

## LAND VALUES CONFERENCE

LEEDS, MAY 12th, 1917

Under the auspices of the Yorkshire and Northern Land Values League a Conference to promote the taxation of Land Values with special reference to the financial and economic conditions arising out of the war was held in the Philosophical Hall, Leeds, on Saturday afternoon, May 12th. The hall was full with an attendance of some 300, consisting chiefly of delegates from Labour organisations in Yorkshire. There were also representatives present from Local Rating Authorities and several social Institutes.

Two significant and pleasing features were, first, the large number of young men representing organised labour in the district, and secondly, the enthusiasm shown for the principle of the land for the people and the practical policy as set forth in the resolutions and by the leading speakers.

Both the official resolutions were slightly amended, but only in minor ways, to which no one present took exception. As one of the Trades Union delegates said, he and his friends had come in no hostile spirit but simply for information and to do what they could to make for good understanding. The response made to the various arguments and illustrations so eloquently advanced by the chief speakers was quite equal to the occasion. On the first vote there was one dissentient, and on the second the vote was unanimous.

The Conference throughout was a triumph for C. H. Smithson, Fred Skirrow, and all other members of the League who had put so much earnest work and enthusiasm into the venture.

Among those present were Mr. C. H. Smithson, President of the League, and Chairman of the Conference; Mr. Fred Skirrow, Secretary, and Mr. J. E. Dugdale, Hon. Treasurer of the League; Mr. James Dundas White, M.P., Mr. R. L. Outhwaite, M.P., Mr. P. Wilson Raffan, M.P., Mr. H. G. Chancellor, M.P., Mr. Frank Smith (London), Mr. W. R. Lester (Horsted-Keynes), Mr. Ashley Mitchell, Mr. F. K. Sykes, Councillor Arthur Sykes (Huddersfield), Mrs. C. H. Smithson (Halifax), Mr. Robert Blackie (London), Mr. Chapman Wright (Secretary of Birmingham League), Mr. A. W. Madsen (Secretary of Edinburgh League), Mr. W. J. Young, Councillor McMichael (Edinburgh), Mr. Chas. Newrick, Mr. J. A. Newrick, and Mr. S. Hardwick (Darlington), Mr. L. P. Jacobs (London), Miss Davidson (Newcastle-on-Tyne), Messrs. E. M. Ginders, Geo. Wright, E. Bates, and E. Melland (Manchester), Mr. A. H. Weller (London), Mr. James Busby (Glasgow), Mr. John Archer (Huddersfield), Messrs. Andrew Clark, J. B. Marston, Fred Adams (Penistone), Councillor T. W. Noble (Denby Dale), Mr. Edward Elliott, Councillor T. W. Stamford, Mr. Wm. Leach (Bradford), Mr. J. Crabtree (Keighley), Councillor John Arnott, Mr. C. H. Boyle (Leeds), Mr. D. B. Foster (Leeds Labour Party), Mr. A. Godfrey (Leeds Federal Council), Councillor Tom Myers (Dewsbury), and Mr. John Paul, Secretary of the United Committee.

Mr. SMITHSON: We have letters of apology from ex-Bailie Peter Burt, J.P. (Glasgow)—who has been in the movement from its beginning; he raised the question first at the Glasgow City Council twenty-eight years ago, and has been identified with it ever since; from Mr. John Nettlefold (Birmingham), the well-known housing reformer; from Mr. Harry Murray (Galashiels), President of the Edinburgh League; Mr. A. W. Melcalfe (Belfast), Mr. Eustace A. Davies (Cardiff), Hon. Secretary of the Welsh League; Mr. Richard Brown (Newcastle-on-Tyne), Mr. Fred Verinder (London), Secretary of the English League; Mr. Walter Coates (London); Miss Isabella Ford (Leeds).

The Rev. V. T. Pomeroy (Bradford), writes:—

“I am genuinely sorry I can't attend the Conference at Leeds on Saturday. If I had been home in Bradford I certainly would have been present. It is my hope that some of the younger leaders of churches in our country will soon awake to the religious significance of the land question. Most of the sins which excite the churches are but shadows cast by the one great God-denying iniquity which Henry

George devoured with his noble fury and still nobler hope. We sorely need a new crusade preached from the pulpits—a crusade not for the sake of an empty grave but a living body, the material bounty which God has given for all his children.”

