LAND & LIBERTY

MONTHLY JOURNAL FOR LAND VALUE TAXATION AND FREE TRADE

Forty-third Year .- No. 506.

JULY, 1936.

2d. By Post, 2s. 6d. per annum.

Land Underlies All

Under the title of "Land Underlies All," Professor Richard T. Ely contributes to the *Christian Science Monitor* (20th May) an article from which we may quote the opening paragraphs:—

"Land is not everything, but it underlies all our activities and it is the original source of wealth. The questions involved in the planned utilization of land are local, regional, national, international and world-wide, all having to do ultimately with the satisfaction of human wants.

"The earth is utilized to supply us with food, clothing, shelter, recreation and culture. Planning in the utilization of land is designed to satisfy the wants of mankind and to establish right human relations. If relationships among men were what they should be, we would have peace and prosperity at home and peace among nations. Our subject reaches, then, from the individual who is cultivating a farm or occupying a piece of land as a home to the varied economic relations within the nation and to the relations of nations to one another. The ultimate aim, the goal of our strivings, is nothing less than the establishment of the economic foundations of peace. This is a far-away goal, to be sure, but it is a goal toward which we should move unceasingly. It is our lodestar."

Why Alter National Boundaries ?

Prof. Ely then goes on to say: "The wars of the world have been from the beginning wars for the control of natural resources.

"In order to avoid wars in the future, we must so plan out the uses of land that foods and raw materials will be available to all the nations of the world and to this end we must so reconstruct national boundaries that by wise planning the best use may be made of the land. Surely we have here a staggering job worthy of our best efforts for its solution. True, for the attainment of world peace something more is needed than planning out the uses of land, but this is essential as a foundation for other efforts and, without this, the other efforts, in my judgment, are futile."

This is, indeed, a lame and impotent conclusion. However much national boundaries be reconstructed, land will still be owned by those who own it at present. Alteration of national boundaries can give nothing that could not be attained under freedom of trade with existing boundaries.

To attain the best use of land involves that those who need the land shall have access to it upon fair terms, that the product of their labour shall not be taken from them by destructive taxation, and that the value of land which is created by all should be used for the benefit of all.

A Subtle Plea for Privilege

The remainder of the article is an equally plain evasion of the problem. There is much about planning the utilization of land, selecting the right size of holding, and so on, but nothing about the aggregation of immense

areas of land in the hands of a few, nor about the great increases in value which the progress of society gives to those few.

Indeed, there is a disguised and subtle plea for more privileges for landowners. Professor Ely says: "Turning to the cities, we find landowners generally in distress. Roughly speaking, and with not too much exaggeration, we may say that real estate in some of our great cities has become bankrupt."

A professor of economics must know as well as anyone that the term real estate is ambiguous and misleading. It applies to the land and the buildings combined. That some people have suffered from rash speculation in land value is true, and some of those who have done so are in distress. The remedy evidently is to stop such speculation by imposing taxation on the value of the land. On the other hand, the provision of buildings has been obstructed by the heavy taxation upon buildings which adds so much to the cost of occupying them. But as we have mentioned Professor Ely has nothing to say about taxation.

A New Way to Pay Old Debts

One of the most amusing, if not the most sensible, of recent contributions to the tithe controversy, is contained in a letter by Mr Somerset de Chair, M.P., to the Birmingham Post (20th June), in which he says that tithe was originally a tenth of the produce of the land and therefore a tax on food producers. As two-thirds of our food is now imported, he suggests that two-thirds of the tithe, say £2,000,000, should be levied upon imported foodstuffs. The landlords here would thus have their tithe reduced to one-third.

Mr de Chair, who entitles his proposal "A New Way to Pay Old Tithes," evidently labours under the delusion that taxes upon imports are not paid by the consumer but by the foreign exporter, the foreigner in this case including a good many British subjects in the Dominions and Colonies. But if it is so simple as this, why not let the foreigner pay the whole of our taxation, and abolish the income tax, the death duties, the excise and all other taxation? Still, perhaps it is as well that economic law makes this impossible. Deplorable as the state of the world is, it would be ten times worse if every country could engage in the immoral plan of raising its taxation upon the citizens of other countries.

Protection and Potatoes

The National Farmers Union of Scotland has issued a memorandum to the Potato Marketing Board and to Scottish M.Ps. claiming that "until there is a definite clearing in the stocks of home potatoes no further imports from Northern Ireland to Scotland should be permitted."

One of those to whom this was sent was Sir Murdoch Macdonald, M.P., who according to the *Glasgow Herald* (9th June) replied that he was simply amazed at such a dangerous principle. "Just imagine what would happen to Scotland if a similar Order were applied to her produce by England and Northern Ireland. This is the first