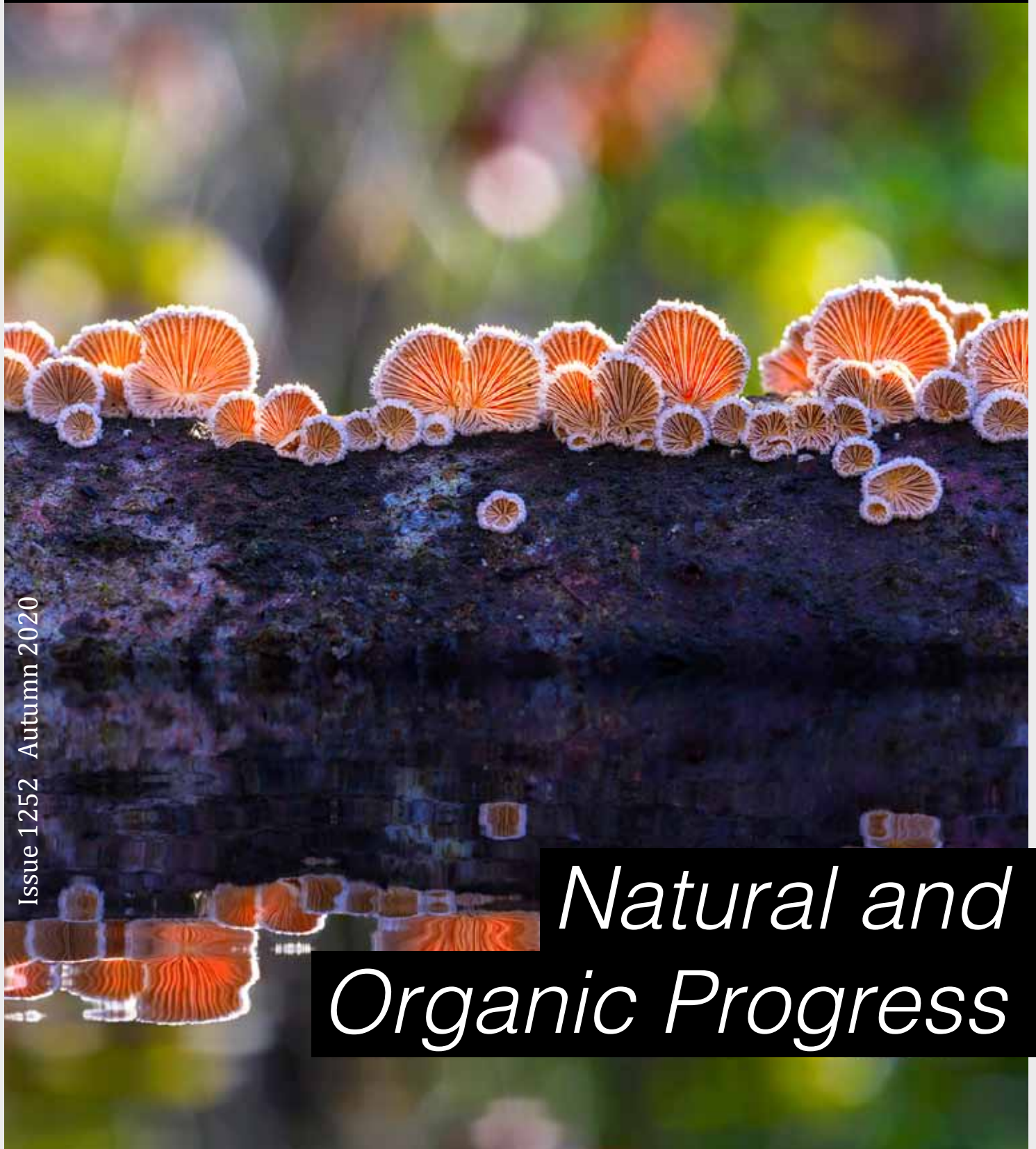


LAND & LIBERTY

since 1894

magazine of The Henry George Foundation



Issue 1252 Autumn 2020

Natural and Organic Progress

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Joseph Milne

Nature and The Common Good

Ω

Duncan Pickard

*Modern Agriculture and Food
Production in The United Kingdom*

Ω

Chaitawat Boonjubun

*The Land Question:
A Tribute to Anne Haila*

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TO ADJUST OUR
INSTITUTIONS TO GROWING
NEEDS AND CONDITIONS IS
THE TASK WHICH DEVOLVES
UPON US...



LAND&LIBERTY

No 1252 Autumn 2020

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Land&Liberty has chronicled world events for over 100 years. It has offered a unique perspective with its reports, analysis and comment on the core issues of political economy. And that uniqueness remains. Land&Liberty aims to explore how our common wealth should be used - and to demonstrate that this is the key to building the bridge of sustainability between private life, the public sector and our resources - between the individual, the community and the environment. Land&Liberty - putting justice at the heart of economics.

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message from the honorary president

In order to promote sustainable development and the provision of affordable housing our Government is proposing radical changes to the way it limits what *people are permitted to use our nation's land for*. According to its consultation documents the changes it proposes for the planning system need to secure net gains across each of three spheres - environmental, social and economic. Clearly each of these are also affected by the Government's tax system because that affects *what people are economically able and willing to do on and with our nation's land*. The two systems are inextricably linked and as they affect the two primary factors of production (land and labour) they lie at the heart of economic management. Sadly the Government's consultation documents indicate that the need for the two systems to be complementary has been completely ignored. This is particularly clear in connection with the 'affordable housing' issue.

In making "The Case for Change" in its consultation document "First Homes - Getting you on the ladder" the government says only: "*Affordability is the biggest barrier to home ownership - and while this is partly due to a shortage of housing supply, low interest rates and high rents have limited the ability for young people to save the deposit they need to buy a home*". No reference to what determines rents or the price or cost of housing or what determines the real or even net earnings of young people or the negative impact that current government tax interventions and negligence have on housing costs or real earnings.

"Build, build, build" is the Government's primary response to the affordable housing crisis and that building must be where its proposed algorithm the "standard method for addressing future local housing needs" indicates. This algorithm increases the existing baseline projection of housing need in each planning area by an "Adjustment Factor" that is based on both a current and past affordability assessment. It uses a 'local affordability ratio' that is house price divided by *gross* earnings - so all taxes affecting employment are ignored. The current ratio for London is 12.43, for South East England 9.44 and for North East England 4.78. This means the affordability adjustment increases the apparent need to build affordable homes in the south east (where land represent a large fraction of house prices) more than in the north east where building costs and their associated taxes represent a much larger fraction of house prices.

One is bound to ask how this squares with the Government's promise to 'Level Up' since this should mean more and better employment opportunities in the country's more deprived areas. Jobs building sustainable developments that contribute to desirable economic, social and environmental objectives would help, especially if they flowed from a coherent blend of enlightened planning and tax systems.

Most readers of Land&Liberty will know how taxes on employment and trade seriously diminish employment prospects, reduce real earnings and increase living and building costs. They will also know that failing to collect as public revenue the rental value of the land, upon which every dwelling stands, seriously increases the price of all homes - and the deposits required!

The Government's planning consultation provides a timely reminder that in order to secure net gains across the environmental, social and economic spheres, it is necessary to observe *the primary duties that every landholder owes to the community that secures their holding*: (i) to keep the land in good condition, (ii) not to interfere with their neighbours' quiet enjoyment and (iii) to pay the rent.

David Triggs
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CONTENTS

issue
1252
AUTUMN 2020



Regulars

17

HGF News

The latest news and events of the Henry George Foundation in London

15

Reviews & Books Worth Reading

Poverty is Not Natural by George Curtis provides a principled look at modern politics. This new book from Shephard-Walwyn is reviewed by Kai Dattani. Before this, we let Andrew Purves review Anne Haila's central book *Urban Land Rent: Singapore as a Property State* as a tribute to the author

Cover Story

7

Nature and The Common Good

Joseph Milne examines how the natural human desire to cooperate could be even stronger than pure self-interest



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Features

12

Modern Agriculture and Food Production in The UK

As an experienced farmer in Scotland Duncan Pickard explains the modern challenges of this civilization-old trade whilst looking into central changes that could benefit both farmers and society

18

Closing Thoughts

Concluding this year's autumn issue we bring the most heartfelt tribute to Professor Anne Haila from Anne's fellow scholar and close friend Chaitawat Boonjubun

letter from the editor

A suggestion often put forward is that the rent collected as land tax should be shared as a basic income for all citizens. Tax for government obligations will still need to be put on production and on wages, with all the distortions that brings. Such a scheme seems to its proponents a just way for the whole community to benefit from LVT. Others propose that a proportion of LVT be given as a basic income and the rest fund government. Others again propose that anything left over from government obligations should be shared as a basic income.