Resuming the CHAIRMAN said: We are met at a time when the public mind is concentrated upon the problems of war, and two of the most immediate problems of the day are finance and food production. We are here to assert that a wise and just measure for raising revenue which is necessary to meet the needs of the country coincides with the most effective method of making additional land available for food production. That is dealt with in the first resolution. The second resolution deals with a problem which will become very acute at the close of the war, and it is none too soon to give serious attention to that problem if we are to avert the social evils which are threatened. I refer, of course, to the problem of housing. Again the taxation of land values will be a most effective means of lessening the grip of land monopoly which speculatively holds land from building.

## THE RUSSIAN REVOLUTION

I think this is the only introduction which I need give as chairman to the subject matter of the Conference, but I have been asked to perform a more pleasant duty. At a meeting of the United Committee for the Taxation of Land Values held in Leeds this morning, a Committee representing the Leagues throughout the country, it was suggested that this Conference should send a message of greeting and congratulation to the Russian people—(applause)—upon the epoch-making victory which the forces of democracy have won over the forces of despotism in Russia. I feel sure it will meet with unanimous approval at this conference and beg to move—

**"This meeting of land reformers, convened by the Yorkshire and Northern Land Values League, held at Leeds, May 12th, 1917, sends hearty greetings to the Russian people upon their entry into the brotherhood of free nations, and affirms the rights of the people to the land in every country as the economic basis of true democracy."**

## THE STAR OF HOPE

Ladies and gentlemen, the success of the revolution in Russia is like a star rising above the dark and threatening horizon. It brings with it a message of hope from a country where despotic rule was more firmly established than in any other country in Europe. A victory has been won which is calculated to gladden the heart of every true democrat throughout the world. The rise of democracy in Russia has given a new impetus to democratic thought everywhere. It is the signal that the soul of democracy is awakening—a democracy which will make itself felt in the legislature, a democracy which will claim recognition in the industrial life of the nation, in field, factory, and workshop, a democracy which I trust will find expression in a higher conception of religion and art, and which in the sphere of international affairs will take as its maxim "Peace on earth, goodwill towards men." (Applause.) Ladies and gentlemen, this is not the first time that a star in the east has heralded the coming of a brighter and better day for humanity. Whatever the final result of the military conflict with Germany may be, and I for one trust it will be the destruction of the influence of militarism not only in Germany but in every other part of the world—(applause)—whatever the final result of the military conflict may be we shall all rejoice that in their own country the Russian people have already defeated Prussianism in their midst. Would that we could say the same thing here. Prussianism knows no geographical boundaries, and it is a growing menace in our own country, a growing menace to British liberties. The spirit which seeks to make the British Empire exclusive and self-contained, which treats political truces as scraps of paper, and takes advantage of war conditions to establish protective cotton duties in India, and introduce Corn Production Bills at home for the benefit of the landlord class, a spirit which tries to wreck the Land Valuation Department, at the dictation of British Junkerdom, a spirit which gives every scope to the reactionary Press of this country, but suspends the foreign circulation of a paper extending the right-hand of fellowship to the Russian democracy and to President Wilson—this is the spirit we must be prepared to fight, for when the last shot has been fired and the last drop of blood has been shed this spirit we shall have to fight if we are to conquer Prussianism as the Russians have done. (Loud applause.)

Therefore patriotism demands that we shall be fighting that spirit now; it is a duty we at home owe to the men at the front. In the early days of the war these men were invited to consider whether their native land was not worth fighting for, the land where British ideas of justice prevail, and where it was supposed personal and political liberty can be enjoyed. We must not forget, we do not mean to forget,

that these well-established popular rights can only be enjoyed through the use of that material factor which we call land.

