

and transfer their holdings to a new body of holders who will continue to hope to realize their holdings at the speculative prices which they paid. The final collapse of the boom has thus been definitely delayed, and economic recovery so much postponed.

The whole world of those who live by their own labour is being impoverished by the failure to see the inexorable cause of economic depression which Henry George identified more than fifty years ago and the simple and sufficient remedy for it which he indicated. The purported remedies for the crisis are merely prolonging it and rendering it still more acute.

F. C. R. D.

"MARK RUTHERFORD" ON "PROGRESS AND POVERTY"

The centenary of Hale White, generally known as "Mark Rutherford," the author of *The Revolution in Tanner's Lane* and other works, was celebrated on 22nd December, 1931, when his eldest son, Sir William Hale White, unveiled a Tablet on the house in High Street, Bedford, where his father was born.

The following appreciation of *Progress and Poverty* was addressed by "Mark Rutherford" to Mrs Colenutt, Park Hall, Carshalton, Surrey, 21st October, 1882 :—

"Ask your husband if he has read George's *Progress and Poverty*. I have just gone through it twice. It is a great epoch-making book, denounced furiously of course, but intensely interesting. It is being sold in the streets here for 4½d., and the edition I have is the 25th !

"It is all about political economy, but the conclusions are a revelation, and it has dropped a seed into the minds of thinking men which will split the rocks. I have been unable to let go of it, and was up at half-past four this morning to finish it. Whether you yourself will care for the discussions in the earlier part, on which, however, everything depends, I do not know, but I am sure the last few chapters will pin you.—W. H. WHITE."

We are indebted for this interesting reference to the book Joe Fels was wont to name one of the "Bibles of the world," to Mr John Cameron, Librarian, Dunoon.

In sympathy with "Mark Rutherford's" opinion we take this passage from one of the last few chapters of *Progress and Poverty* :—

"The law of human progress, what is it but the moral law ? Just as social adjustments promote justice, just as they acknowledge the equality of right between man and man, just as they insure to each the perfect liberty which is bounded only by the equal liberty of every other, must civilization advance. Just as they fail in this, must advancing civilization come to a halt and recede. Political Economy and social science cannot teach any lessons that are not embraced in the simple truths that were taught to poor fishermen and Jewish peasants by One who eighteen hundred years ago was crucified—the simple truths which, beneath the warpings of selfishness and the distortions of superstition, seem to underlie every religion that has ever striven to formulate the spiritual yearnings of man."

THE NEW POLITICAL ECONOMY

Address by John B. Sharpe

*The Principle and Policy of Land Value
Taxation Clearly Explained*

24 Pages. Price One Penny. 6s. per 100.

PROFESSOR EINSTEIN AND HENRY GEORGE

In a letter to Mrs E. C. Evans, Pa., U.S.A., of date 8th October, 1931, and circulated last month by the American Economic League (626 Munsey Building, Baltimore), Professor Einstein, acknowledging a copy of *Progress and Poverty*, writes :—

"I read the largest part of the book by Henry George with extraordinary interest, and I believe that in the main points the book takes a stand which cannot be fought, especially as far as the cause of poverty is concerned. As far as I can judge, the views propagated in this book coincide completely with the results of Franz Oppenheimer, a contemporary, who evidently found them independently. I do not agree with the theory of interest.

"The suggested remedy of ownership of the soil seems more a problem than solution. Is it intended, for instance, that the soil is to be the property of the community and the house on the soil private property ? Anyhow, it seems to be of highest importance that the character of the evil was shown clearly. Already for this reason it would be important if the book would find due consideration."

It is encouraging to a degree to know that the great scientist is among so many tens of thousands who to-day, for the first time, are reading and studying *Progress and Poverty*. In the dominating realm of Science, Professor Einstein is a man among men. His commendation of the book will assuredly persuade many others to become acquainted with it, and its dynamic appeal.

In the higher walks of life there has been nothing like this good word since the advent of Leo Tolstoy, who, also, in his day, had the world for an audience. He wrote :—

"The injustice of the seizure of the land as property has long been recognized by thinking people, but only since the teaching of Henry George has it become clear by what means this injustice can be abolished. . . . Henry George was the first to give a simple straightforward answer to the usual excuses made by the enemies of all progress who affirm that the demands of progress are illusions, impracticable, inapplicable. The method of Henry George destroys these excuses by so putting the question that by to-morrow Committees might be appointed to exercise and deliberate on his scheme and its transformation into law."

By this time Professor Einstein will have read further to see the conclusion of the argument. It is : *We must make land common property. The method is—to appropriate rent by taxation ; and this proposition may be put into practical form by proposing—to abolish all taxation save that upon land values.* "In this way," the book explains, "the State may become the universal landlord without calling herself so and without assuming a single new function. In form the ownership of land would remain just as now. No owner of land need be dispossessed and no restriction need be placed upon the amount of land anyone could hold. For, rent being taken by the State in taxes, land, no matter in whose name it stood, or in what parcels it was held, would be really common property and every member of the community would participate in the advantages of its ownership."