Proponents of such schemes do not properly understand the law of rent. They see LVT merely as a fund collected from landlords and then equally shared out to everyone. The injustice of land monopoly is thereby corrected. In principle this would make it no different to present redistribution systems where tax on the highest incomes is given as support to those on lowest incomes.

But the law of rent is not a principle for redistribution of incomes. It distinguishes all forms of private income or wages from the value created by the presence of the community. It is a 'commons', like the land itself. Dividing the land up equally between all citizens would serve no good purpose. It would bring the economy to a halt. It is the same with the value created by the community. Distributing it equally to all would turn it back into private income. For many home owners it would amount to a large rebate of LVT, while others would receive back only a tiny proportion. And marginal production sites would be subsidised from rent from the advantageous production sites. In other words, 'rent' would remain private income. Its proper and natural use as a commons would remain abused.

If the collection of the land value as private income in the first place is wrong, how is this remedied by sharing it out as private income? I suspect this muddle is due to thinking of wages and rent as mere quantities of money, and that there could be various ways of sharing them out. But this is not what Henry George proposed. He proposed that each should receive their full wages, and that the rent value arising through the presence of community be collected as the common fund for all common necessities and amenities, for the things that nobody can buy individually. The courts of law, defence, education, scientific research, street lighting, energy, health and so forth all require a common fund to be administered effectively. George observed that the land tax would be equal to the funds needed for these things, and ample for more cultural amenities. Culture again is a 'commons'.

Proponents of how LVT should be used need to think through the economic effects of their proposals. The present pandemic shows us very clearly that public health is a commons, and that we are collectively responsible for one another. Without public funds the research for a vaccine would be impossible. No private individual has the financial resources for such community needs. The fact that the NHS in the UK was not properly resourced for a pandemic indicates a failure to understand that 'saving' on costs for the public needs is both irresponsible and economically unsound. The burden of borrowing to meet this need far outweighs what adequate preparations would have required.

Again, the failure to properly resource public funds springs from a false notion of money. Funding our common needs is counted as a cost, a loss of money that could be spent on private consumption. This way of thinking suites the land speculators who also seek to avoid funding our common needs and duties. Does a father regret what he spends on his children and imagine it would have been better spent on himself? It is no different with the community or nation, which is our extended family.

Apart from a misunderstanding of money and the law of rent underlying such proposals of LVT distribution there is also a misunderstanding of the nature of community. Proposals to share LVT equally with all are based on a false notion of equality. They are based on the notion of the private individual as self-sufficient and in no need of the community. But an amalgamation of private individuals is not a society. Society itself is a 'commons'. The study of economics is the study of what rightly belongs to the individual and what rightly belongs to all in common. Injustice arises when these two are confused. The extreme of communism is unjust because it takes all as common. The extreme of liberalism is unjust because it takes all as private. Both are equally unjust and economically impoverishing. Henry George disputed with both.

George proposed the simple justice that each should receive the full wages for their labour. At present they do not because of land and other monopolies. Some receive for no labour at all. This is not remedied by any kind of redistribution, whether funded by a land tax or any other tax. And any kind of redistribution will always look unfair to many, and rightly so because it would be unfair.

If we imagine for a moment that every household owned their own home, how would an equal redistribution of LVT work out? Obviously it would mean that those living in the north of the UK would pay less LVT and receive perhaps all of it back again. The south would in effect subsidise the north, while rent itself would remain private income, only by way of redistribution. It would not become a commons. In other words, land owners would remain the beneficiaries, but some more than others. How could this be equitable? In plain terms it would be a misapplication of the law of rent and the natural community fund expressed in that law.

Some suggest that using LVT for a redistribution scheme would make LVT look more attractive. But this is to distort the law of rent in order to make it more attractive for selfish people. The challenge Henry George set before us is that only justice can solve the problems of inequality, and justice requires an understanding of the distinction between the individual and the community, the private and the common. All natural laws, including economic laws, arise from and express community.



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NATURE AND THE COMMON GOOD

Modern economic thinking generally takes for granted an unavoidable conflict between the common good and the individual good, as though the two ends were somehow incompatible. Thus the interest of the employee is seen as in conflict with the interest of the employer, the customer's in conflict with the seller's, or the tax payer's in conflict with the general welfare of the nation. The same holds on the social and political levels. One interest always seems to be at the expense of another.

This conflictual view of society can be traced back to the mechanistic analysis of nature elaborated by Thomas Hobbes in *Leviathan*, reinforced by Herbert Spencer and the social Darwinism of the nineteenth century, and continuing in evolutionists such as Richard Dawkins in *The Selfish Gene*. According to these views, despite any other differences between them, 'nature' is made up of separate entities each competing to secure a foothold in the environment. This atomistic and competitive view of nature contrasts sharply with the classical view in which nature is conceived as a harmonious whole where everything has its due place and contribution to make in the overall scheme of things. In the classical view, society is part of nature. This is the view of Plato and Aristotle, whom the seventeenth century philosophers dismissed as unrealistic and impractical. Given the new atomistic view of nature, political society is consequently conceived as an artificial organisation imposed upon a pre-political 'state of nature', with its civil laws devised to curb the natural human inclination to selfishness. In this view the human person is neither naturally social nor willingly cooperative.

It is important to observe that this atomistic view of human society, which reduces nature to a mere struggle for existence, was propagated in direct opposition to the classical view of society, as found in Plato, Aristotle, Cicero and the tenets of Roman law, all which held that the human species was naturally social and political. Hobbes, followed by Locke and Rousseau, each argue in different ways that society is an unnatural condition, and that every person in the pre-political 'state of nature' is naturally solitary and self-sufficient. It is merely fear and necessity that has forced human society into existence. Thus, ruled not by any concern for the common good, but by the instinctive fear of death, the modern 'private individual' emerged, only pragmatically social, and individual rights conceived as in conflict with the common good, or as protecting the individual from the power of the state. It is on this basis that society and all human relations are reduced to competitive commerce, each individual struggling for their own personal gain in 'enlightened self-interest'. Thus the foundations were laid to view economics as a machine devoid of any moral dimension, and the aim of human life as nothing else than the endless pursuit of property.

It hardly needs to be said that such a view is wholly contrary to how Henry George conceived the natural laws that govern society, as well as his understanding of human nature. It is a view

that has grown out of the separation of civil society from nature, and justice from the natural order of the universe. For if the 'state of nature' is lawless and warlike, and the rise of society merely a defence against the brutality of nature, then it follows that there can be no *natural* relation between society and the earth, any more than there can be a natural relation between the individual and society. Justice itself can only be an artificial construct, and certainly cannot to be observed in the natural order of things.

Given these presuppositions, it is no wonder that modern economic theories fail to see that the economic rent belongs to the community and cannot justly be claimed by any private individual or company. If there is no natural relation between civil society and the earth, and if society exists primarily for the good of the self-interested individual, and if the aim of society is the pursuit of property, then the earth or anything else may be claimed as privately owned, either by individuals or by companies. And what may be said of physical property may also be said of intellectual property. There is neither a natural division of wealth nor a natural sharing of the earth in the atomistic theory of society propagated in the seventeenth century in opposition to the classical conception of the natural society. Hence the absurd theory that the right to property arises through self-ownership.

Even though George engages with Hobbes and Locke, as well as the economists of his time, his vision is essentially that of the classical philosophers. Like them, he saw that in nature everything was lawfully connected with the whole. And so for him the economic rent is the spontaneous fiscal manifestation of the common benefit which naturally arises through social cooperation, of which economic exchange is a part. It is a manifestation of the natural integrity of civil society. It demonstrates that humanity is *more human* in community than as isolated individuals. If this natural benefit is misappropriated, then the whole structure of society and its institutions become distorted and cannot function well, while alternative tax systems are burdensome and invite greed and corruption. Then the Hobbesian analysis appears to be right and there seems to be little alternative but to attempt to mitigate all consequent social and economic evils so far as possible by the strong imposition of laws and various forms of wealth redistribution, while justice itself remains only a utopian dream. But if a society fails to perceive an injustice that runs contrary to the very nature of society itself, and thus contrary to human nature, then even well intentioned remedies will inevitably flounder or even introduce further injustices.

