

crowning twin evils of privilege are slavery and land-"ownership", but all other social evils are lesser instances of these two. For instance, "Protection" (a denial of the individual's right to trade freely) is a lesser form of slavery. This subject, including the remedy, is dealt with later in this book.

77. One frequently misunderstood point in economics should be clarified here. A landholder may use his own land for production, being thus both a labourer and a land-holder. If the land is at the margin all he receives is wages, but if it is above the margin he receives both rent and wages. He generally assumes that the superior return is his wages, but if he lets his land to a tenant rent will become clearly visible. Whether the labourer is a tenant or is himself the land-holder, in each case the wages belong to the labourer and the rent belongs to the community.

CHAPTER 10

ECONOMIC RENT

78. Rent is nature's masterpiece, the most spectacular, beautiful and beneficial of all the wise features of the economy. It has been well said that there is more wisdom in a leaf than in all human philosophers. And rent is the most striking phenomenon of the social wisdom of nature. Even when it is prevented by misgovernment, i.e. injustice, from fulfilling its social roles it is always available as the public revenue, and the greater the needs of the community the greater is the amount of rent available. In a small community the public needs are small and the amount of rent is small, but as the community and its need grow the rent grows in proportion. It is always sufficient to meet all the normal requirements of government, and the failure of a government to take it for public revenue produces dire evils, which can be summarised as poverty, unearned fortunes and taxation, and social turmoil. As it is a *Surplus* it is not a burden on anybody; those who will most benefit from substituting rent for taxes are the poor who will be re-inherited into a free and normal society. But all classes, including the present rich who unjustly take the rent as their private incomes, will benefit immeasurably by the restoration of a just and honest community.
79. Even under feudalism the rent of the land allotted to the Church for the relief of the poor and for education (frank-al-moign) was sufficient to prevent the kind of poverty and destitution which we see everywhere to-day, and which appeared in England as the result of the seizure and

misappropriation of the church lands under Henry VIII and Edward VI, and which continued to increase from the time of the Enclosures. The Industrial Revolution and the ever-increasing technology of the 19th and 20th centuries have still further increased the appalling gaps and contrasts between the world's massive wealth and the wide-spread poverty and destitution of the dispossessed masses. The disinheritance has produced and increased not only poverty but all the world's social problems, notably an enormous increase of non-productive workers and the fantastic expenditures on war and armaments. If the same expenditure were devoted to providing food for the hungry nobody could be hungry. Longfellow's famous tirade against armaments strikes a deep note of truth:

"Were half the power that fills the world with terror,
Were half the wealth bestowed on camps and courts
Given to redeem the human mind from error
There were no need for armaments and forts."

("The Arsenal at Springfield".)

The Welfare State has diminished poverty in some countries, but has not changed the contrasts of super-affluence and poverty in most of the world. Nothing but the removal of the basic social wrong by *liberating* mankind will achieve this. Therefore, it is essential that rent be understood.

CHAPTER 11

THE ECONOMIC LAW OF RENT

80. The general law or principle of rent is simple, and is correctly though inadequately understood by most economists. It is generally (but inaccurately) ascribed to David Ricardo (1772-1823) as follows: "The rent of land is determined by the excess of its produce over that which the same application (of labour and capital) can secure from the least productive land in use (i.e. land at the margin of production)".

Ricardo himself imperfectly understood the law (for which as a pioneer he can be forgiven). For instance, he thought that it applied, at least primarily, to agricultural land, which is still quite a common error. Still "Ricardo's Law", as stated above, expresses the basic principle of rent, and is said in P. & P., p. 168 to be "a self-evident proposition". And on p. 214 of the same book Henry George says that it "carries with it its own proof and becomes self-evident by mere statement".