

## THE ETHICAL ASPECTS OF THE LAND VALUE POLICY

(Notes of an Address at the Manchester Conference)

By Douglas J. J. Owen

What is morally right cannot be politically wrong: we therefore turn from the political problems of the Conference to learn what ethics has to say on the Land Question.



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Land value policy involves a twofold claim. Not that this exhausts the morals of our subject, but this double claim will serve to give direction to our thoughts to-day.

First: Land ought not to be regarded as private property.

Second: Land values ought to be regarded as common property.

In other words, neither land itself nor the values attaching to land should be treated as private property.

Both these demands are satisfied by the Taxation of Land Values.

First: A tax on land values may be regarded as a rent paid to the community in recognition of the equal right of all men to the use of the earth, and as a compensation for the security of exclusive use of particular sites.

Second: A tax on land values may be regarded as the appropriation by the community of the values it has created and which rightly belong to it.

Taking the first of these aspects into consideration, the reasons for not treating land as private property are given most clearly by Herbert Spencer, whose arguments are quoted at length by Henry George in *A Perplexed Philosopher*, that gold mine of ethical truth.

To summarize George's summary of Spencer:—

'Equity therefore does not permit private property in land, since that would involve the right of some to deny to others the use of land. There can be no modification of this dictate of equity. Either all men have equal rights to the use of the land, or some men have the just right to enslave others and deprive them of life.'

Observe how the ethical argument and the economic run parallel to and complement each other, as the joiner dovetails two pieces of wood to make a fitting.

Economics begins with man seeking to satisfy his desires, and also notices man seeking to save himself toil and trouble. These two ideas are combined to form the fundamental economic principle: Men seek to gratify their desires with the least amount of exertion.

Differences in land lead, on the basis of this economic law, to the law of economic rent. If all land were equally advantageous there would be no economic rent or land value.

But in a world of varying values, if there were only one man on earth, the economic law would lead him to seek the most fruitful site, and there would be full freedom for him to do so. No question of ethics would arise in such a case.

Robinson Crusoe had no metaphysical doubts about his right to use any part of his island, even the best part he could find. Only when he saw another man's

footprint did the problems of human relationships enter his mind.

Our business is to point out to the "owners" of this island planet the footprints of their brother men and to assert their equal claims.

Henry George emphasizes the importance of this thought: The *rights* are the first thing, the *equality* of rights is merely the limitation or condition of those rights.

Every man is free in equity to satisfy his desires by finding the most advantageous sites. There is no law or reason why he should not seek over the whole world—he has the "right" to do so. The law of equal freedom is necessitated by the existence of more than one man, by the presence of many like beings having similar desires and equal rights.

Each seeks his own satisfactions, but the demand arises that each should recognize the existence of others also seeking their satisfactions, and a law is needed to define their relation. That law is, that each should recognize the equal right of every other to the use of the earth.

Now even the existence of a world of men would not lead to any clash of interest regarding land if all land were equally useful and convenient. No question of the right of anyone to use any natural opportunity can arise until more than one man wants to use the same particular opportunity. It is then only that any question of rights assumes real and practical importance.

Thus we see that economics has told us that as long as only one man wants to use a natural opportunity it has no *value*, in the economic sense. Ethics also tells us that no question of rights arises.

But when two or more want the same place, then a value arises, and any question of the adjustment of equal rights only arises with regard to land having such a value.

The function of the State begins where individual rights thus clash, and adjustment is made necessary.

The State's function is to secure equality between conflicting rights to the use of the earth.

This is why Henry George gave primary importance to individual rights. He wished to show that equal rights could be secured by the State taking land values for the community as a whole and leaving the individual all that his labour created.

Men have rights, says Henry George, before they have *equal* rights. Society does not grant nor can it equitably withhold the right of every man to use the earth. As to land that has no value or economic rent, whoever may choose to use it has not only an equitable title to all his labour may produce on it, but society cannot justly hinder him, or call on him for any payment for its use.

As to land having value, the principle of equal freedom comes in, requiring *only* that this value be turned over to the community. In this way all members of the community are put on equal terms with regard to the opportunities offering greater advantages than others, and which are consequently sought by more than one of those having equal rights. All, including the user of the superior opportunity, obtain their equal share of the superiority, by the State taking its value for common purposes.

This aspect was emphasized by Henry George because it rules out land-nationalization, and because by it all the difficulties of State rental of land, and the valuation and the control of improvements, are avoided.

In this way also the second aspect of Land Value Policy is achieved—the taking by the community of that which the community as such creates.

When Henry George wrote of some men "enslaving" others, was he using too strong a term? Was it merely a way of speaking, metaphorical and picturesque?

To answer this let us consider the law of economic rent. The usual explanation starts with a given amount of *labour*, and says: On one piece of land a given amount of labour will produce wealth to the amount of, say, £100; on a superior site, the same labour produces, say, £150; the difference of £50 representing economic rent or land value as between these two sites.