## THE RIGHT OF EVERY MAN

There can be no such thing as personal liberty in the true sense of the word so long as the majority of men are dependent upon the will of other men as to whether they shall use their native land or not. The fight at home must go on until the right of every man to the use of his native land is won and the reward of his toil shall have been secured him. It is for us to say that the men fighting at the front for their native land shall not have fought in vain. It is our duty to defend the political and constitutional liberties we have enjoyed, but it is a higher duty to fight for true democracy, embodied only in economic freedom. As Henry George has well said, "it is not enough that men should be theoretically equal before the law, but men must have liberty to avail themselves of the opportunities and means of life, and put upon equality in relation to the bounty of God." It is the denial of this primary right which is the primary cause of unemployment, with keen competition for work, and its resultant low wages and poverty. When the peace settlement has been arrived at—I trust it will not be long delayed—the great war with poverty must still be carried on by those who understand the meaning of true democracy. In peace times the death roll caused through poverty is even more appalling than the casualty lists of the battlefield. The one will finish with the War, the other continue so long as poverty and its cause, land monopoly, go unchecked.

Last year the death roll upon the field of battle was nine men per hour, but at home, in the British Isles, in the same year the death roll of children under the age of twelve months was twelve per hour. We are individually responsible for this crime so long as we do not raise our voice against it and use our utmost endeavour to remove its cause. We do not begin to touch the roots of the evil with municipal housing schemes or fresh air funds. To quote Henry George again: "It is justice herself demands we shall right this wrong," and justice demands that every child brought into the world shall have an equal right to the use of the rich bounty nature has so freely provided for the use of all. Until we secure this right of every free-born Englishman the problem of poverty will still remain a blot upon the fair name of England, and the highest patriotism calls upon us to remove that stain. Old party distinctions are in the melting pot, but the forces of reaction and Junkerdom in this country are united as they ever have been united. Let us mobilise the forces of progress and be prepared to fight on in unity towards the realisation of economic freedom which can only be achieved through a proper land system. "The Land for the People" will be the battle-cry of Russian democracy. Let it be ours also. I move that we send to the Russian people a message of hearty greeting and fellowship in this our joint crusade. (Loud applause.)

## THE LAND TO BE AT THE DISPOSAL OF ALL.

Mr. W. R. LESTER (Hon. Treas. of the United Committee): I have great pleasure in seconding this vote, which I hope we shall send unanimously. It is a common thing to say that it is the unexpected which happens, and few of us could have believed a few short months ago that Russia would to-day be leading the world. It is an unfortunate circumstance that we are allowed to know extremely little of what is happening in foreign countries, and very little of what is happening in our own country. So it is difficult to know the real facts of the situation in Russia to-day. One can only judge from the trickles of news coming through in unofficial ways, trickles here and there, but so far as I have been able to learn it is a fact that the Russian people seem to realise that mere political revolutions are not sufficient, and that economic revolution must be there to reinforce and back up the political revolution they are carrying through. It is

one of the indisputable facts of the past with regard to revolutions that they have without exception been disappointments because the people have stopped short at political reform. They secured liberty of thought, secured religious liberty, secured liberty of the Press, changed their form of Government, but still have never accomplished what they set out to accomplish. The reason is plain: they have not touched upon the fundamental roots of the problem. They have not challenged those institutions which are responsible for the "free" citizen not receiving the fruit of his labour. But in this case the Russian people are dealing with these problems. News has come through that they have decided to expropriate the Crown lands. This indicates how Russia realises that economic problems are at the root of a successful revolution. I read the other day of a great Congress of peasants adopting a resolution that the land shall be at the disposal of all, and conditional upon personal labour, so that no man shall be allowed to own more land than he can use. They thus appear to realise that equal right of access to land is the foundation of real freedom. If they carry this out to its logical conclusion it means the single tax, the taxation of land values, because with a thorough measure of land values taxation in force it would pay no one to own more land than he could put to productive use. If the Russian people are sufficiently informed and logical, they will carry out the policy we have come here to-day to advocate. Our reactionary Press and many of our most prominent men have touched upon this Russian revolution in such a way as to raise a feeling of disappointment in the Russian people; I hope that as far as we can counteract this feeling in Russia we shall do so by carrying this resolution.

The resolution was then put to the meeting and carried unanimously.

