

The vanquished must be made to pay, but if they offer to restore the devastation in the regions of the victors, the offer is refused because it will deprive the people of the victorious countries of the opportunity to do it themselves. If goods are offered in order that the victors may the more easily and quickly restore the devastation by their own labour, this offer also is refused because it is only by producing the goods themselves that the victors can avoid or lessen unemployment. Even the offer of goods in trade, that is, in exchange for goods produced by the victors themselves, is feared, lest it injure the industries of their peoples and produce unemployment. Therefore, up go the tariff-barriers of the victorious nations. In every so-called civilized country unemployment is always so dreaded that the government fears to allow its citizens to accept freely from foreigners either services or goods.

Undoubtedly, involuntary unemployment is an absurdly artificial phenomenon and undoubtedly, therefore, it can be done away with—but how? The tendency of the times is to postpone the solution of every question while private and public agencies pile up a mass of unrelated and often unimportant statistical information by means of which the judgment of the people is confused. It is better to depend less upon statistics, which often exaggerate the importance of superficial symptoms, and to depend rather more upon the reasoning-faculties of the human mind. Then, frequently, the truth is found to be obvious and simple.

### LAND REFORM

By Elyn W. David, LL.B. (Lond.) (prospective Liberal Candidate for Llandaff and Barry Division).

(From an address given at the Liberal School held at Llandrindod Wells under the auspices of the Welsh National Liberal Council on 22nd April, 1924.)

Some years ago Mr. Winston Churchill told us that "Socialism attacks capital, but Liberalism attacks monopoly." That was before Mr. Churchill acquired Mr. J. C. Gould as his tutor in political consistency and Sir Archibald Salvidge as his patron saint. But I believe Mr. Churchill was right when he said that the purpose of Liberalism was to attack and to destroy monopoly, and it is because the greatest of all monopolies still challenges all who are true to the Liberal tradition that we are concentrating our attention this morning upon the land problem in this country.

A recent writer has well said "The land question has been at the root of most other social questions in England ever since the Middle Ages and the uneven distribution of land throughout the centuries explains very largely the social construction of the British community to-day."\* That is profoundly true.

But I do not propose to enter upon an historical survey of the land question. I am more concerned with the realities and ramifications of the problem as it confronts us to-day. I believe it is as true of contemporary England as it is true historically that the land problem is the mother of all our internal political and economic problems.

Let us examine for a moment the characteristics of an ideal land system. I think that in such a system you would find (A) a just distribution of the property in land; (B) protection from injustice for all who used the land; (C) adequate facilities for the control of land by the community whenever such control was desirable in the interests of the community.

It is usual nowadays to place all the evils of our civilization at the door of the modern industrial system. But profoundly dissatisfied as we must all be with the structure of modern society, very little study of our present day evils will show that they are by no means exclusively attributable to the injustices of our industrial system.

Many of our great social evils are in my view directly attributable to our failure to realize those three great essentials of a sound land system which I have enumerated.

To the unjust distribution of the property in land is due very largely that great inequality in the distribution of accumulated wealth which is unhappily an outstanding characteristic of modern society.

To the lack of protection afforded to town and country tenant can be attributed in a great measure agricultural depression and urban stagnation.

To the inadequate control over land enjoyed by the community we can ascribe (A) the failure of our industries to develop with greater economy and efficiency; (B) the abandonment by our municipalities of schemes for the improvement of our cities; (C) the restriction of our national services; (D) and the consequent unemployment, physical degeneration, and moral deterioration of the common people.

The method by which I suggest we can obtain a more equitable distribution of the wealth produced on the land of this country is by the taxation of land values.

The injustice of the present system is apparent to everyone. The community is hungry for land, the landowner refuses to sell until the value of that land has been increased by the community. The community creates land value, the landlord pockets it.

Let me give you an example from my personal experience. A friend of mine in search of a plot of land to build a house asked me to inquire the price of a certain field in South Wales. I made the necessary inquiries, and was informed that the field could be bought for £1,000 per acre. My friend was amazed, and told me he would talk to the agent himself. He met the agent a day or two later, and asked the price of the same land, and was told he could have it at £1,250 per acre. A day or two later another friend of mine also in search of a building site saw the agent with reference to the same land, and to his astonishment was informed by the agent that it could not be obtained for less than £1,500 per acre.

That field had gone up £500 an acre in less than a fortnight.

Yet the probability is that the rates paid in respect of that land were negligible. I say that is a scandalous state of affairs and should be brought to an end as swiftly as possible.

To-day even unemployment pours money into the pockets of the landlord. We launch schemes for the relief of unemployment. Roads are made, trees planted, railways extended, wastes reclaimed, with what result? The landlords raise the price and the rent of surrounding land and withhold land from production to obtain still greater prices as the result of the development.

Since the community creates the value, surely the community is entitled to a share in that value. "But," you say, "surely the landlord pays rates on his land? Does he not in that way recompense the community?"

Let us take an example.

A few years ago what was known as the Bellingham site was acquired by the London County Council for building. For the purpose of the sale to the London County Council the value of the site was, I believe, assessed at £50,339; for rating purposes the annual value was £490. Could anything be more ridiculous or more unjust?

Let the landlord pay a fair ground rent to the public for his land. That can be done by a very simple and direct method. There should be a valuation of the capital site value of the whole country; and this valuation should be the basis both of a national land value tax and of local rates and taxes.