Let us now work out the same law of rent in another way. Taking a given amount of *wealth*, we have seen that on the superior site £150 worth of wealth requires a certain amount of labour, say two days. Then on the inferior site the same amount of wealth, £150, will require three days' labour to produce, or 50 per cent more labour.

Then if another man owns this superior site without using it, he forces the user of the inferior site to work three days when two days would have been sufficient. If the first man uses his superior land and exchanges its product with his less fortunate neighbour, then he exchanges the result of two days' work for the results of three days and thus induces his neighbour to work for him one day in three for nothing. The difference of one day's work in three is the measure of the value of the better land and ought in justice to be shared between the two men seeing that their rights to the superior land have been shown to be equal.

If this sharing is not done then what is economically and ethically equivalent to slavery takes place.

Henry George was literally right. "Private property in land," he says, "is a denial of the true right of property, which gives to each the equal right to exert his labour and the exclusive right to its results. It differs from slavery only in its form, which is that of making property of the indispensable natural factor of production, while slavery makes property of the human factor; and it has the same purpose and effect, that of *compelling some men to work for others*."—(*A Perplexed Philosopher*, pp. 279-280.)

We may, then, view the existing system of the private appropriation of all valuable sites of land and the values attaching to them as a system of compulsion upon the landless public to labour harder and longer, to an extreme degree, than would be necessary under just and equal conditions.

Economic laws and ethical laws are independent. Economic laws as such have no ethical content. The basic law, that all men seek their satisfactions with economy of effort, and its culminating deduction the law of economic rent, are like the laws of physics, they are in operation all the time even under present social conditions.

Ethical laws, however, are imperatively needed to regulate men's relations to each other in the use and application of these natural forces and laws.

When the Taxation of Land Values is demanded, the beneficiaries under the existing system of private land-ownership appeal to their lawful rights. We have the right to ask them to which law they refer. Do they appeal to customary and legislative laws or to ethical law?

It is true that custom, legal enactments, political forces, have given them a vested interest in the continuance of the present system. That, however, which political force gave, political force can take away. Ultimately the appeal to established law is an appeal to force, political and physical. Is this the basis of the landowner's claim?

If, on the other hand, the appeal is to ethical considerations, the criterion is an even simpler one. If land-owners appeal to justice and the equity of the case, then we ask them to put themselves in the other man's place. This is the simple application of the golden rule,

the basic ethical demand that we should not do to others what we would not like them to do to us. How, for instance, would owners of land wish the land to be dealt with if, instead of being owners, they were put upon the dole? Where the claims of the landowners, says Henry George, seem plausible, this has been so because we, perhaps unconsciously, entertain a sympathy for those who seem to profit by injustice, which we have refused to those who are injured by it.

Monopoly to-day takes the spade out of the hands of the willing worker and denies access to the opportunity to labour. This wrong is come up for settlement, not in some distant and future day of reckoning, but here and now.

Let us give the widest meaning to our ideal of equal freedom. We have seen the economic and the ethical consequences of men seeking to save themselves toil and trouble in a world offering varying inducements, and the effects of this "least exertion" principle in causing land value, and we have seen what ethics says should be done with this fund.

Let us also remember that man seeks "to gratify his desires." We Henry Georgeists aim at the fullest gratification of the loftiest and noblest desires of men,—of all men in equal freedom. Man wants something more than "work or maintenance," which is considered, strangely enough, to be an extreme demand in some quarters. The employed as well as the unemployed man, although he mostly does not know it, wants something more than a job at the hands of Mr J. H. Thomas. The galley-slaves had jobs; the builders of the Pyramids had jobs; the cotton coolies had most of them comfortable situations; all of them had "work and maintenance."

Ethics demands for every man not merely a job but a choice of jobs. The existence of alternative openings for employment for every man will also give that independence and self-respect which makes men something more than mere machines or cogs in the wheel. That power to choose one's occupation and career, and to accept or refuse the terms and conditions to any offered employment, a power which is absolutely essential to the full development of personality, can only be secured by breaking down land monopoly and opening up the exhaustless resources of the earth to willing labour.

The Henry George movement for the Taxation of Land Values is the means for securing for all men the necessary economic basis for their personal self-respect, their dignity and eternal worth.

Mr D. E. French, of Reading, has been doing good work locally to advance the Taxation of Land Values. He has been busy distributing a quantity of leaflets supplied to him by the United Committee. On 11th February he addressed the Women's Section of the Reading Labour Party on land value policy, and later in the month he was principal speaker at a meeting of another section of the Party at the Central Rooms. He has also been invited by Councillor Goss, prospective Labour Candidate for Mowbray, to take part in the speaking campaign in that division.

### A PERPLEXED PHILOSOPHER

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