#### THE FIRST RESOLUTION

Mr. J. DUNDAS WHITE, M.P., moved the following resolution:—

**That this Conference views with satisfaction the growing demand of public opinion and of all parties in the State that the land should be put to a fuller use; declares that those who hold the land are under a special obligation to provide for its defence; calls upon the Government to impose a direct tax on land values, and for this purpose to require owners of land to furnish a declaration of the present value and character of their holdings; and affirms that such a tax, besides providing revenue, would open up the land to the people and promote production, and, together with Free Trade, would help to prevent the unemployment that threatens at the close of the war.**

Mr. DUNDAS WHITE said: Ladies and gentlemen, in a memorable message which President Wilson sent not long ago he said the world must be made secure for democracy, and it can only be secured for democracy when democracy is able to realise its own possibilities. The most important step democracy can take to realise its possibilities is to solve the problem of how best to use the land upon which people live, and from which they get directly or indirectly their daily bread. We must make the most of the natural resources of our country. We have felt the need of it increasingly for years, and the war has brought this home to us more keenly than ever before. Now I would ask you to note in the first place the great difficulty we are up against to-day is the difficulty which constitutes what we call monopoly. The whole system is vicious. It fines people who make improvements, and the more they improve and the more they produce the more heavily does it fine them. On the other hand it favours those who keep land idle and gives them every chance of keeping back the land from the people. The result, taking the system as a whole, is that it treats land as the patrimony of the landowners, instead of as the heritage of the people as a whole. This is its fundamental vice, that it fails to recognise effectively the rights of the people. The first

step is to recognise that all the people in the country have equal rights to those natural elements which were there before they came and will be there after they are gone. (Applause.) We do not mean to take this right merely as a Platonic idea, we mean to give it practical effect, and we mean to enforce it by a new system of taxation based upon the principle that those who hold each portion of land ought to contribute to the needs of the community according to the value of that portion of land whether they use it or not.

#### SOURCE OF REVENUE

We want a new source of revenue, and here is one source upon which we ought to have an eye. Some people think that land is at present taxed upon its present value, but I can assure them it is not. The people owning land around our huge cities and industrial centres are given every facility to hold back land from use until the demand has become so great that they can get an enormous price for it because of having held it up. We are now face to face with enormous financial and economic difficulties, with a need of raising by our taxation more than five hundred millions per annum and with an income tax of 5s. in the pound as a standard. Now is the time, we say, to realise the rights of the people and for the Chancellor of the Exchequer to turn attention to that value which attaches to the land owing to the presence and demand of the community, and to treat it as a source for new taxation.

#### MEANING OF LAND VALUES

What do we mean by land values? Let us get that clear in our minds. We are met in a hall in the centre of Leeds. Suppose we remove the roof and demolish the walls and dig up the foundations and take away and remove everything that human industry has placed on, in, or under the surface of the land, what will we have left? We will have left a certain number of square yards of land in an important part of a great city. People who want that space would have to pay a very high price for it, and any competent valuer in Leeds would tell you approximately what the site would cost. That is the land value we are out to tax. The land value of any portion of land is the value of that land itself apart from any value attributable to improvements upon it. Take the case of taxation, and let me give you one or two examples from Glasgow and the region round about. In Glasgow, where overcrowding is bad, the Corporation wanted a small piece of unused land; they paid £2,340 for it. If you take, then, 4 per cent. upon that capital value (and remember that was the percentage recommended by an important Royal Commission on the housing of the people more than twenty years ago) you get an annual value of £93. But that land was taxed at an annual value of £5. What we in Glasgow want is to get the value of that land for taxation up to what it ought to be, and when that is done land will not be withheld from use much longer. I might multiply instances, but I will give only one more. Down the Clyde is a site of about ten acres with foreshore which was to be leased as a torpedo depot—most necessary and probably still more necessary now. This is not merely a case of Scottish ratepayers, because you all contributed for the purchase of these ten acres more than £27,000. Four per cent. of that is more than £1,000, but it was being taxed upon an annual value of £11 2s. If the land round that centre had been taxed at its true value that centre would not be as overcrowded as it is to-day. Our first plea is that land shall be valued for taxation at its true market value. If anyone says it is impossible to value it at its true market value, ladies and gentlemen, I am prepared to start with the landlord's reserve price and when he brings that price down I would bring down his value. Once adopt this system of making those who have the land contribute properly to the needs of the

nation and you lay the axe at the root of land monopoly. Why? Because you bring to bear continual economic pressure to make the landowner either use the land himself or let other people use it. At present we give him every facility to hold the land because we tax it upon the value of the use he is supposed to making out of it. If he does not use it he does not pay anything, or practically nothing. Tax him on its true value whether he uses it or not, and you will break land monopoly.