In all his writings George's aim was to call society to reflect upon itself and to perceive its own nature, and through this reflection to see justice and through that knowledge to remedy injustice. In this sense George does not present an ideology, as Marxism does. George saw that to understand the real nature of society involves grasping the immediate correspondence between nature and ethics, or between the natural law and the common good.

This he understood to be the proper purpose of the study of political economy. From this perspective the trading of goods is but one aspect of human exchange and not in itself the essential purpose of society. Ultimately all exchange has a moral purpose.

Modern social and political theories do not see this correspondence between the natural and the ethical. On the contrary, they assume that what each individual naturally desires is in some sense at the expense of the whole, or regardless of the whole. Any kind of altruism is considered to be unrealistic or even a threat to personal freedom. From this perspective it inevitably follows that laws will need to be made that can mediate between the individual and the general good. This is the presupposition of recent human rights theory, where society and the individual are regarded as making competing claims upon one another which need to be arbitrated through legal process. Law thus conceived, as a means of resolving inherent conflicting interests, is a degenerate conception of the nature of law. As Simone Weil observed, modern rights theory reduces the human person into a legal entity. This is because it is purely utilitarian and external, with no corresponding ethical conception of human nature. Natural justice cannot be in conflict with itself, as though there were one justice for the individual and another for the community as a whole.

Economically speaking, it is clear that these assumed inescapable conflicts arise primarily through the misappropriation of the natural revenue created spontaneously by the community. Or, to put that another way, through the failure to observe that 'nature' cannot be made private property without distorting human exchange and causing poverty. It is this initial economic injustice that gives rise to all subsequent economic injustices, and these injustices come to be accepted as the norm, which in turn tend to conceal the primary injustice, and so society conceives itself as unavoidably in conflict with itself. Thus injustice comes to be accepted as part of the natural state of things.

Given this state of affairs it becomes very difficult to see how the natural state of society and ethics can correspond with one another as George proposes. Yet to see this correspondence is precisely the true challenge of the study of political economy. It is also the challenge of society itself, insofar as we are social and political beings able to reflect on the order of things. There is an intellectual natural law, as George clearly observed in *Social Problems*, that human society can flourish only so far as it understands itself in relation to the universal laws of nature, or universal justice. It is the capacity to perceive and understand these laws that distinguishes humanity from the other species, and not the irrational fear of death as Hobbes claims in his conception of the state of nature. In the classical tradition, which the philosophers and economists of the seventeenth century opposed through a blind belief in mechanical science, it is their *potential* that defines the nature of things, not their historical origins or mechanistic forms. It is the ripe apple which defines the apple, the oak tree that defines the acorn, and the just society that defines humanity. It is the difference between a noble and a barbaric conception of human nature. George clearly holds a noble conception of human nature and so glimpses the potential of society, and it is this that reveals the correspondence between nature and the ethical.

We can get an indication of this correspondence from a passage in George's *The Science of Political Economy*. It reads (p. 399):

All living things that we know cooperate in some kind and to some degree. So far as we can see, nothing that lives can live in and for

itself alone. But man is the only one who cooperates by exchanging, and he may be distinguished from all the numberless tribes that with him tenant the earth as the exchanging animal. Of them all he is the only one who seeks to obtain one thing by giving another.

Here George clearly echoes the classical vision of society. That nothing lives for itself alone was a fundamental insight of the ancient Stoics as we see in the writings of Cicero:

For our individual natures are parts of the whole cosmos. And this is why the end may be defined as life in accordance with nature, or in other words, according to our own human nature as well as that of the cosmos, a life in which we refrain from every action forbidden by the law common to all things, that is to say, the right reason which pervades all things, and is identical with this Zeus, lord and ruler of all that is. (Cicero, De Finibus)

If he had known it, George would surely have approved this passage from Cicero – a passage, by the way, that utterly contradicts the thesis of Hobbes and the general outlook of the seventeenth and eighteenth century philosophers and economists.

George argues in *The Science of Political Economy* that cooperative exchange is the first law of economic production, and should not be equated with the laws of distribution. Human society, he says, is distinguished from the mode of life of all other creatures by cooperative exchange, to "obtain one thing by giving another". The human individual is human, even at the most basic level, by virtue of this capacity for cooperative exchange. This implies that each person within society has the gifts or talents to create or provide what others need or desire, and the desire and capacity to enjoy what others create from their gifts or talents. The law of cooperative exchange is thus proportionate in giving and receiving – in a word, it is just. And here justice produces more for each than each could have alone. The law of cooperative exchange assumes there is a general correspondence between natural human talents, the creation of wealth or rendering of service, and the ethical. Indeed, they mutually sustain one another. Justice in exchange is the most obvious manifestation of economic justice. It is justice in exchange that creates society.

The only way in which this natural cooperative exchange can become unjust is where one party steals from another, or forces an unwilling exchange, or prevents the cultivation or application of natural human talents and vocations. In short, so long as this cooperative exchange is open and free it is just for every individual and innately serves the common good. It is naturally ethical, and so no laws or rights need to be imposed from outside to secure its justice. Any good laws that might be framed are already fully present and operative in the act of exchange itself, and such implicit or inherent laws and rights are what has traditionally been called the natural law. The natural law is the law active in nature itself, "the right reason which pervades all things" as Cicero describes it, and requiring only rational recognition. It is only in forgetfulness of this law that conventional or positive laws need to be enacted. And, as in medieval jurisprudence, where such positive laws are needed, they should reflect the natural law that has been forgotten.

This cooperative exchange includes all material economic activity without exception. But it also includes intellectual and cultural exchange. A Michelangelo or a Shakespeare arise through cultural cooperative exchange and continue to contribute to the common good far beyond their own lives. In a remarkable way the greatest individual exchanges become the common property of a society,




or even a whole civilization. Inventions or discoveries are obvious examples. Nature orders society naturally to common benefit across generations. Indeed, the common good often gets served despite the selfish desires of individuals. Nature looks first to the whole and only secondly to the part, and human reason itself corresponds with this in its natural inclination to understand the nature of things.

In this simple analysis of the human economy it is evident that so long as no injustice interferes with the natural human desires and talents, which are by nature oriented towards community where alone they may flourish, the common good is served freely. There is no division between individual desire and the common good where desire is natural. As the classical philosophers held, the common good is mother of the individual good and not the reverse. The individual is an individual only by virtue of being part of the greater whole, and so it is only through grasping the good of the greater whole that the good of the individual may be properly observed or realized.

Something further is also shown here. The meaning of 'work' as we usually think of it is transformed, or rather we should say recovered, once it is understood that cooperative exchange is the natural condition of all human endeavour. Because of the underlying injustices presently imposed upon the economy, which severely distorts just exchange, work ceases to be the natural expression of human talents and creativity and becomes for most people a burden wearing down the human spirit. For vast numbers of people work is reduced merely to a means of warding off poverty instead of being the natural fulfilment of their gifts or vocations. Labour gets forced to unnatural ends, producing things harmful to society and to the environment. At best work merely secures an 'income' rather than being a meaningful activity in its own right. Consequently it degenerates into a breeding ground for non-productive speculation, usury and every kind of exploitation. And the consequent harm to the environment is ignored.

So when work becomes oppressive and unfulfilling it breaks the natural link between ethics and the common good. Thomas Aquinas says, "Man cannot possibly be good unless he stands in the right relation to the common good". In Christianity there is no good separate from the universal good. But a society can stand in the right relation to the common good only insofar as it comprehends the natural laws that manifest in the real relations between its members. If these relations appear to be in conflict with one another, as they clearly do in our times, then an underlying injustice must be distorting exchange, since the individual good and the common good cannot naturally be at variance with one another. But if a society fails to understand the natural laws of cooperative exchange and unwittingly permits a general injustice to violate those laws, then it will come to accept injustice as unavoidable and at best seek to mitigate its harmful consequences. Economics and ethics will remain disconnected from one another and neither will attain its proper end. It is therefore incumbent on society to seek to understand its place in the order of nature and to discern the natural laws that govern it. Neither mitigation nor ideology can perform this function.

It is therefore necessary to challenge the presuppositions and methods of modern economic thinking and to free it from the reductive mechanistic pseudo-science inherited from the seventeenth century. It is really quite astounding to realize how the barbaric assumptions of social philosophers such as Hobbes and Locke still prevail in our times while we pride ourselves on our investigations into human nature and society. 

