

## An Historian's Conclusions

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**D**URING the first decade of this century, the great politico-economic debate in Great Britain was Free Trade or Protection. "Tariff Reform" was the cloak in which Protectionism then masqueraded. I was in my teens; and my interest in public affairs was from the first economic rather than political. My family background was Liberal and the little reading of history I had already done confirmed my belief that this 'ism' was the right one. Of course I was a Free Trader. I had read every available pamphlet on the Free Trade side of the question and also most of what the other side had to say—imported goods were all produced under sweated labour conditions and dumped upon a sorely depressed and unwilling British people; every manufacturing interest was being ruined by untaxed imports and only a privileged place in the home market could save it. It appeared that foreigners had no right to be in our market but that we had a peculiar and exclusive right to be in theirs. Old beliefs die hard!

Meantime, the Socialists were busy assuring the work-ing-man that the question was of little consequence to him, and that he was exploited by the capitalists. I used to listen to the Clydeside "rebels" on this theme when they visited my home town. Nonetheless, I could never have it demonstrated conclusively to me that the man who saved and set up a business was committing a crime or harming anyone.

It was at this time that a relative handed me a wellworn paper-covered copy of *Protection or Free Trade* by Henry George. (A year or two ago, I handed back the same copy to the donor's grandson.) I soon recognised that here was a thinker who had gone right down to fundamentals and shown that Free Trade was essential to economic well-being—and that Free Trade was not enough! I was no longer worried as I had been about the "displaced" worker. His opportunities were really unlimited—though he didn't (and doesn't) know it—if only access to them under just conditions were permitted.

In due course, I became an undergraduate of the University of Edinburgh. From a school fellow, Matthew Wilson Paul, who had become attached to the then very active Scottish League for the Taxation of Land Values, I received a copy of Henry's George's *Progress and Poverty* which I still possess. Having already become

familiar with economic terms and reasoning, I found it comparatively easy to grasp its main thesis. I soon realised that this analysis of the economic problem was unique and satisfying and that the solution presented was simple and just. I need hardly add I did not all at once grasp the full significance of the teachings of this book. Who ever did? But it was quite obvious that the author deserved the attention of all serious-minded people. Certainly, I was gripped.

The subjects which I "took" (as we say in Scotland) in my degree course were all chosen so that, besides qualifying me to earn my living, they would help me to become a citizen competent to understand what was going on around him. Thus I became a member of Professor Shield Nicholson's class in Political Economy. In his lectures (and in his books) he explained the Law of Rent, as promulgated by Ricardo, perfectly. It was all exactly as I had understood it from reading Henry George (and others) and was illustrated by a diagram which I often used later on when I was speaking to audiences. What I could never understand, however, was his failure to draw the obvious conclusion from it. That, of course, was just exactly what Henry George did. The man who grasps the significance of the margin of land utilisation and its effect upon wealth distribution has in his hand the key to an understanding of the great economic problem of our time, indeed, of all time. The question of to whom "rent" rightfully belongs was shirked or slurred over. Economists in established places are always anxious to declare their objectivity. They deal, they say, with things as they are. The realm of ethics and morals is one into which they claim it is not their business to enter. Usually they dismiss Henry George in a footnote without even trying to show wherein he was wrong. But Henry George will not be disposed of so easily. Practice proves.

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At the conclusion of my war-service, I was concerned like thousands more to know what beyond earning a living was a worthwhile aim in life. From the beginning I had felt that the way of life propounded by Henry George was for free men the best I knew. Advocacy of his teachings might put a worthy purpose into my life. Yet his way of things appealed to comparatively few people and

was frowned upon, or ignored, by the established economics teachers. I resolved to re-read his books systematically and critically. If there was a fallacy somewhere in his reasoning I would find it and that would be the end of the matter. As it was, far from finding error in George's teaching, I could not help seeing the errors in others'. Chief of these was imprecision in the use of terms, the crime—to the logician—of giving things that are essentially different a generic name, e.g. property, and drawing conclusions that were not applicable to all things in the category. In short, they were illogical.

