

LAND VALUES

Twenty-third Year. (Established June, 1894)

Monthly 1d. By Post 2s. per annum.
(United States and Canada, 50 cents.)

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"OUR POLICY"

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—*Henry George.*

COLONISING OUR OWN COUNTRY

The Duke of Sutherland's gift of land to the State has served to focus discussion on a fundamental question of economic principle in regard to land settlement. The Borgia Estate has an extent of 12,000 acres and an annual value for rating purposes of £475, of which £180 is for the value of the fishings reserved by the Duke for himself. Thus, the annual rateable value of what has been given to the nation is £295, and of this again £128 is for the value of shooting rights, leaving £167 as the agricultural value.

These figures, for which the public is indebted to the questions put in Parliament by Mr. R. L. Outhwaite, show that the agricultural value of this land is on an average less than 3½d. an acre, on the assumption that the valuation for rating purposes is accurate.

In forming a judgment as to what use this land can best be put, this information is of the greatest value. It must also be borne in mind that the land is so situated that communication with markets is extremely difficult; and the Duke of Sutherland, recognising this, has granted a wayleave for a light railway over his adjoining property. On the whole, therefore, the State will require to make a considerable expenditure in order to fit the land for small holdings.

We draw attention to these details with no purpose of disparaging the Duke's gift—on the contrary we fully appreciate his good intentions. But the matter is important because it raises a fundamental principle. In attempting to colonise the land of this country are we to start with the best land or with the worst? This point was raised by Mr. Dundas White and others in the debates on the Small Holding Colonies Bill, and it was officially admitted by the spokesmen of the Government that poor land was of no use for small holdings. The small holder should have fertile land, well situated with regard to sources of supplies and to markets.

It is a thoroughly mistaken policy to attempt to establish small holdings on poor lands. But as soon as it is attempted to purchase good lands, the difficulty

of expense arises. There may be no great difference between the two classes of land as regards the amount of capital and equipment required, but there is a great difference as regards the price of the land itself, apart from the improvements; so that if highly productive lands are to be purchased, the expense will be very great.

If the expense involved in purchasing good lands were wholly a remunerative outlay, this would in the long run be no hindrance. In fact, however, a part of this outlay can never be repaid; and this for two reasons. In the first place, whenever the State becomes a purchaser it has to pay a greater price than would be obtained in a private transaction. This added expense is simply blackmail for which no economic equivalent can ever be realised. In the second place, we have an obstacle of still more importance, though not so well understood. It is because so much good land is held out of use that there has been any tendency to resort to inferior lands; and it is because this land is held out of use that the rent or price of what is used is at such an exorbitant point. What the prospective tenant or purchaser is willing to pay is measured by his unwillingness to attempt the cultivation of wild land in the Highlands and by the artificial scarcity of fertile lands in the vicinity of markets. The rise in price caused by this unnatural scarcity is also a form of blackmail for which an economic equivalent cannot in the long run be realised.

Or to put the matter in another light—the normal and economical method of developing the natural resources of a country is to use first those which are most remunerative; when these are being fully exploited to have resort to those of next lowest quality; and so on in succession as far as the needs of the community extend. To proceed in any other fashion is economically wasteful. To utilise poor lands while better remain undeveloped is to seriously curtail the production of wealth, and to make worse its distribution, for the level of wages for the mass of unskilled labour will not long remain above what those working on the poorest land in use can earn. The whole industrious population tends to be reduced to the condition of those who cultivate the poorest lands which need not have been touched at all.

The condition we have just sketched is that of this country at the present moment. The basic evil of our economic system (apart from the private appropriation of the public value of land) is the fact that the land has been developed in this wasteful and uneconomical fashion. Poor land is cultivated while good land is held out of use. This is true not only of agricultural land, but also of building sites, mineral deposits, and all forms of natural resources.

The classical economists have sketched the development of land as proceeding in a regular and unbroken gradation from the best lands downward to the worst, with the implication that it is a faithful picture of things as they actually are. Our statesmen, whose ideas are equally antiquated, still fail to realise the gigantic waste involved in the land system of their country. They do not yet understand that the price of land is a false and inflated value due to the unnatural scarcity produced by the holding of land out of use. And not understanding this, they do not recognise

that the first step of reform is to put into force measures that will make certain the normal and economical development of land and that will in consequence reduce the price of land to its natural level.

