

"MANCHESTER GUARDIAN" OBJECTIONS ANSWERED.

If it were not already to the interest of landlords under normal circumstances to get the best return from their land; if nothing but free access to land were necessary for the development of industry and the continuity of employment; if the bargain between employers and workmen presented no difficulties; if the taxation of site value would of itself enable any man who wished to obtain land to work upon; if this right of entry would be compatible with the principle of putting the land to the most profitable use; if, finally, land were all that a man needed to maintain himself—if all these things were true, the taxation of land values might do what is expected of it; but since, broadly speaking, they are not true, the reform proposed will not work the revolution imagined.—Comment by the editor of the MANCHESTER GUARDIAN (March 26th) on a letter from Mr. Francis Neilson, M.P.

This is an astounding statement to come from the editor of a journal which is supposed to represent radical opinion in a great industrial district, where the evils of land monopoly are so rampant that the merest tyro in economic inquiry can discover them. Let us consider these contentions *seriatim*.

It is, indeed, perfectly true that it is "to the interest of landlords under normal circumstances to get the best [greatest] return from their land," just as it is to the interest of any person to get the greatest possible amount of wealth. But this is a very different thing from saying, and this is evidently what the writer means, that it is normally the landlords' interest at present to have their land put to the greatest or the best possible use. If this were the case it would be necessary to assume, in order to explain the fact that immense areas of very valuable land are put to inferior uses or to no use at all, that landlords are normally a perverse and deranged set of people, who act from motives quite contrary to those which actuate the rest of humanity. At least one-fifth of the land of Glasgow and one-seventh of the area of London is unused, and similar statements might be made about any large town in the kingdom. This comes about perfectly naturally at present, because it is the interest of the landlord to get, not the best use of the land, but the largest net profit. The value of land is steadily increasing. It is the only thing whose value can be depended upon to steadily advance in an advancing community. Consequently, there is ample motive for holding up land, firstly, because of its tendency to increase in value without any expenditure of labour and capital on the part of the owner, and secondly, because it is under our existing law taxed and rated on the use to which it is put and not on its value. These things are quite sufficient explanation of the fact that it is in many cases not at all to the owner's interest to have the land put to the best use.

Practically, "nothing but free access to land" is "necessary for the development of industry and the continuity of employment," because land is all that a man needs to maintain himself. This is not the first time that we have come across the suggestion that man needs something more than land to enable him to maintain himself, but, in spite of earnest inquiry, we have been unable to get any information as to what that other thing necessary is. This idea reminds us of a little passage in Balzac's *SONS OF THE SOIL*.

"You are living off my land," said the General with jesting severity.

"Do you think I can live off the sky?" retorted Gaubertin.

Until our critics have devised some method of living off the sky, we shall adhere to the view that the one thing necessary for existence is land. After all the production of wealth is nothing but the extraction of desirable things from the land, with aid of capital very probably, but with the aid of capital which has had precisely the same origin. As a necessary consequence it follows that continuity of employment (*i.e.* of production) depends on free and continuous access to land.

"The bargain between employers and workmen" does at present "present difficulties." A large number of workmen want employment and can't find it, and we venture to think that quite a number of men would like to employ workers if only they had the employment to give them. We are reminded of the story of the man who, being accosted by a man out of work, set him to dig out foundations for a house on a vacant site, and the end of the day paid him his wage for it. This continued for several days, but one bright morning a man came along, excitedly waving a bundle of title deeds, and bid him stop. "Oh, but Mr. So-and-So told me to work here." "Mr. So-and-So had no right to; the land does not belong to him." The argument needs no elaboration: the greatest difficulty of the bargain between employers and workmen is the action of a third party who withholds that thing without which there can be no employment.

Taxation of land values, because it is taxation levied according to the value of land and not according to its use, will force unused land into use. The owner must pay the tax on the value whether it is used or not, and will consequently be unable to keep valuable land idle as he may do at present where unused land is exempted from rating. Consequently, "the taxation of site value would of itself enable any man who wished to obtain land to work on."

Further, seeing that the user of land would have no taxation imposed upon his improvements and no restriction or hindrance to the employment of labour and capital, it would be to his interest to develop the land as highly as possible. This mode of taxation and of land holding would, therefore, "be compatible with the principle of putting the land to the most profitable use."

To sum up: Land is the essential of existence. Free access to land is necessary for the development of industry and the continuity of employment.

Taxation of land values will enable the man who wishes land to work on to obtain it, and by forcing unused land into use and exempting improvements from taxation will lead to the best use of land. With increased access to land will come increased production and employment, and the difficulty of finding employment, which is the chief obstacle to the bargaining of employers and workmen, will disappear. The taxation of land values, therefore, will, broadly speaking, work the revolution which its advocates say it will.

F. C. R. D.

Before the community reaches a final settlement of the monopoly problem, it will have to include a radical change in methods of taxation, and this will include a great change in the view of public and private rights in land and in what lies in the earth. Any unearned increment, whatever its nature, fails to suit the modern conscience, and ultimately it is likely to go.—COLLIER'S WEEKLY, U.S.A. (October 26th, 1912.)