THE SEPARATION OF ETHICS FROM POLITICS

By Lewis Berens

From *LAND VALUES* (1909)

The most fatal error that ever happened in the world was the separation of political and ethical science.—Shelley.

The truth of the above words are too often impressed upon our minds when listening to discussions of political or social questions, more especially by professedly religious men, whose political or social views are so often in direct contradiction to the ethical conceptions which form the basis of the religion they avow to follow. In truth, however, Shelley should have said “the attempted separation,” for there can be no science of politics apart from the science of ethics—separated from ethical principles, politics degenerate into mere questions of expediency: and such questions cannot form the subject of a science.

A group of armed men, or of men having usurped the control of the armed forces of the nation, may temporarily have the power of enforcing on the community any enactments they may please : rules or laws determining their respective relations to the natural resources of the country they are inhabiting, or as to the portion of their individual earnings they shall be forced to surrender to others or to the State; or as to the terms and conditions under which they shall be permitted to exchange services or commodities with their fellow-workers in their own or in other, “foreign,” countries. Their discussions as to what laws they shall enforce upon others, or allow to be altered, may be dignified by their own chroniclers or historians as “political discussions,” even though those indulging in them might sneer and smile at any appeal to ethical principles or ethical considerations. Nor is this surprising, since any such government, no matter how long established, is necessarily based upon might, not upon right. Hence their impatience of any appeal to right—even though some few of them may avow themselves followers of the great philosopher, who first proclaimed to the world that “Men should seek to follow what is right, not what is established.”

Those living under Constitutional Government, however, under government representing and responsible to those whose ill-being or well-being will be so greatly determined by the laws for which they themselves are more or less directly responsible, are under the impression that their government is necessarily based upon right, and exists, as far as they are concerned, to enact and enforce the right. Hence it is, probably, that in discussions among such people on any proposed change or legislative enactment, one is almost sure to hear the question raised—“Would it be right? Would it be just?” As Henry George well says—“This tendency of popular (political) discussions to take an ethical form has a cause. It springs from a law of the human mind; it rests upon a vague and instinctive recognition of what is probably the deepest truth we can grasp: That alone is wise which is just; that alone is enduring which is right.”

To provide the test, touchstone, or criterion of what is right, is acceptedly the special function of the Science of Ethics. Ethics has been well defined as “the science of the conduct of life in society.” And surely politics is neither more nor less than the art of regulating and determining the conduct of life in society, of determining and enforcing rules or laws of social life and social conduct conducive to the well-being of all, and which consequently all may be called upon to respect and to obey. Therefore it is that to us it seems self-evident that it is in the Science of Ethics alone that we may hope to find the fundamental principles necessary to the creation of a rational or scientific politics.

Ethics, in truth, is the science of human relationships; and the fundamental concept of any rational system of ethics is equity or justice, or, in other words, the recognition of the equal claim of all to life, and all that this involves. Hence it is that, despite all the teachings of the many pseudo-political philosophies of to-day, the instinctive feelings of “the man in the street” lead him on the right road, when, with Aristotle, with whose very name he is probably unacquainted, he ventures to appeal to Justice as “Me social virtue,” as the one criterion of what is socially or politically right.

In the social world, as in all others, mankind are slowly commencing to attempt to trace effects to their causes. Hence they are beginning to leave off blaming Dame Nature, Fate, Fortune, Destiny, or Chance for the effects they see around them, and for which their own actions, more especially their own social laws and institutions, may be directly responsible. Hence, too, the soul-killing Fatalist Creed, and with it the accompanying sense of utter impotency, despite all its many influential supporters, is commencing to yield pride of place to more healthy, more inspiring, and more rational beliefs. The thoughtful amongst mankind are becoming dimly conscious of the fact that in the social or political world, as elsewhere, men reap what they themselves have sown ; that if they would reap very different effects from those they see everywhere around them, they must themselves sow very different seeds; that we are suffering the effects of our own sins and the sins of our fathers, just as we are being benefited by our own and their well-doing; and that if they would remove certain social effects, they can only do so by removing the causes that produce them.

Therefore it is that in every part of the civilised world the study of Sociology, or Politics, is being pursued with an ardour and enthusiasm aroused in no other field of thought. And everywhere students are turning to the Science of Ethics for principles on which to build the new Science of Politics, which, as De Tocqueville pointed out many, many years ago, “is indispensable to a new world.” Justice, the fundamental principle of every rational system of Ethics, is being acknowledged as the only possible fundamental principle of a rational system of Politics. And so the unnatural divorce of Ethics from Politics, against which Shelley rebelled, and which is undoubtedly due to the subservience of the prevailing religious, ethical, political, economic, and social thought to the interests of the all-powerful privileged classes, is rapidly coming to an end.

In common with all lovers of truth and of humanity we rejoice at this fact, so big with promise of reasoned and beneficial social changes. And all the more so since we, and those who work with us, are inspired by the conviction that, as our Great Master expressed it, “Justice is the natural law—the law of health and symmetry and strength, of fraternity and co-operation,” and that the cause we exist to promote is itself based on this basic, life-giving principle of Ethics and Politics. 📖



Editor's Note:

With this piece from 1909 we introduce a new Land&Liberty feature under the headline From Our Archives.

The piece by Lewis Berens, from the early Georgist magazine Land Values, raises the question for our times of the relation between politics and ethics.

Berens argues, quoting Shelly, that "The most fatal error that ever happened in the world was the separation of political and ethical science" from a letter to Elizabeth Hitchener, 1812.

But the optimism of Berens in 1907 has proved to be false. Not only has the separation increased, but it has been followed by the separation of economics from politics and ethics. The so-called neoclassical economics that rules now proudly claims to be 'value free' as though it were founded on exact empirical science. This purely mechanistic view of economics was there as a tendency even from the founding of classical economics, where the realm of commerce was analysed separately from the larger understanding of society.

In effect it has reduced the study of society to the mere exchange of consumer goods, where efficiency and profit take the place of ethics – as if the quest for efficiency and profit had no deeper ethical dimension. ■



MODERN AGRICULTURE AND FOOD PRODUCTION IN THE UNITED KINGDOM

Bridges Farming today is described by most commentators and the leaders of the farmers unions as being unprofitable without income support from subsidies. The latest figures of Farm Business Incomes (FBI) show that 72% of businesses are making losses when subsidies are subtracted from incomes. Dire predictions are made for agriculture after Brexit, and the Covid 19 pandemic has increased the number of forecasts of disaster. I have discovered that the official statistics of farm incomes are not what they seem to be. When I calculate the FBI of our farm it is much lower than its taxable income. To reach its FBI, I deduct from its taxable profit, an average rent although we own the farm and there is no rent to pay. I also deduct 5% of the capitalised value of the investment in the livestock, machinery and the land and buildings, and the unpaid wages of the family members on the farm. By deducting these costs, which most farmers do not pay, a farm business, capable of providing an adequate living can be presented as a loss- making enterprise in need of non-means- tested income support. Farmers are not as poor as they are portrayed to be: the average net worth of farm businesses in Scotland is about £1m.

I believe that farming can prosper after Brexit when it will no longer be bound by the Common Agricultural Policy (CAP), which, in reality, is a Social Welfare Policy, originally intended to give income support to the many small farmers in France, paid for by the profits from German manufacturing industries.

It has never been appropriate for the UK where the average farm size is much higher than in other EU countries. The major beneficiaries of the CAP are those who own the biggest farms and receive subsidy money they do not need which can be spent on buying more land, enabling them to obtain more subsidy income to buy even more land. Tenant farmers who receive subsidy money pay most, if not all of it, to their landlords as rent. I am not alone in having this opinion of the CAP. In March this year, Jonnie Hall, the director of policy of the National Farmers Union of Scotland said "We have lived for 46 years under the CAP and how many favours has it done for Scottish agriculture? CAP has stifled development and innovation, blocked new entrants and inflated land prices. There is so much scope for improvement if we are given the right tools." He did not define what he thinks the "right tools" are.

There is a large difference between farm businesses in their productivity and profitability. The top 25% are consistently profitable and produce more than the rest. If the others could match the top 25%, many more farmers could manage without subsidies.

I say that too many farmers have no incentive to do better because they have the subsidy cushion for comfort if they fail. Much more food could be produced in the UK but will not be whilst subsidies allow farmers to be paid when using their land below its optimum capacity. Payments are received by some who produce nothing from their land.

