment; and in their hundreds the landless members of the community seek to be hired by those so permitted to organize the production of wealth, thus artificially restricted. In this helpless condition, the successful applicants must agree to surrender the larger part of what they produce. Not that employers (who are solely employers) retain the difference (so greatly in excess of what would be the natural economic rent if the available supply of land was not legally limited)! Employers (except those who are rent beneficiaries also) are obliged to surrender it under the leases or conveyances permitting them the use of land.

The Taxation of Land Values accomplishable by a Budget is imperatively necessary to force into full availability for use the land of Britain, and thus destroy the land monopolist's enormously profitable but very destructive control over the life productive power and property of each of us.

This is the "ace" we have been slow in playing. Those who should be the leaders have turned timidly away from challenging the landed interest and accept or seek the material rewards of time-servers. "There may be no last resort" in which to play it before we experience the full and catastrophic effects of not conforming our institutions to just and rational principles.

You appear to realize that our Civilization is gravely

menaced, and that "we have to find that ace . . . and play it before the game is over," as you say. This has induced me to write you with some hope that you will give unfettered thought to the merits of the Taxation of Land Values; that such consideration will enable you to recognize the far-reaching and beneficent results that can flow from its adoption; and that your hatred of injustice and your moral courage may be strong enough to oblige you to stand boldly for the proposal.

Unless you direct your intellectual powers to the removal of the injustice of land monopoly, you have, as a prominent member of the community, a greater moral responsibility for its continuance than have most of your fellow-countrymen. The proposal asserts the equal rights of each of us to use the land of Britain, and our common or joint right to its economic rent. It is a fundamental liberating reform, and not one by which its proposers presume to plan, or to construct a new society, after the fashion of some who, influenced, perhaps unconsciously, by the advantage to themselves, desire power to control, more or less, the lives and actions of their fellow-creatures.

The Taxation of Land Values can be recognized as the essential means for allowing each individual on this Island to do, almost without effort, by availing himself of the enormous productive advantages of material progress what Robinson Crusoe on his island did successfully but very laboriously in the absence of these advantages, viz., satisfy his desires by the application of his labour to land, free from land-owning and governmental interferences.

E. J. McMANUS.