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(WITH SOME TELLING POINTS,)

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## WHY JAPAN INVADES CHINA

"It is commonly supposed that the Japanese Empire is in need of more territory to accommodate its large population and therefore found it necessary to invade the mainland of Asia in a view to acquiring territories from China. Excessive population is the most feeble of all excuses for war. In the first place China itself has a large population and should therefore be one of the last countries to be invaded on this pretext. A peculiar fact revealed by Japanese statistics is that the Japanese military operations on the Asiatic mainland have been active only since 1931, and since 1931 the birthrate in the Empire has been steadily falling. Japan is not over-populated. The Japanese Empire covers an area of more than 260,000 square miles, and the total population is some 98 million persons, giving a density of about 370 persons to the square mile. England has a density of about 740, while Belgium has a density of about 670, and in practically all countries to-day there is actually migration from the less densely peopled areas to the cities, and Japanese statistics also reveal this peculiarity.

In any fair-sized country, density of population never causes economic distress; poverty and unemployment are the result, entirely, of an iniquitous system of land "ownership". In the Japanese Empire one-half of the arable land is "owned" by only 10 per cent of the population. . . . In 1868 all the land belonged to the Emperor as the head of the nation. . . . From 1872 onward the Japanese Government sold the land of the nation to private landowners, and as early as 1874 "Regulations for the relief of the poor" had to be put into effect, while in 1885 emigration began and has continued on an ever-increasing scale. . . . During the Meiji period the national revenue was mainly derived from the land, there was no need for emigration and no desire for war. A steady decrease in the land revenue has developed side by side with a growing

spirit and a continuous fall in the standard of living working classes. . . . Their natural rights to their own been taken from them by the landowners with the conniv Government, the Japanese peasants are now being told ( Italians about Abyssinia ) that it is necessary for the away the land rights of the Chinese peasants."

(From an article by H. F. Levett. Figures and qu are mainly taken from "The Japan Year Book, 1936," put the Foreign Affairs Association, Tokyo.)

#### WAGES FOR SALE

A Manchester newspaper announces the sale of grou Stretford amounting to £2,819 per annum. The securiti about 700 modern properties and the sites extend to a of fifty-nine acres.

This could as truthfully be described as a sale c Ground-rents are land-values and are entirely due to t and industry of population. The people of Stretford c year, and therefore earn each year, the rental value c of Stretford - and the owners of Stretford take it in rents. This legal right to appropriate other people's in this part of Stretford is changing hands, but it wi to be as immoral and anti-social when acquired by the as when it was in the possession of the vendors.

Sales of wages such as the above excite no more c did the sale of men before the abolition of slavery. slavery was abolished through the awakening of the pul science, and when the iniquity of private property in earnings is recognised, this evil custom also will be

#### THE BOGEY OF "INTEREST"

In a pamphlet entitled "Interest: the modern mon: fred Wellock, M.P. supports his contention that inter: and injurious by extensive quotations from the writin: prophets and others who knew as little about economi: ern politicians. He says that interest receivers (ca: exact tribute from the labour of others; that they ar: determine whether men shall work or be idle; that ind: expand because people are robbed in paying interest, : therefore lie unsold in warehouses and shops. An exa: the facts shows these assertions to be baseless.

#### Economic Facts

There are three factors of production: land, lab: ital. And the product (wealth) is divided into three wages and interest. Capital is that part of wealth w

in producing more wealth, such as buildings, machinery, commodities in warehouses and shops, and gold and silver coins. Labour not being produced by labour, is not wealth and cannot therefore be capital. Interest is a return (or reward) for the use of capital, and when paid by a borrower to a lender of capital it is payment for service rendered and not "tribute exacted from the labour of others." This can be seen in the case of house property - one of the commonest forms of capital. A house owner may receive interest by living in his own house and thus avoiding the payment of house rent to someone else. Or he may let his house to a tenant and receive interest in the form of rent. In paying rent a house tenant pays for a service as truly as does the man who hires a hall for a concert or engages a taxi to carry him across town. And the capitalist - owner of house, hall or taxi - receives in interest payment for a service.

Commodities also are capital, from the moment when the materials are grown or dug out of the soil until the finished articles reach the consumers. For their services in production and distribution, and in storing commodities in places where the public can conveniently obtain them, the owners of capital receive payment in the interest included in the prices paid for them. All these people - manufacturers, traders, shareholders - are entitled to such payment, whether called interest or dividend.

#### The helpless masses

Capital does not limit industry, though it may limit its form. And employers cannot control the amount of employment or determine the rate of wages. Employment depends upon access to land, and employers must pay the market rate of wages which is determined by the economic rent level. In conditions of unemployment due to land-withholding, competition for jobs depresses wages and keeps them low. The possession of capital does not confer upon its owners any power to exploit labour, but the helplessness of the masses divorced from the soil makes their exploitation possible. Private property in land makes the masses helpless by depriving them of opportunities for self-employment.

#### Exaction of tribute

When paid to landowners as ground-rents, royalties, &c., economic rent is not a reward for service, but tribute exacted from the labour of others. It is a deduction from the earnings of the useful members of society, and the loss of purchasing power resulting from its payment, and also from the prevented employment through land-withholding, accounts for commodities lying unsold in warehouses and shops.

Mr Wellock has mistaken the Capitalist for the Land-lord and Interest for Economic Rent. But such errors can be avoided.

by a careful reading of PROGRESS & POVERTY. In this George shows how the land-lord can be removed by means of Taxation of Land Values and the Untaxing of Industry. If this is done, the whole product of labour will be enjoyed by whom it rightly belongs.

### SOME OBJECTIONS ANSWERED (2)

A common objection to the Taxation of Land Values is that such taxes would be passed on by the Land-lords to their tenants or purchasers. Therefore, it is said, the Land-lord's power would not be affected - the public would pay, as usual.

A Tax on Land Values would be levied on all the land in proportion to its selling value (based on rental value) whether the land was used or not. Taxes on commodities make them dearer but taxes on land-values make land cheaper. A tax on tea, for example, checks the flow of tea into the market until a price (sufficient to cover the tax) can be obtained. But a tax on land-values forces more land into the market by making it more profitable to hold and the misuse of land unprofitable.

The rental value of land is determined by the demand for its use in relation to the available supply. This is true whether these land-values are enjoyed by the Land-lords or shared by the community by means of taxation. A Tax on Land Values does not increase the demand for the use of land, and therefore does not increase the value of land (created by demand) which is taxed. Its effect is to transfer a part of the land-value from the Land-lords to the Public Authority, and to the extent that this is done, the Land-lords' share is reduced.

To pass on a Tax on Land Values, Land-lords would increase the rent or selling price of land. But as the demand for the market supply of land is increased and sets up competition between landowners for tenants, it is certain that not only do the Land-lords pay the tax, but also that land will be made more available through its operation. Where land-values are taxed in the dominions, more land has become available at lower prices.

### THOUGHT FOR 1938

Workers for economic justice should not grow weary or discouraged, even when their efforts seem unavailing. They are preparing the ground for a great harvest which will be reaped through their labours.

"Knowing this, that never yet  
Share of truth was vain  
In the world's wide fallow;  
After hands shall sow the seed, After hands from him  
Reap the harvests yellow."  
(Whit)