Brexit has raised the spectre of competition from other countries supplying food at lower prices, which will put UK farmers out of business. Most of the discussion is about food being produced under conditions, which are illegal in the UK.

I have sympathy with objections relating to animal welfare and hygiene but I cannot support objections to methods of crop production using new technology to increase resistance to diseases and reduce the use of pesticides. Many farmers say that they will be unable to compete if subsidies are withdrawn but subsidies do not reduce our costs of production; the cost of inputs tends to be higher when subsidies are available. Comparison with New Zealand where subsidies were withdrawn in 1984, shows this to be true.

The debate about protection or free trade is reminiscent of what was said about abolition of the Corn Laws in the first half of the nineteenth century. Disaster was forecast after 1849 when tariffs were removed but farming prospered in the years following their abolition. Industrial prosperity and wage increases meant that there was greater demand for farm produce and those farmers who adapted to change by using new technology, mostly in the form of new machinery, were successful. The small dairy farmers in East Lancashire found that the demand for their milk and butter increased with the rise in wages in the cotton industry and sheep farmers adapted to the competition from imports of mutton from Australia and New Zealand by producing lamb instead of mutton which was preferred by their customers who were also willing and able to pay higher prices for it.

*Duncan Pickard PhD. was a lecturer at the University of Leeds.
He is the author of 'Lie of the Land' published in 2004*



I am sure that there are plenty of farms in a similar financial position to ours by not being reliant on subsidies but there are also many farmers who do depend on subsidies, most of whom have chosen to do so. They rely on taxpayers money to maintain their standard of living, rather than work better to improve production. If a farmer can have a satisfactory lifestyle when working four or five days a week, there is no need to increase production by doing more work. Many farms, which used to have livestock twenty-five years ago, now have none. Arable farming requires less labour than livestock farming which needs someone to be on call at all times. The costs of labour are high because employers have to pay their workers Income Tax and NIC in addition to their take-home pay, the simplest way of reducing costs on a farm is to sell the livestock and dispense with farm workers. For every two full-time staff members on a farm, an amount of money equal to the take-home pay of another has to be paid to HMRC. By maximising the arable area of the farm and increasing the size of tractors and other machinery, fewer workers are needed. Employment taxes have to be paid when an employee starts work, but tax allowances for depreciation can be deducted from profits as soon as machinery is purchased. It is no wonder that the number of full-time workers on farms has declined and the size of tractors has increased.

Some farmers are dependent on subsidies because they have recently bought land and need the subsidies to cover the cost of borrowed money. The current market price of farmland is almost five times what is justified by the price of farm products and their costs of production. Many farmers try to maximise the area of land they own in the belief that large farms are more efficient than smaller ones. This can be an illusion if efficiency is not defined.

The only measure of efficiency which reliably increases with increases in farm size is output per person employed. Other measures such as output per unit area or per unit of invested capital, seldom do. Genuine economies of scale are difficult to find in farming, especially in large businesses. The proprietors of large farms may have high incomes but accurate analysis seldom finds economies of scale. Small farms are often assumed to be unviable and whenever one is sold it is usually a neighbouring large farmer who is the buyer.

A few years ago a nearby farm of about 180 acres was sold and was bought by a neighbouring farmer. The retiring farmer had grown wheat and potatoes and kept cattle and sheep. He was obviously making an adequate profit and no one would say the farm was unviable. He had inherited the farm from his father and had no rent to pay. After the farm was sold it became unviable to farm as an independent unit because it cost £1.2m. It was the price which made the farm unviable, not its capacity to enable a competent farmer to make a living. Those who bought the farm could afford to do so because they already own a lot of land and can spread the cost of their new purchase over the whole area of land they own.

There is an effective monopoly of land ownership when only those of us who own land can afford to buy any. The biggest obstacle to young people wanting to become farmers is the high price of land. Subsidies and the current tax system heavily favour the ownership of farmland. Inheritance Tax and Capital Gains Tax are completely avoidable and so speculators are attracted and help to keep land prices above what newcomers can afford. Farmers' leaders always support calls for many more young people to be able to become farmers but refuse to back the radical tax reforms needed for that to happen. High and rising land prices are assumed to be beneficial to farming but I regard them as a curse, brought on by a perverse tax system, which punishes employment and enterprise. A few farmers have become very rich under the present tax system but farming has suffered by preventing newcomers from making a start.

Instead of fearing the competition from cheaper produce imported from outside the EU, farmers should be thinking of what is needed to improve their methods of production and reduce their costs. Not all farmers use existing technology to minimise diseases in their crops and livestock, nor do they pay close attention to reducing their costs.

The most important change, which they should call for, is radical tax reform to improve the national economy. It is said that a prosperous country needs a prosperous agricultural industry but I contend that a prosperous agricultural industry needs a prosperous country.

The Covid epidemic in the UK has revealed the fragility of the national economy, which has become seriously imbalanced with a small and shrinking manufacturing sector and a large and rising service sector, especially in finances. Economic commentators are keen to praise the financial sector's contribution to the national economy in terms of GDP but GDP is a poor indicator of national prosperity. The *P* in GDP stands for "Production" but the financial sector produces very little, more than 90% of the profit it makes is through trading with other people's money, mostly from those who borrow for mortgages to buy landed property. Lending to firms and individuals for the production of goods and services amounts to about 3% of their total lending. Banks prefer to lend for the purchase of houses than for productive industry because the collateral value of a house minimises the banker's risk of loss should the borrower fail to repay. The risk of failure is greater when lending is for starting or expanding a small business and requires the lender to have the skill to assess the competence of the borrower.

A responsible government would rebalance the national economy by removing the incentives for owning landed property such as freedom from Capital Gains Tax on the sale of houses and exemption from Council Tax on derelict and unused land. Encouragement should be given to investment in productive industry instead. I favour the abolition of Value Added Tax (VAT) and all taxes on earned incomes, because they inhibit employment and enterprise. National prosperity would be greatly increased by their replacement with the collection of the Annual Ground Rent (AGR/LVT) of all land and other natural resources such as the electromagnetic spectrum.

VAT is the worst of taxes and costs the national economy at least two pounds for every pound collected. It hurts the poorest people most: even those who rely on benefit payments have to pay it. I am sure that there will be less need for welfare payments when unemployment is reduced and national prosperity will increase. Farming will become more profitable because employment costs will fall and customers will be more able to buy what farmers produce.

I am often asked why, as a land owning farmer, I am in favour of replacing existing taxes with an annual charge on the rental value of our land. The charge on land will be based on its productive capacity which means that those who farm in more remote and unproductive areas will pay much less per acre. About ninety percent of the land area is rural but its rental value is only about ten percent of the total, conversely, ten percent of the land area is urban but its rental value is ninety percent of the total. This means that the owners of urban land will pay most of the AGR. The market price of the land we farm will fall when speculative investors are unable to profit from simply owning land. Its current high price is of no advantage to us because we do not want to sell. I cannot say how much AGR/LVT we would pay, but it would be closely linked to our ability to pay. Under the existing regime we have to pay wages at the going rate related to our employee's skills irrespective of whether the farm is profitable enough to pay.

Compare that with rent. When we negotiate rent with a landowner, the amount we bid is based on the profitability of the animals and crops we plan to produce. The payment of AGR/LVT instead of existing taxes will be close to what we can afford to pay as efficient farmers.

Following the introduction of AGR the owners of large areas of rural land should also benefit from the removal of employment taxes they pay for their staff and since the rental value of most rural land is low AGR rates will also be low. Those farming more productive land will, instead of trying to maximise the area of land they farm, try to optimise the output per unit area to maximise their profits. Land, which is remote from farm steadings, is usually less profitable because of the increased costs of transport to care for animals or cultivate crops. Some will find that they are more profitable by reducing the area they farm and this will increase the availability of land for newcomers to start farming or provide suitable habitats for wildlife. The removal of income taxes and VAT will enable more young people to be gainfully employed, even in remote areas and this will reverse the trend towards rural depopulation. Community buyouts of land in the highlands and islands of Scotland have improved the standard of living but young people are still unable to remain there.

Employment taxes are often the difference between a business being financially viable or failing and it is wrong that the same rates of tax are charged in these places as in more advantageous areas. Because All Taxes Come Out of Rent (ATCOR) the total amount of AGR/LVT potentially available for collection is sufficient to fund all the necessary functions of government and could provide for improvements in education and welfare or a basic national income for all because AGR/LVT has no inhibitory effects on employment and trade: it stimulates them through optimising the use of land and maximising opportunities for employment.