#### TO BRING DOWN RENTS

Not only so, but you bring down rents everywhere, and for this reason. Rent, or the price of land, depends upon the amount of available land. If landlords decrease the available amount of land, they send up the rent of the rest. If you increase the area of available land the people can spread out and the rent of each particular portion will come down. For practical purposes you cannot increase the natural supply of land but you can prevent that natural supply being artificially narrowed as it is now. When you say that people must pay upon the true value whether they use it or not, those who are not using it and cannot use it themselves will make it available for others. With an increase in the available supply, more land will be open to the people and rents will be reduced to what they ought to be.

#### EXAMPLES OF THE SYSTEM

This may have sounded strange doctrine once, but it is not so strange now. Do you remember only a few months ago that to equalise the rate of exchange with America the Exchequer wanted certain dollar securities and they said, "Will you please hand them over to us and we will give you the full market value?" A good many securities came in, and a good many did not come in. The late Chancellor of the Exchequer said, "If they like to hold these securities I shall impose an extra tax of 2s. in the pound." I can tell you the securities came tumbling in. (Laughter.) Then the other day, as we all know, the Chancellor of the Exchequer adopted the same principle. In the present circumstances it is recognised that dogs consume a considerable amount of food, and the Chancellor of the Exchequer wants to prevent an undue multiplicity of dogs. His method is a precedent for us. He wants to get rid of dogs if they are kept idle, and in order to prevent dogs being kept idle he proposes to put an extra tax upon them. In order to prevent land being kept idle we propose to put an extra tax upon it if it is kept idle. There is much work to be done first, and some of us have been trying to get it done for a long time. We need a true valuation of the land, and then we want at the earliest possible moment to impose a new national tax upon it. Have the people no rights to the land? Have our gallant boys at the front no rights to the land for which they have fought? How else will you open it to them than by this tax? This tax cuts at the root of monopoly. We also want the system to be further extended so as to put an end as far as possible to the present system of the taxation of houses and agricultural improvements and other things of that kind. At present we are between the upper and nether millstones; we cannot get land upon fair terms, and immediately we begin to improve it we are taxed. As soon as a house is up the assessment is put up, and the better a man builds the more he has to pay. We want to increase food production from the land, but if a man puts up farm buildings, the better his building, the more his taxation. Is it not time we stopped the system of killing the goose that lays the golden eggs? Remember, too, you are not fined once and for all. If, for instance, one made a disturbance in the street one would be fined, but having paid the fine there would be an end to it. But it is not so if you build a house or make other improvements. You

are not in that case fined once and for all. No, you are fined every year, and in some cases every half year, so long as the improvements are above the ground. If you do not intend to be penalised, what you have to do is to demolish the improvements, and let the whole thing go down, or turn the land into a grazing ranch or a game preserve, and then you will find the assessment go lower and lower. This is a vicious system.

#### TRUE FREE TRADE

We have to deal with production. We believe in freedom of trade, but when we say freedom of trade we mean something more than anti-protection. (Hear, hear.) Mere anti-protection was a great thing in the mid-Victorian days, and when it came about it was a great improvement upon what had gone before, but we stand in a different position to-day. The commonly called free trade movement of to-day is not free trade at all. The ordinary free trader approves of the taxation of trade for purposes of revenue, and we find all sorts of interests trying to manipulate it and exploit it on their own behalf. The true source of public revenue and the future developments of free trade depend upon securing to the people that value of the land, which is due to the presence and demand of the whole community and should therefore benefit the community. (Applause.) We desire to extend and promote production, to give more freedom of exchange than ever before, and we know this will promote the welfare of peoples and tend to break down tariff walls. We shall have the peoples more united by mutual interests and mutual sympathies, and thus the system is, we believe, the foundation of permanent peace. (Loud applause.)