By this time I had extended the breadth of my reading considerably. I read the classical economists and the socialist propagandists—how hard it must be for a classical economist not to be socialist!—and history of all types, particularly political and economic. It was borne in on me how almost all writers failed to see the connection between the system of land tenure and taxation in a country and the general well-being of its people; and how obvious (throughout all history) the connection was to me. Cause and effect were there for all but the wilfully blind to see. I read scores of theses on economic subjects and discovered that these could be written without once using the word "land", the very prerequisite of life itself. The word rarely appeared even in the most learned tomes written by the most be-degreed men in the business. "Capital" and "property" were there all right, scattered all over the text, but never precisely defined. Yet accuracy of definition is the first essential to clear thinking.

By this time I had become a subscriber to *Land & Liberty* and joined the Scottish League for the Taxation of Land Values. This brought me into contact with some of the stalwarts of the movement, almost all of whom have now passed on. I had begun to write letters to the editor, usually under noms-de-plume, whenever I saw anything reported that invited comment. I did some speaking to groups of people under various auspices. These activities must have commended themselves to the leaders in London (apart from inspiring me to confidence in myself) for I was invited on one occasion to write the leading article in *Land & Liberty*—and did write it; and finally to speak for Scotland at two International Conferences, Edinburgh and St. Andrews. And now I am speaking — about myself!

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One of the questions that a Georgeist has at some time to answer is: Shall I attach myself to a political party? None of the parties is committed to the Georgeist philosophy: that would be too much to expect. The truth is that very few party-members have examined the basic tenets of their chosen party; their allegiance is seldom the result of a study of economic and political theories. How much less, then, must we expect them to trouble to master our systematic doctrine which all along the line is a challenge to popular beliefs. The temptation is to stand aloof from parties whose futile policies are so often a screaming violation of their professed principles. Yet

where else shall we find a platform to present our policy? An appeal to the politically indifferent is like speaking to a deaf man. Within a party, however, there are always the assured few who will want to put us right. Therein lies our opportunity.

The great merit of Henry George's analysis of the economic problem (the equitable distribution of wealth) is that it is made in terms of real things, land, labour and capital, as opposed to "finance". George also assumes as fundamental, and demonstrates as true, that the distribution of wealth among the productive agents is, in free and just conditions, in accordance with natural law. This latter conception is beyond the unenlightened thinker who sees the problem — and how obvious! — as one of a shortage of purchasing-power, particularly in certain individual hands, and thus a monetary one. This view has won most of our leading men in all parties; and though they see the danger of increasing purchasing-power (paper-currency and credit built thereon) they know no way out. All advanced nations are today inflating their currencies, with good intent, and hoping to dodge the consequences! We Georgeists must understand "this money-business" for we are now being confronted by another attractive, specious and dangerous "remedy" for the poverty-malaise. Our task is not becoming easier!

## How To Make Slums Unprofitable

UNDER heading "Tax Plan Seen as Slum War Weapon", the *Washington Post and Times Herald*, July 5, published a commentary by staff contributor Robert C. Albrook from which the following typical passages are taken.

"A Chicago realtor, Arthur Rubloff, developer of the 'Magnificent Mile' in North Michigan Ave. (a magnificence for which we cannot vouch, not having seen it) declares that present realtor taxes make slums profitable. And, being profitable, they are very costly for the public to buy, clear and re-develop. Rubloff's remedy would be to tax land more heavily and structures less heavily. That would make it impossible for slum owners to reap such big profits on properties, the valuation of which is now very low, reflecting obsolescence and decay of the structure. It would encourage them to make better use of land in order to be able to pay higher land taxes, and the lower assessment on new buildings would not deter their construction.

"The idea is not new, of course. Henry George's 'single tax' carried it, long ago, to its extreme form. In New Zealand recently, the idea has spread like wildfire, and the resultant automatic 'slum clearance' has been

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