I believe that farming can be profitable after Brexit, with the removal of subsidies and the abolition of harmful taxes. Young newcomers to farming will be able to obtain land at an affordable price. The fundamental features of successful farming have not changed in my experience: make sure the land you farm is not too dear, whether bought or rented; do not have all your eggs in one basket and do not pay others to do what you can and should do yourself.

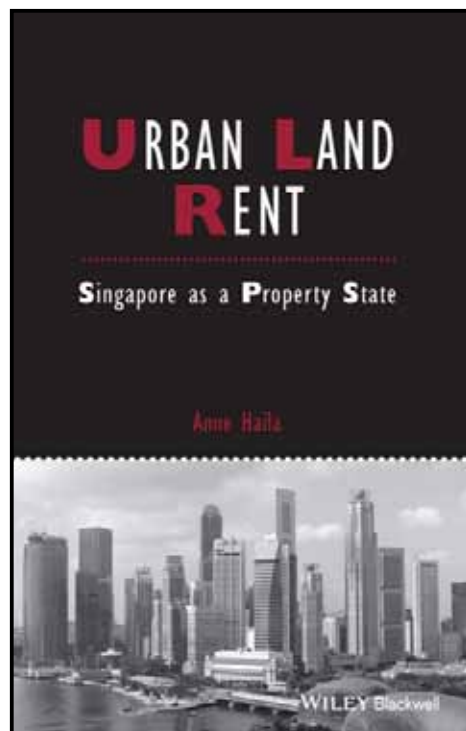
The national economy can also recover from the current recession and houses can be afforded by those who want to rent or buy. There is an alternative to a return to the economic shambles of the last few decades, which has seen the rich become richer and the poor become poorer. Radical tax and monetary reforms are the answer to budget deficits and welfare cuts. 🇬🇧

Editor's note:

Duncan Pickard Ph.D. is a former lecturer at the University of Leeds.

He has been farming in Scotland since 1992 in partnership with his wife, two sons and their wives on 650 acres they own and more than 1,000 acres on contract and short-term leases.

Lastly, Pickard is also a prominent member of the Scottish Land Revenue Group.



**URBAN LAND RENT:
SINGAPORE AS A PROPERTY STATE**
by ANNE HAILA

Reviewed by Andrew Purves

Wiley, 2016
ISBN: 978-1-118-82767-3

This book is essential reading for all advocates for the implementation of Land Value Tax (LVT), as well as campaigners for social justice and a reduction of inequality who might follow more conventional solutions for wealth redistribution in Western style democracies.

In the early chapters, Haila examines the theoretical and ideological basis for property ownership over the last 500 years and while critical of the status quo recognises the practical difficulties in removing prejudice and entrenched ideas. She is also critical of the overzealous nature of Georgist campaigners, who as a result have failed to make their case in academic circles.

Against this backdrop, Haila examines the success of Singapore's economic development since their independence in 1965. While on the surface, that development has followed the free market/private enterprise model which has delivered one of the highest levels of GDP per capita in the world, underlying its success has been a deliberate acquisition of land into public ownership, together with state ownership of public companies, albeit at arms length. 90% of land in Singapore is publicly owned, and made available through lease to private enterprise. Over 80% of the population live in public housing flats, yet at the same time own a lease on these flats.

Temasek, a listed holding company 100% owned by the government of Singapore, in turn owns shares in companies that make up 50% of the value of listed companies on the Singapore Exchange.

As she says: "finding a balance between state landownership and the free market economy, is a uniquely Singaporean pragmatist solution. It bypasses ideological debates about just property and focuses on consequences: economic growth, legitimacy of the government and public housing."

At the heart of this pragmatism applied in Singapore was the idea of finding the optimum "use value" for all land, often putting the public interest above ideologies of private ownership and control. In the process of acquiring land, previous owners were compensated at market values, but the development rights, and benefit of future growth in value transferred to the polity. Haila says:

"This book will show how Singapore has used its scarce land resources to balance between maximising rent revenue and using its landed property for public good, to provide public housing for the majority of its population and public industrial space for the transnational companies locating in Singapore. The state land in Singapore is treated as a use value (public housing and industrial space), as an exchange value (leased for private developers) and as a source of public revenue (land leases and property tax). This triple way of using public land has caused Singapore's economy to grow and, paradoxically, Singapore's development companies to prosper."

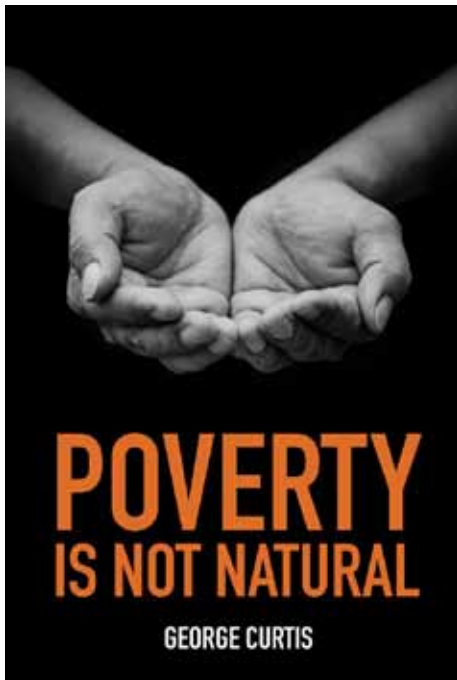
The bulk of the book is given over to a detailed study of the practical policies adopted in Singapore, and deals with some of the difficulties, and issues raised. She also compares the experience of Singapore with some other Asian Tiger economies, particularly in the aftermath of the Asian financial crisis of 1997. Singapore, inevitably emerged from the ensuing recession faster, and with less damage to their asset prices and independence.

The concluding chapter returns to the question of Land, and suggests that there are lessons to be learnt from Singapore for other countries. Haila asserts:

"This study of Singapore's land regime shows that: first, the land question is not only a rural question but also an urban question; second, the land question is not only an economic question concerning the use of land as a thing in the most efficient way, but also a moral, social and political question; and third, the land question is the real estate question."

This latter point delves into the emergence of real estate as investment/asset class of global significance. She also suggests that active management of land ownership through residency requirements and differential stamp duties can play a part in the emerging concept of 'macroprudential policy' in which area Singapore has much experience.

As the global enclosure movement, and urbanisation continues, Haila asserts that "the land question and the rent question" are very real: "who gets rent, why and how it is distributed?" She points out that the answers to these questions are a matter of policy choice, and the case study of Singapore points in the right direction. 📍



POVERTY IS NOT NATURAL
by **GEORGE CURTIS**

Reviewed by Kai Dattani

Shepherd-Walwyn, 2020
ISBN: 978-0856835254

This country is crying out for a new narrative on its deepening poverty crisis. The last few months have done little to help. Consideration of the severe economic impacts of a hefty national lockdown has only just begun. Manchester United strikers are taking the place of politicians in holding the government's feet to the fire. In the aftermath of its crippling 2019 election defeat, the Labour Party are yet to carve out a new identity and philosophy. It certainly feels as if there is a gulf of ideas about the causes, impacts and solutions to poverty.

However, is that so?

In *Poverty is not Natural*, George Curtis traces a clear cause behind poverty throughout history. For Curtis poverty exists as a structural fault in the system, a reversible injustice in the same light as slavery or apartheid, or put simply; a choice. Behind this 'fault' exists the recurring and currently unsolved injustice of private property in land, as laid bare in Henry George's *Progress and Poverty*.

However, it would be a mistake to assume that *Poverty is not Natural* is simply a rehashing of Henry George's work. In a thorough interrogation of private land ownership throughout history, Curtis goes far and into depth, preventing the book from existing in any sort of Georgist bubble.

In its first part, the book is remarkably comprehensive in its exploration of private land ownership as a cause of poverty. Curtis explores works written by Winston Churchill, Leo Tolstoy and Keir Hardie. Beyond these famous voices, Curtis delves into lesser-known historical figures who have argued along the same lines as Henry George. These include Bishop Thomas Nulty, who fiercely defended the rights of Irish tenant farmers being forced off their land during the Great Famine, and Andrew MacLaren, a Member of Parliament within Clement Attlee's Labour government who argued for a land value tax in the aftermath of the Second World War.

For a long-serving trade unionist and Labour Party councillor, Curtis's book is remarkably politically diverse. He calls out the austerity of the right, whilst also sharply challenging the gradual shift towards government welfare and socialism of his own party on the left. This diversity of ideas is directly a result of Curtis's unique personal background and political journey.