#### "WHEN THE WAR IS OVER"

MR. R. L. OUTHWAITE, M.P., who seconded the resolution, said: I have just come up from London, and in the train were three soldiers, men who are at present soldiers. They were discussing the future, and one man in starting the conversation said, "I am out of this country when the war is over." The second one said, "I am going, too," and the younger man said, "After the war it may be a case of Britain for the British." (Applause.) Personally, I should not take much further interest in politics if I did not think that was the spirit in which the men are coming back from the front. I believe that with the coming of peace will come the greatest industrial and social conflict this world and this land has ever seen. (Hear, hear.) I believe the Russian revolution is only just the opening of a great revolutionary period. For this reason I used to argue in the past upon the taxation of land values as a remedial measure for the difficulties of our social system. We had contended for half a century or more to obtain a general amelioration and improvement of that condition. We had on one side great numbers of skilled workers, organised to secure standard conditions, but down below a great welter, a great struggling mass of poverty, and a struggle for existence by millions who felt poverty conditions. We found men in their multitudes seeking the labour market to sell their flesh and blood and there was a superfluity over the demand. The demand was lower than the supply, and still many more men flocked in than there was demand for. The system was driving people in their millions from the countryside to the towns. As a clear, common-sense reform the first thing to do to raise wages was to stop this drift from the countryside to the towns by giving those men who wished to stay upon the countryside an opportunity of doing so, and not to allow them any more to be swept from the North of Scotland so that vast tracts could be turned into preserves for red deer, or in England for pheasants, enabling the rich men who plunder cities to establish great estates and live in ducal grandeur upon the desolate countryside. It was the plain, simple, obvious thing to do. We saw in this method of the

taxation of land values a means of making these men use the land or letting someone else use it. It was a method of stopping this condition and setting up a gradual improvement for the masses of the people.

#### THE ONLY SAFE WAY

So it was, but I must say my attachment to this cause to-day is that I see a far different condition of affairs prevailing in this country in the near future. It is because I believe in this cause as the only way to prevent revolutionary conditions getting driven into mere anarchy, for this reason I desire to promote the cause of land value taxation. You may not accept my views of the future. I know that to-day for those who are left here there is, through the demand of war conditions, better employment than ever existed before. Wages nominally are higher and unemployment does not exist, and for this reason I know many people think that the future is going to be better. But it will not be of long duration when war ceases, for you will have millions of men discharged from the Army, and millions of men and women discharged from the factories where they have been engaged in the provision of munitions of war. You will have millions of people discharged from the auxiliary occupations or employments of to-day, and you will have, I think, a spirit amongst those people which privilege and monopoly will have to reckon with. Men who have been to the trenches and endured the horrors and agonies of modern warfare are not coming back to be the hewers of wood and drawers of water which they were before they went. They were told they were going to save their country and I cannot see that they are coming back to submit to conditions of slavery in the country they went to save. (Hear, hear.) But that is the condition which is being prepared for them, and it is the condition which will be enforced upon them, without strife to remedy it. Obviously that is so. Look what has happened in one respect with regard to those men while they are away making the sacrifice of all that is most precious to them as to every man—life and limb—giving it for a shilling and sixpence a day, while we at home to the shame of democracy in this country, have permitted the Government to load this country with a war debt of £4,300,000,000. There was no conscription of wealth when they said they wanted wealth. They did not go to the City saying we demand credit and money. Quite the opposite took place with the moneylenders and profiteers. When the Chancellor went to the City to get credit he could not get it at  $3\frac{1}{2}$  per cent. interest as formerly upon State security. It became 4,  $4\frac{1}{2}$ , and then 5 per cent., and all the time the men who lent at  $3\frac{1}{2}$  per cent. and 4 per cent. had made a bargain that if the rate of interest went higher than they too came in on the higher rate of interest with the other people. And so we have this National Debt, and if we are to continue fighting to a finish, to the knockout blow, and so on (it is not going to be this year, but we are to look for it in 1918), then this National Debt must become six thousand millions at 5 per cent., with another 1 per cent. sinking fund, making it 6 per cent., and giving an annual charge of £360,000,000 per annum, which we have got to find. But the war has made many more widows, many more maimed men, and the fifty millions talked about for pensions will not go round. You will have a charge of at least 100 millions per annum for the war pensions to add to the 360 millions of interest and debt charge. So you have at least to face 460 millions pounds per annum fresh revenue to raise. I will knock off the odd 60 millions in case I am exaggerating and bring it down to 400 million pounds per annum, a figure given by such an excellent financial paper as the *MANCHESTER GUARDIAN*, as the probable revenue after the war. Our peace revenue was about 180 millions per annum and you may safely say you have to raise at least 400 millions or more after the war than was raised before the war.