This proposal has in one form or another been the policy of the Liberal party for many years. The Finance Act of 1909-10 with its Reversion Duty, its undeveloped land duty and Increment Value Duty, broke down by reason of its complexity and the legal obscurity of its provisions.

\* De Montgomery. British and Continental Labour Policy.

A tax upon the unimproved market value of land would be free from these difficulties. What would be the economic effects of such an innovation?

(1) A national tax on land values would redistribute and readjust the burden of taxation. It would broaden the basis of national taxation and make it possible to reduce the indirect taxation of food which lies so heavily upon the people.

(2) It would stimulate industrial development. At present the more substantial the improvements a man makes upon his land (even though he gives increased employment and adds to the prosperity of his town) the higher goes his assessment for rates. There is no doubt that business development has in the past been seriously restricted by reason of the business man's fear of this penalty, and the abolition of the tax upon improvements involved in the institution of a land value tax would stimulate business and industry.

(3) A tax on site values would bring more land into the market. A landlord can afford to keep land unproductive if it is valued as unproductive and not at market value. But once the land is valued and the landlord has to pay taxes upon the true market value the landlord will be loth to leave it unproductive. He will be anxious to make the land earn its taxes and he will put it to productive use.

(4) It follows as a corollary that if more land comes into the market it will become cheaper and more easily available.

(5) The cheapening and the greater accessibility of land mean inevitably lower rents and a stimulated building industry.

(6) The stimulation of the building trade and of industry generally should have an appreciable effect upon the unemployment problem.

The Executive of the National League of Young Liberals, at a meeting held at the House of Commons on 26th June, approved a restatement of the famous Eight Points of Freedom, outlining the principles of Young Liberalism.

They are now:—

1. Freedom of all nations based upon the League of Nations.

2. Freedom of trade, external and internal.

3. Freedom from burdensome taxation by the adoption of direct taxation.

4. Freedom of the community to draw upon communal value by the taxation and rating of land values.

5. Freedom from injurious monopolies.

6. Freedom for the worker aided by a National Industrial Council, and a National Insurance scheme to cover accidents, old age, and the cases of widows and children.

7. Freedom of the individual to secure better housing, health and education.

8. Freedom of the electorate to be won by proportional representation.

Mr. Charles Bevan, B.Sc., will shortly publish a handbook for Young Liberals, entitled FREEDOM.—WESTMINSTER GAZETTE, 27th June.

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The MALTA JOHN BULL of 24th May reprints in full from LAND & LIBERTY Alderman F. C. R. Douglas's Address on "The Problem of Unemployment" at the London Henry George Henty Club; and in the issue of 21st June, reproduces the leading article in the JUNE LAND & LIBERTY.

Read "Protection or Free Trade," by Henry George. Real Free Trade expounded. In paper cover, price 1s., from our offices.

## A REAL FREE TRADE SPEECH

MR. SNOWDEN AND RICHARD COBDEN'S TRUE MESSAGE

Speaking at the Cobden Club Annual Dinner, Hotel Cecil, London, 1st July, Mr. Philip Snowden, the Chancellor of the Exchequer, said:—

The term Free Trade was sometimes used in far too limited a sense. Free Trade was something more than imports, it meant the removal of hindrances to free production, free exchange of commodities, the destruction of all monopolies which enriched individuals at the expense of the community.

Cobden, he reminded his hearers, was a land reformer who would have taken up the question of the land had he been a younger man when he fought the Free Trade fight.

At that stage (and here we quote the WESTMINSTER GAZETTE) "the controversial artist was subtly at work in Mr. Snowden's adroit use of Richard Cobden's linking of Free Trade with the breaking down of the land monopoly, and the speaker produced and read his quotation at this point with the effectiveness of an old Parliamentary hand."

There was no distinction, Mr. Snowden said, between Protection and Imperial Preference, except in degree. Imperial Preference was simply a stepping-stone to an all round and complete system of Protective Tariffs. He had known no political crusade, no political campaign in this country more hypocritical than this campaign for Imperial Preference. He never heard the canting hypocrisy about the Empire used in order to beguile the people into support of Tariff Reform or Protection without feeling a measure of disgust.

It was not the Tory Party, it was not Protection which had made the Empire. It was liberal (with a small "l"—laughter) it was liberal principles which cemented the Empire and liberal principles would maintain the Empire. He knew no more certain way of bringing it speedily to destruction than the propagation of the idea that it could be kept together by a nexus of selfishness.

Referring to the removal of the McKenna Duties, he said, only a few industries were affected, and yet they had for weeks a most violent, unscrupulous, lying campaign. The lobbies of the House of Commons he was told were crowded (he never went into them—laughter) with deputations trying to bring pressure on members for one comparatively small industry. It did not require very much imagination to conceive what the whole political life of this country would be if every industry were protected.

In these modern times, at any rate, the most provocative cause of war was tariffs. There was nothing more civilizing, nothing more calculated to break down international jealousies and misunderstandings than free intercourse in trade. For that reason he deplored the speculations as to what would happen to our trade on the revival of Germany, speculations based on the strange misunderstanding that the prosperity of one country was harmful to another, while the very opposite was the fact.

Despite the war and its bitter aftermath he found himself an optimist, in the sense that no work for progress was ever lost.