Lincolnshire born and bred, Curtis grew up around the farms of his agricultural county, quickly joining the National Union of Agricultural Workers in 1942. He rose to become the District Organiser of his area and went on to serve in this role for over thirty years. His special interest and expertise in the plight of rural communities and regional inequality are clear within the text. He explores the damaging role of private land ownership from an agricultural point of view, notably in his chapter covering the Great Famine in Ireland, whilst also looking forward towards solutions to solve the United Kingdom's current crisis of regional inequality and rural poverty.

It becomes clear very quickly that George Curtis's politics in the book are deeply personal and cannot be separated from his own life experiences. As someone who had the pleasure of corresponding through letters with George Curtis since 2018, in the editing process of the book, hearing about his experiences that directly shape the chapters was fascinating.

A particularly memorable account that I got to speak with him about was his visit to East Germany in the late fifties. After visiting the Leipzig Fair, a state farm and the Buchenwald concentration camp with its prisons and gas chambers, he realised that there must be a 'third solution', aside from free-market capitalism or authoritarian Marxism to cure poverty. It was these encounters that led him towards Henry George's *Progress and Poverty*, published in the year 1879.

Despite the book's bold historical interests in the history of poverty and support for a land-value tax, it by no means lives in the past. After establishing the forgotten narrative regarding private land ownership throughout history, Curtis moves forward with powerful momentum into the present day. First of all, Curtis dissects the role of charity within today's society, proving how it can only mitigate the effects of poverty as opposed to addressing the cause.

Most interestingly, Curtis delves in detail into the issues within the Labour Party in its response to poverty. Heavily inspired by his own experiences as a councillor in the Labour Party, Curtis explores how Henry George's ideas regarding poverty have in fact been written out of the party's philosophy. His knowledge of the history of the Labour Party, right from its birth with Keir Hardie to the exclusion of Georgist ideas within the Attlee government

is thorough, informed and particularly relevant today, as Labour goes through its own ideological makeover under new political leadership.

When discussing *Poverty is not Natural* with George Curtis, as I had the privilege to do so as the book's editor, his vision and political ideas for today's society and economy were savvy and well-articulated, all whilst being based upon clear, uncomplicated moral truths. Personally, I am glad that these parts made it into the book.

In the book's latter chapters, Curtis proposes replacing a complicated, convoluted and unequal tax system with a single tax on land value. Curtis's solutions seeks to balance economic efficiency with a higher moral justice; showing how both can exist as two sides of the same coin. The articulation of his ideas is comprehensive, considering the positive impacts on people of all ages and backgrounds, as well as businesses, the government and even homeowners.

Whilst going into complex economic ideas, Curtis never let's go of the Christian Methodist philosophy that runs behind the book as its spine. He proves how simple politics and economics can be, when one considers that what is just is usually also economically profitable.

As a qualified Methodist preacher since 1949, Curtis's references to Biblical works as a moral compass are frequent, however, the book is far from overly religious. Instead Curtis deliberately broadens out into non-denominational, wider ideas of natural law to prove just how 'unnatural' poverty is and how realigning our modern-day policies and laws with natural law can cure such a social evil.

Poverty is not Natural is simultaneously a whistle-stop tour through Christian, political and social history, a modern 'Condition of England' novel and a radical policy proposal that an economist would marvel at.

Conclusively, in this very recent book from publisher Shephard-Walwyn George Curtis manages to convincingly mesh together his own life experiences, historical interests, Christian faith and acute analysis of the economy into a streamlined and easy-to-access argument for social justice. 📖

HGF BRIEFING NOTES

FRIDAY MEETINGS ON ZOOM

The principles of Henry George will not cease to be taught even in times of global pandemics and general turmoil. As was the case with this year's successful Open Day Event the HGF's regular Friday meetings have now been organized on the online platform Zoom until further notice.

This reorganizing relates to both the afternoon and the evening sessions. All times remain the same. The timeslots being 2:30pm to 4:00pm and 7:15pm to 8:45pm, respectively.

Before meetings can again take place in a regular social format at Mandeville Place all relevant Zoom links can be found at the HGF website. Please notice both the relevant Meeting ID as well as the correlated password/passcode.

Go to:

www.henrygeorgefoundation.org/events/friday-events

NEW LAND&LIBERTY FEATURES

In this autumn issue we introduce a new Land&Liberty feature under the title *From Our Archives*. As many regular Land&Liberty readers will know our heritage stretches back to 1894 beginning with the name *The Single Tax* and later, in 1902, under the name *Land Values*.

As editors we appreciate and cherish our magazine's history and consider it a true privilege to continue forward on this path. But as we move forward we sometimes come across little interesting pieces from our magazine's fascinating past. Pieces, which feel equally relevant today as in the time they were written. We have decided to give those pieces new life. Not in every issue; but when we come across something that reflects a social issue in our own time. We hope you will enjoy reading *From Our Archives*.

Starting with our upcoming winter issue in January/February '21 you will also find a longer and more detailed passage from Henry George's writings. In much the same way as explained above we will aim for this passage to reflect a contemporary social issue. 📖



THE LAND QUESTION: A TRIBUTE TO ANNE HAILA

It started with a question, 'Do spirits own the land in Thailand?', asked by Professor Anne Haila in Autumn 2015. I was puzzled by this question and became speechless. I had no idea how to respond to my supervisor's thought-provoking question. Officially, state land and private land are the two land types in Thailand. It was unusual to think about spirits in connection to urban studies, the field of study in which I conducted my doctoral research. It sounded odd to even think about any land plots owned by spirits in the country in which I was born and raised. However, this question made me fundamentally rethink urban studies. I then marvelled and was curious to examine whether there is something in between these two land types, something about the rent, perhaps norms, customs, or traditions that we have lived with all along but overlooked, or something about the land that is not recognised by laws and out of the economic sphere of life. More importantly, this question made me doubt the applicability of the individual land ownership concept which was imported to Thailand from the West. This question was an ingenious way by which Professor Haila taught me about the land question.

Professor Haila was an Academy Professor and Professor of Urban Studies, University of Helsinki, Finland. In September 2019, she passed away at home in Helsinki at the age of 66. She received her Ph.D. from the Department of Real Estate, the Helsinki University of Technology (now the Aalto University). Her doctoral dissertation entitled *'Land as a Financial Asset: Studies in Theoretical and Real Trends'*. During the 1990s, she was a Professor at the Department of Land Use and Landscape Planning, the Agricultural University of Norway; a Research Fellow at the Nordic Institute of Asian Studies, Copenhagen, Denmark; and a Senior Fellow at the Faculty of Architecture and Building, the National University of Singapore; and a researcher for several research projects.

Professor Haila was a renowned land economist and spent her academic life urging academics and policymakers to pay attention to and consider land rent and the (social) use value of land as an 'alternative' to land use based on the private appropriation of socially created rent. She had developed an urban land (rent) approach (e.g. Haila, 1990; 1988; 2016; 2017) inspired by the works of Karl Marx, David Harvey and, Henry George whose influence was clearly the strongest on Haila. She was called by the Editor-in-Chief of the *American Journal of Economics and Sociology* as 'the most important Georgist in the World' (see Obeng-Odoom, 2019).

In her magnum opus, *Urban Land Rent: Singapore as a Property State* (2016), Professor Haila discussed the domination of efficient land use influenced by the notions of private ownership bringing about economic efficiency by John Locke, Douglas North, and Ronald Coase. She was fearless in her critique of the enclosures and land parcelling in the history of Europe led to commodified land and the advent of rational land use. In today's cities, one of her concerns was the current trend that states and municipalities sell their public land and properties to private firms instead of using them as public goods. She used the case study of Singapore's regulating land to show 'the benefits of land as a public good'. Haila's book on urban land rent was praised.

Georgists led the way. According to Andrew Purves, the author of *No Debt High Growth Low Tax*, Haila's book, which he reviews in this issue of *Land&Liberty*, is crucial for advocates of Land Value Tax (LVT) and social justice and equality, and the Singapore case study has shown how the city-state has successfully balanced the uses of state land for public good as well as for rent revenue maximisation. Her book was also included in the distinguished list of 'Georgist books of Note' presented at the 2017 Council of Georgist Organizations Conference in St. Louis, Missouri.