Professor Einstein says he does not agree with Henry George's theory of Interest. But that need not disquiet him or any student, because all that Henry George has written on Interest could be taken out of *Progress and Poverty* without invalidating any of its conclusions. Dealing with the Law of Interest, Book 3, Chapter 5, Henry George says :—

"I have endeavoured at this length to trace out and

illustrate the law of interest more in deference to the existing terminology and modes of thought than from the real necessities of our inquiry, were it unembarrassed by befogging discussions. In truth, the primary division of wealth in distribution is dual, not tripartite. Capital is but a form of labour, and its distinction from labour is in reality but a sub-division, just as the division of labour into skilled and unskilled would be. In our examination we have reached the same point as would have been attained had we simply treated capital as a form of labour, and sought the law which divides the produce between rent and wages; that is to say, between the possessors of the two factors, natural substances and powers, and human exertion—which two factors by their union produce all wealth."

May we hear more—very much more—from Professor Einstein on the merits of Henry George's philosophy and practical proposals, in relation to the unsolved threatening questions of our time. Meanwhile we gladly pass on to Mrs Evans a cordial vote of thanks for bringing *Progress and Poverty* to a distinguished and promising new recruit.

J. P.

OFFICIAL LIBERAL POLICY

The National Liberal Federation, towards the end of the programme it has circulated for acceptance at its Annual Meeting in Clacton, 28th and 29th April, 1932, declares that:—

"We must closely scrutinize our system of taxation and our public expenditure, levying only such taxes as are at least burdensome to industry and to the standard of life of the people; securing to the community its share of the values created by its presence and activity and cutting down all unproductive expenditure to the absolute minimum, while having the courage to spend where spending strengthens us."

The National League of Young Liberals, at its Annual Meeting in Bradford on 26th and 28th March, adopted a resolution on Objects and Policy, the seventh item of which was:—

"To assert the rights of the people in the land, to ensure that all natural resources are used to the best advantage of the nation, and to recover for the community the values it has itself created."

These Liberal pronouncements are phrased in a paltry and evasive manner, as if fearing to commit the Party to the straightforward policy of the Taxation and Rating of Land Values. To speak of "securing to the community its share of the values created by its presence and activity" is altogether too vague. It may, for example, mean an increment tax, and not a direct Tax on Land Values. Why not be explicit?

At the Scottish Liberal Federation Annual Meeting held at Glasgow, 6th April, a "defect" in the Official Report was repaired by the following Amendment moved by Capt. A. R. McDougal, speaking for Sir Henry Ballantyne, who was unable to attend the meeting. The Amendment, which was approved, was in the following terms:—

"To re-affirm the demand of Liberalism for Land Values Taxation and protesting against the decision to suspend the Valuation provided for in the Finance Act, 1931."

In his observations (*Glasgow Herald* report), Capt. McDougal gave tone and character to the discussion:

"The Land Valuation had been suspended by the National Government with the acquiescence of the Liberal Members. It had been sacrificed in the interests of economy by a Government which was to spend £6,000,000 in the year on a Wheat Quota and was continuing the Sugar Beet Subsidy. That was a curious position for any Liberals to occupy."

It is more than "curious," it is ominous and Capt. McDougal assuredly spoke for the rank and file of the Liberal Party and for millions of citizens attached to its political opponents. The Official Liberal back-sliding on the Land Value Policy has no correspondence with the radical sentiment for it in the country. But that is a story by itself.

The findings of the Liberal Party on Radical Land Value Taxation these past 40 years are year in and year out on record, and on the whole they constitute no mean contribution to the thought.

The position of the Party on the Land Value policy was summarized by its late leader, Lord Oxford and Asquith, in Buxton, 1st June, 1923. We quote:—

"It is time for us once more to reassert that we recognize for the purposes of taxation, whether imperial or local, a distinct difference between two kinds of value—the value created by the energy and enterprise of individuals, and the value which is not so created but which arises from the progress and general development of the community at large. Upon this fundamental distinction we have always taken our stand, and we hold that, so far as practicable, local and national taxes which are necessary for public purposes should fall on the publicly created value rather than on that which is the product of individual enterprise and industry."

"This does not involve a new or additional burden of taxation; it is a substitution of one system for another. It would, however, produce these two consequences: first, we should cease to lay the burden of taxation on enterprise and industry; and secondly, land would come more readily and cheaply into the best use for which it is fitted. These two things would be potent promoters of industry and progress."

This statement, issued by the Liberal Publication Department, was accepted by Liberals everywhere as a happy and illuminating summary of the case. It ought to govern, as it was designed to govern, the position of the question in Liberal circles and in Liberal organization.

The difficulty all along with the official Liberals and the Taxation of Land Values is that they cannot or will not relate the policy to unemployment and Free Trade. They side-glance at the relationship, but evidently swayed by anti-Land Value Taxation sentiment at the council board—to put it mildly—when it comes to trade and employment, they talk at large on trusts and combines, European unrest, the housing problem to be cured by subsidies and, generally speaking, in their own language "calls upon the Government of the day for the exercise of greater energy and enterprise in this and other productive directions."

The Liberal rank and file accepted the Radical lead of the Municipal and organized movement for Land Value Taxation. On ten thousand Liberal platforms the policy was hailed as an emancipating reform. The failure to give effect to it lies at the door of the Liberal leaders. In whispering away the Land Value policy they weakened the strength of the Party in the country beyond recall. The tragedy is that even now they cannot see the folly of trying to "Conquer Unemployment" without first putting an end to land monopoly.

The people voted for the policy at the General Elections in 1906, twice in 1910, and again in 1929. On the first occasion the House of Lords in 1906 cast out the Land Values (Scotland) Bill; in 1922, the Coalition Government destroyed the Land Value part of the 1909 Budget. In 1931 there was strong popular backing in the country for Mr Snowden's measure.

J. P.