

THE REAL "GEORGE"

(Henry George (1839-1897), the American political economist, who attained a great international reputation by his *PROGRESS AND POVERTY*, published in 1879. He advocated public ownership of land with retention of the present landlord system; but all land to be taxed upon its rent, with the idea of ultimately bringing about the abolition of all other taxes. Nothing made by man was to be taxed at all. He died during his candidature for the office of Mayor of New York.)

In these days when the word "nationalization" is on every lip, it is refreshing to turn to the pages of that great would-be nationalizer, Henry George, whose works thrilled the mind of a generation ago. It has been opportunely suggested by a valued correspondent that we should publish something dealing with the famous economist, and the following excerpts from two of his best-known works will doubtless be of interest to our readers.

RIDDLE OF WAGES

"Why do wages ever tend towards a bare minimum of living?" In examining this question, Henry George combats Malthus' doctrine that population tends to increase faster than subsistence, and shows that wages are indeed produced by the labour for which they are paid, and should increase with the number of the labourers.

In his inquiry into the connection of poverty with material progress, Mr. George explodes a common misconception—the **confounding of what are really the profits of monopoly with the legitimate earnings of capital**—and points out the fact that with material progress rent everywhere advances, while wages and interest do not advance in the same proportion.

"A DRAFT ON ADAM"

In his chapter on "Public Debts and Indirect Taxation" (*SOCIAL PROBLEMS*, 1883), his humorous opening is distinctly a propos to-day. "The institution of public debts," he writes, "rests upon the preposterous assumption that one generation may bind another generation. If a man were to come up to me and say, 'Here is a promissory note which your great-grandfather gave to my great-grandfather. Will you please oblige me by paying it?' I should say, 'My great-grandfather was evidently a knave or a joker. He might as well have given your great-grandfather a draft on Adam or a cheque on the First National Bank of the Moon.'"

TRUE SOCIAL REFORM

Social Reform (wrote George in his *SOCIAL PROBLEMS*) **is not to be secured by noise or shouting; by complaints and denunciations; by the formation of parties or the making of revolutions; but by the awakening of thought, and the progress of ideas. Until there be correct thought there cannot be a right action, and where there is correct thought right action will follow.** Power is always in the hands of masses of men. What oppresses the masses is their own ignorance, their own shortsighted selfishness.

Hence it is as Mazzini said, that it is around the standard of duty rather than around the standard of self-interest that men must rally to win the right of man, and herein may we see the deep philosophy of Him who bade men love their neighbours as themselves.—*The Sunday News*, August 24th.

"COAL AND THE NATION"

A "Constant Reader" writes:—

Re your leader on "Coal and the Nation" in the current issue (August):—Suppose your suggestion were acted upon, and royalties (disguised and apparent) were taken by the State, thus reducing colliery "profits"; why could not this levy by the State be passed on to the consumer in higher prices? In the case of a natural monopoly like coal is this not possible? Could you answer this in a subsequent issue, and oblige a constant reader?

This is a variation of the suggestion so often put forward that a tax on land values would not be borne by the landlord, but would be passed on to the public in the form of increased rentals. It assumes that it is within the power of landlords to get what rents they please. But if that were so they would do it now. They do not, because they cannot.

Suppose a landlord finds the most he can get for a piece of land in 1919 is £50 and that in 1920 the Single Tax on Land Values is placed on the Statute Book so that thenceforth the £50 goes to the State. Will this change enable him to pass on the tax by raising the rent to £100? To suppose so would be absurd, and as much as to say that landlords do not now get for their land all it will bring. It is to suppose that whenever they take the fancy they can put up their prices.

Our laws may decide that the £50 is to go to the landlord, to the State, or to the wage earner. But what the one gets the other must lose and the same is true of mineral royalties. The rent of any bit of land or of any mineral field is not arbitrarily determined at the will of the so-called owner. It is fixed by the law of rent. Its degree of superiority above the poorest land in use determines the price it will fetch, and this is not affected if the State relieves the landlord of the rent he now appropriates. His tenants would therefore pay him no more than they do at present. Nor would those who now pocket mineral royalties be able to raise coal prices if these were taken from them, for the world market controls coal prices. The "owners" would have to go without the royalties and the State or the miners (as the case may be) would have them—that is all.

So far we have gone on the assumption of "other things remaining equal." But this would not be the case under the contemplated change. Our present laws exclude from rating and taxation all land and minerals that are unused, however high the market value. This, by encouraging withholding, brings about an artificial scarcity and rent level. But a tax on land values, falling, as it would, on all undeveloped land and minerals according to their value, would bring into use land and minerals now unavailable, thus tending to reduce rents and royalties, to increase supplies and to lower prices, including that of coal.

Economists disagree on many matters, but all agree with John S. Mill that "A tax on rent falls wholly on the landlord." (Sec. 2, Chap. 3, Book 5, *PRINCIPLES OF POLITICAL ECONOMY*.) W. R. L.

The *CATHOLIC TIMES* of July 9th, the *INVESTORS' REVIEW* of August 9th, and the *GRAIN GROWERS' GUIDE* (Canada) of July 16th, and many other papers have printed extensive reviews of the United Committee's pamphlet "House Famine and the Land Blockade."