This well-received book about Singapore reminded me of my conversation with her concerning the geographical biases in urban studies. I noticed that studies of non-Western cities (and cities in the global South) are often regarded as 'empirical findings', and thus the publications are usually cited as 'case examples' rather a contribution to the development of urban theory. This work of Professor Haila has shown that analytical cases can inspire other urban scholars who study non-Western cities. For me, the book has also demonstrated that it is possible to overcome geographical biases. Research on non-Western cities can and, perhaps, should permeate the process of 'reconstructing urban economics' (Obeng-Odoom, 2016).

In the current era when the focus of urban studies has increasingly shifted towards issues of global financialisation of land and housing, Professor Haila instead was interested in searching for 'alternatives' to commodification and financialisation of land. Her recent Academy Professorship project 'Urban Land Tenure' focuses on which I worked with her before her passing, non-private forms of urban land tenure, in particular, religious land, collective owned land, and communal land. The project emphasises social and moral obligations attached to urban land use besides the uses of urban land based on exchange value and market logic.

It has been over a year since Professor Haila departed us. As a member of her 'Urban Land Tenure' project, I am, and always will be, inspired by not only her intellectual work but also by her supervision and mentoring. On a personal level, after knowing her for seven years and accompanying her to several fieldwork trips in Southeast Asia, I was touched not only by her brilliance but also her open-mindedness and kind-heartedness. She always amazed me by her curiosity to learn about land tenure systems in different societies.

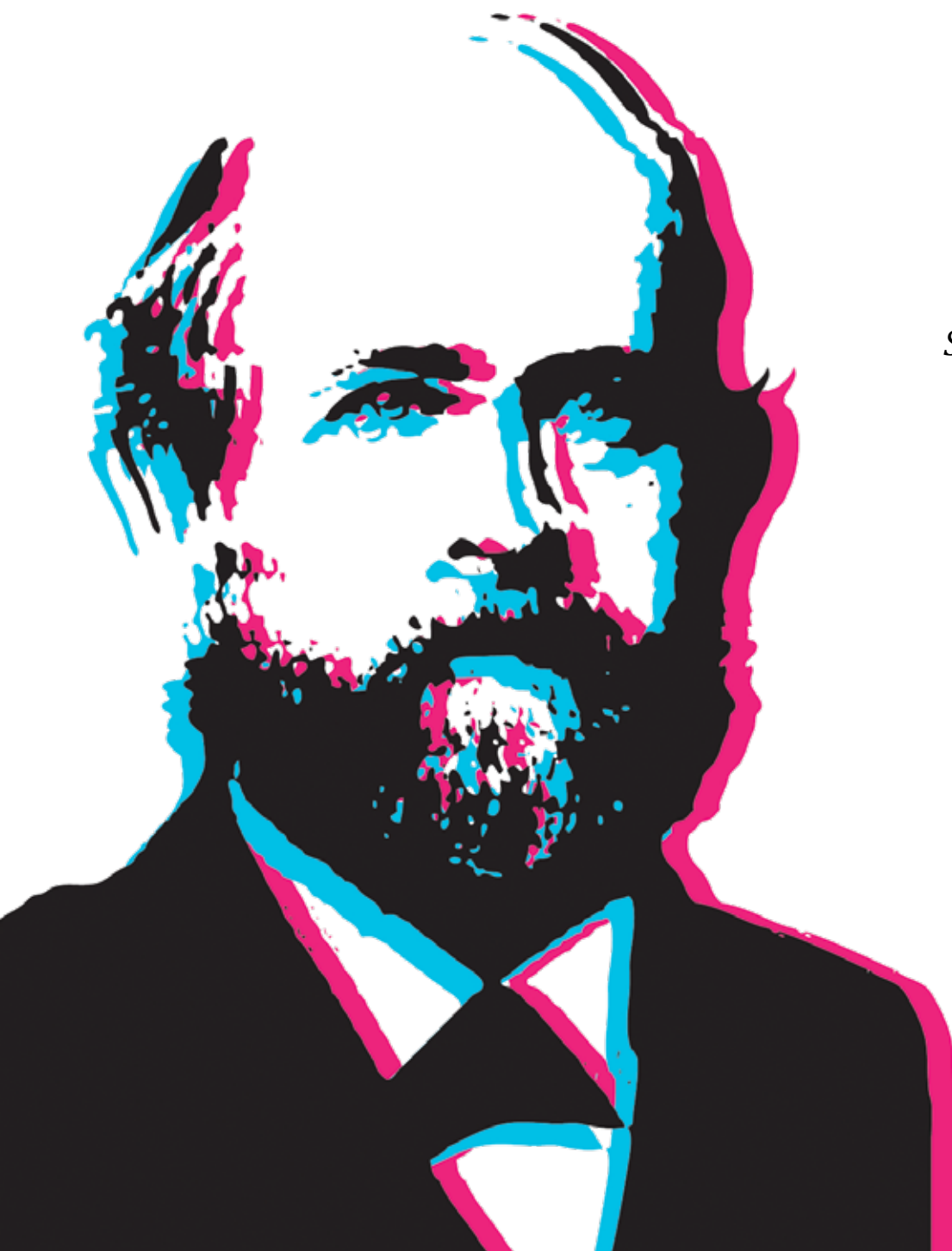
So, 'Do spirits own the land in Thailand?' in particular, and 'Who owns the land?' in general require urban scholars and land economists to look at and look beyond the economic sphere in association with land use. They should consider also the social sphere, social relations around the land, and the temporal aspect of urban land tenure.

Above all, one of the most precious things that I learned from Professor Haila is her advice: 'In many cases, to ask a good question is more important than to answer it', and I would like to pass this advice on to other scholars as well. While all urbanists could heed this advice, it is Georgist political economists who, in addition, are well-equipped to further develop the legacy of Academy Professor Anne Haila. 📍

...PRUDENCE, PATRIOTISM,
HUMAN SYMPATHY, AND
RELIGIOUS SENTIMENT, ALIKE
CALL UPON US TO UNDERTAKE IT

”

Henry George,
Social Problems, 1883



To find out more visit
www.henrygeorgefoundation.org
or
www.landandliberty.net

Our Philosophy



What is Land&Liberty?

Land&Liberty, a quarterly magazine published by the Henry George Foundation, has chronicled world events for over 100 years. Dedicated to promoting economic justice along lines suggested by the American writer, social reformer and economist Henry George, it offers a unique perspective to stimulate debate on political economy through its reports, analysis and comment.

Who was Henry George and what is special about his ideas?

In 1879 George published one of the best-selling books on political economy ever written, *Progress and Poverty*. By the twentieth century the wisdom he expounded was recognised and supported by many of the world's most respected thinkers including Tolstoy, Einstein, Churchill, Shaw, Huxley, Helen Keller, Woodrow Wilson, Stiglitz, and Friedman. Today, as the world faces environmental and economic crises, we believe George's philosophy is more relevant than ever. But, as George foresaw in *Progress and Poverty*, and is inscribed on his gravestone:

"The truth that I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured."

Today, Henry George is mostly remembered for his recognition that the systems of taxation employed in his day, and which continue to dominate fiscal policy in the UK and throughout the world, are unjust, inefficient and ineffective.

He saw how taxes discourage wealth creation, positive economic activity and employment, and prevent people and nations from realising their full potential. By ignoring property rights they constitute theft and encourage dishonesty and environmental abuse. In short, as a method of raising public revenue, they fail. By offering an alternative, George also showed that taxes are unnecessary.

George realised that some land at particular locations acquired a value that was not due to the actions of any individual or firm but was due to natural influences and the presence, protections and services provided by the whole community. He saw that this value grows as the need for public revenue grows and is sufficient to replace all existing taxes. This could be collected by levying a charge based on land values and is commonly referred to as land value tax or LVT. However, George was clear that this is not actually a tax but is a rental payment individuals and groups need to pay to receive the exclusive use of something of value from the whole community, i.e. the exclusive possession of a common, limited and highly-valued natural resource.

Henry George's ideas were not limited to his proposal to change taxes. His

profound body of theory also included issues such as: the difficulties inherent in the study of political economy; the fundamentals of economic value; a proper basis for private and public property, trade, money, credit, banking and the management of monopolies.

Key to 'the truth' that Henry George tried to make clear is that every thing is bound to act in accordance with the laws of its own nature. He saw these laws of nature as operating everywhere, at all times, and throughout a creation that includes man and society, and the worlds of body, mind and spirit. Furthermore, that people and societies can only behave ethically and succeed in their own designs when they are cognisant of, and act in harmony with, those natural laws.

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