Until these simple and elementary facts are realised and acted on, every scheme of land settlement is foredoomed to failure; and that failure may be extremely wasteful and disastrous. The Government is now embarking on an "experiment" which is supposed to be the first stage in a plan which will involve the expenditure of millions. If this plan is carried to the extent that its supporters demand, either the State will be burdened with an enormous yearly outlay in order to subsidise an activity which in its very essence is uneconomical, or the small holder will have to bear the full weight of the repayment of the capital invested, a burden which will rapidly crush his industry to the ground. Whether he be settled on wild lands in Sutherlandshire or on fertile lands in the lowlands, the struggle for existence will be too acute, for he will have to bear a millstone of debt created in the purchase of land at exorbitant prices. In the end the small holder will either return to overcrowd the manufacturing industries, or he will emigrate to some clime where land monopoly has not yet so completely barred the path of progress and advancement.

This is a melancholy prospect for those who have been asked to make unheard-of sacrifices on the field of battle in order to defend "their" land, and for them and the rest of us who have to shoulder the gigantic burden that this struggle entails. We must energetically protest against the wasteful and extravagant proposals that are being made in the name of land reform. True land reform needs no expenditure of public money and no costly State organisation. The only reason of these expedients is the unwillingness of our statesmen to brook the opposition of the small body of landlords who monopolise our country and hold the destinies of its citizens in their hands. It is they and they alone who will benefit; the mass of the people will simply be the poorer; and the solution of our economic difficulties will be pushed further and further away into the distance.

We claim no subsidies provided by some citizens in order to assist the industry of others. We claim no special privileges, but simply the right of every human being to live on an equality with his fellow citizens—a right which can never be secured until all are enabled to have untrammelled access to the natural resources of their country. The system which enables men to speculate in land, to hold it out of use, to restrict the industry and to lower the wages of others must be destroyed from its root. In its stead there must be established a system under which the land, the source of all wealth, will be developed most economically and productively; under which men will stand on an economic equality by being secured equal rights of access to the earth. This equality can only be secured by taking for public revenue the value which attaches to land owing to its natural endowments and the social organisation that has been built up on it; and the taking of this value for public revenue will prevent any man from barring the path of progress by holding land out of use. This is the first step to securing economic justice, and no seeming benevolence or charity can lessen the need for it.

F. C. R. D.

THE METHOD OF REFORM

To seek to change opinions by laws is worse than futile. It not only fails, but it causes a reaction, which leaves the opinions stronger than ever. First alter the opinion, and then you may alter the law. As soon as you have convinced men that superstition is mischievous, you may with advantage take active steps against those classes who promote superstition and live by it. But, however pernicious any interest or any great body may be, beware of using force against it, unless the progress of knowledge has previously sapped at its base, and loosened its hold over the national mind. This has always been the error of the most ardent reformers, who in their eagerness to effect their purpose, let the political movement outstrip the intellectual one, and, thus inverting the natural order, secure misery either to themselves or to their descendants. They touch the altar, and fire springs forth to consume them. Then comes another period of superstition and despotism; another dark epoch in the annals of the human race. And this happens merely because men will not bide their time, but will insist on precipitating the march of affairs. Thus, for instance, in France and Germany, it is the friends of freedom who have strengthened tyranny; it is the enemies of superstition who have made superstition more permanent. In those countries, it is still believed that government can regenerate society; and, therefore, directly they who hold liberal opinions get possession of the government, they use their power too lavishly, thinking that by doing so, they will best secure the end at which they aim. In England, the same delusion, though less general, is far too prevalent; but as, with us, public opinion controls politicians, we escape from evils which have happened abroad, because we will not allow any government to enact laws which the nation disapproves.—HENRY THOMAS BUCKLE, "History of Civilisation in England."

A serf is a man who, by the arrangements of mankind, is deprived of the object on which he might expend his labour, or of the natural profit that results from his labour; and consequently is under the necessity of supporting himself and his family by his labour alone. A lord or an aristocrat is a man who, by the arrangements of mankind, is made to possess the object; and who consequently can support himself and his family without labour, on the profits created by the labour of others. This is the essential distinction between the lord and the serf; and we maintain that the constitution of the world forbids that any arrangement of this kind should result in any other than an evil condition of society, which must necessarily condemn a large part of the population to physical degradation, and if to physical degradation to moral degradation. No instance can be adduced of a population reduced to extreme poverty (as must ever be the case where the land, the great source of wealth, is allotted to a few who labour not), where that population has not been also and in consequence reduced to moral and intellectual degradation, and where the spirit of man has not been depraved and borne down by the circumstances in which man, and not God, has placed him.—PATRICK EDWARD DOVE, "The Theory of Human Progression."