#### WHO SHALL PAY ?

The question is, Who is going to pay ? We are told by the Chancellor of the Exchequer that the taxation in the present Budgets will be carried on into the future. Then this is the proposition, that after having taken these men to make this sacrifice at the front at a 1s. a day, you will dispense with them and say, "Go back to the loom and the forge, go back to your work, and then as a reward of your work render up at least three months' toll out of every twelve months' pay as your share of the interest on the debt created in your absence." If that is the proposal—(a voice : "Serve them right if they stand it")—I am pointing out what we are going to be confronted with in the new conditions after the war, the revolutionary, social, industrial and economic conditions. It is the force of taxation and the need of revenue which is going to bring about these conditions in the main. If you read Carlyle's *FRENCH REVOLUTION* you will find one remarkable passage in which he says despotism stood in the forces below until the day came when it was announced that the National Exchequer was empty, and then Carlyle broke into that psalm to bankruptcy and said, "Honour to bankruptcy ever so righteous on the grand scale, although in detail it is so cruel. Great is bankruptcy, the great bottomless gulf into which all falsehoods, public and private, do sink, disappearing, whither from the first origin they were all doomed." Bankruptcy will sweep away the falsehoods of our own civilisation, and the sham of our democracy, for it was a sham, and with the coming of bankruptcy with every day of war expenditure at  $7\frac{1}{2}$  millions, with every day of the progress to ultimate bankruptcy, there is the forging of a weapon of taxation which will destroy old conditions if you use the weapon rightly. (Applause.)

Sir, I cannot believe that in the conditions which will prevail after the war we are going to allow the few to "boss" Britain and the rest of the people to be the slaves of the few. We are met to have a talk about a free Britain and a free people, and we cannot get away from the fact that economically we are a slave people. (Hear, hear.) If men have to sell themselves in the labour market to get employment and sell themselves in competition with one another, they are in a slave market, for although they cannot be flogged there by the thong of the driver, they are driven by something worse—it is the fear of hunger, and worse still, hunger of those who are dependent upon them. They sold themselves in competition until they sold themselves so cheap that their condition was worse than the chattel slave whom the owner regarded as of some value. Men only can exist on the earth upon what they take from the earth, and if the few own the earth—the land—the rest must exist upon the conditions dictated by the few. If to bring people into employment and to increase the production of wealth will be so essential and to assure that every man earning wealth may have a decent livelihood, how can you do it in any other way than by the increasing use of land from which alone wealth can be produced ? Wealth showers not down from heaven nor springs up from the earth miraculously ; it is the result of labour applied to the land and so far as you withhold land from use you are limiting wealth, and by the limitation of wealth, creating poverty for the workers. I do not care whether they work in Leeds or Caithness, in the interest of labour the first thing is to ensure that every idle acre shall be put to its best use ; every acre in this United Kingdom shall have labour applied to it if labour desires to apply itself. (Applause.)

That is the fundamental thing we are here to demand. If we are to build a new State, a better State, out of the ashes of this ghastly conflagration, and out of this conmingling of universal blood and tears, it can only be upon a foundation of liberty. (Hear, hear.) Surely we have learned the value of liberty in these days of war ! I know I have seen our liberties being legislated away in Bills

which are scarcely discussed, as if liberty were of no value. If the people to-day have not learned the value of liberty, they will learn it in the days to come, when these restrictions upon liberty are not going to be removed with the coming cessation of hostilities. The only beneficial State which can justify the sacrifices and horrors of to-day, will be one in which true liberty prevails. Surely justice demands that, first of all, all men shall have an equal right to life, and therefore it follows that all men have an equal right to the use and enjoyment of what Providence intended for the maintenance of life. For the land to be monopolised by the few is to deny the right of life to the many, and in the coming days, which will be days, I hope, of the overthrow of the sham democracies of the world—in those days that are coming I can see the falling of dynasties and the sham democracies based upon injustice and the denial of equity. If in those days that are coming we want to build a brighter and a better State, I say that the first thing we have to pay attention to is the destruction of that supreme wrong from which I believe all the evils of society have sprung. (Loud and continued cheers.)

