

## John Ruskin on Value

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"Value is the life-giving power of anything;  
Cost, the amount of labour required to produce it;  
Price, the quantity of labour its possessor will take  
in exchange for it."

These succinct, commercial and thoughtful definitions come from Ruskin's otherwise light-weight Munera Pulveris of 1872. To point up the subtle distinction they were soon utilized in Funk & Wagnall's dictionary.

What a pity that Henry George did not see it before he commenced Progress and Poverty! Perhaps it was through being unaware of Ruskin's thought that the world movement which soon grew around George later became a mere remnant.

As a journalist and writer - and all his days a good one - George had the touch of a timeless philosopher and nearly all the insight needed for a successful messiah. However, there are bits of George's writings where I now see his logic as having been too hurried.

Labour is so obviously the sole productive factor that George many times acknowledges the fact and that, without labour, capital is dust as inert as is the primordial earth. Of course, George notes that land, labour and capital are the channels whereby wealth is distributed.

So, when advocating our hero's remedy for poverty, we must be wary of his wordings. While they often sound lovely, they are not always as good as is his philosophy. It was "for want of a better term" that in 1883 he let his movement adopt "taxation of land values" as its objective.

The time has now come for us to totally reject that illogical encapsulation. Has not taxation al-

ways been an abomination? Is not location the crux, rather than land? Is not site value the basic concept rather than land value - whatever that is? Even in George's day site rental was a common commercial term.

My assessment is that George failed to spot the flaws in his terminology simply because in a minor way he got astray over the word value - the soul of economics. He knew that the Marxian view of it was unsound, also that most others who wrote about it were unsound.

He correctly saw that the value of anything centres around the avoidance of labour. But in The Science of Political Economy he used oceans of words to argue that its origin is objective. Today we can clearly see that, just as beauty lies in the eye of the beholder, so with value. Its origin is clearly subjective.

Despite these blemishes, our debt to George is enormous for his philosophy was superb and his generally scientific approach set a precedent we all should follow.

Thus I now suggest we remodel the definitions by including an aspect seen also by Adam Smith - that possession of a thing enables one to impose toil on others.

Value: the amount of toil that possession of anything will enable one to avoid. Cost: the amount of toil the possessor outlays in obtaining it. Price: the amount of toil the possessor accepts in exchange for it. (Price tags are only the asking price.)

Such wordings get us away from the common phrase "economic value" which is a tautology for "worth." They also unshackle us from George's cumbersome "value from production" and "value from obligation."

This is the sort of modernising we must undertake if ever we are to regain the world position once held by our movement.