#### QUESTION AND ANSWER

Questions were then invited from the audience, and one Delegate asked: Will a Bill for the limitation of wealth be a necessary measure?

Mr. OUTHWAITE: I might remove some confusion which might present itself. In the past there was a certain antagonism between those of us who advocated the taxation of land values and the advocates of a higher income tax. In the conditions which are going to arise at the end of the war this antagonism no longer exists, because you may take the whole value of the land of the United Kingdom and the need still remains for the taxation of high incomes. It will be necessary to raise 600 or at least 500 millions per annum and we shall need to tax incomes from wealth which some people in the House of Commons have little idea of. It will be necessary, so I do not think we need to consider whether it is economically wise or not.

Mr. FOSTER: Can one of the speakers tell us what will be the influence of the taxation of land values upon the public ownership of the land? I am the delegate of Leeds Labour Party, and amongst the working classes of this city at any rate there is much lack of clearness upon this matter. There is growing a very large belief in public ownership of land, and there is a fear that land taxation may prevent a development towards land ownership. The argument has been given, too, that the landlord may pass the tax on to other people, as happens with a tax on almost every other commodity.

A Voice: Ask the landlord whether he can shift it or not.

Mr. FOSTER: I hope the question will be treated as extremely important—(Hear, hear)—because if land taxation is to come, and steps are taken towards land ownership, there should be an understanding between the two forces, and if we do not get this understanding I am afraid we shall have severe competition in the immediate future. I speak with knowledge of the working classes of this city. I am appointed with Councillor Arnott here to-day, with no mandate, and I notice this ticket says "in support of land taxation." I felt that was more than I was prepared to do. I was instructed to take back to the Party, with an affiliation of over 16,000 members, a report of this Conference, and I am anxious to understand the relationship between these two important proposals.

Mr. DUNDAS WHITE: I cannot fancy any more effective way of getting for the public the ownership of land which is under private possession than by the taxation of land values, so that the rent of that land may be paid more or less to the whole people. Our proposal is to begin the taxation of land values at the highest rate we can begin it at and gradually continue until the whole rent is absorbed.

This to my mind is the most effective way of getting real ownership of the land now under private possession.

Mr. FOSTER: And the whole rent is absorbed if the rent is not prevented from rising?

Mr. WHITE: A further difficulty raised is the suggestion that if taxed the landlord can pass on the tax to the tenant. In the first place one would be inclined to wonder why, if the landlords can do that, they dislike the taxation of land values so much. (Laughter.) Let me put this simple case. If a man has land which he is not using and has no tenant—tax him upon the land and how can he pass it on? If he has other tenants of other lands he cannot pass it on to them by raising rents against them because the amount he gets in the shape of rent depends upon the demand for land in relation to the supply of land. What enables landlords to get big rents in centres like this is that the demand is great and the supply is limited. Once apply taxation of land values and you bring into the market land which is not being used and you increase the supply of land and the landlord cannot get so big a rent as he did before. None know that better than the landlords themselves. There is incidentally another point. Our friend spoke of the way in which taxes on the things which are manufactured are passed on. I agree that with every product of industry the tax is passed on until it finally falls upon the purchaser in the shape of increased price. But land is not produced. The land is placed there by nature and the tax would prevent the supply being artificially narrowed. Therefore the tax would not and cannot be passed on and instead of making land dearer it would make it much cheaper than it is now, and the landlords know it.

Councillor ARNOTT: Generally, I am quite in accord with the principle of land taxation, but I am not in accord with everything in this resolution. It states the adoption of these methods will prevent the unemployment threatened after the war. I do not admit that it would do so, and I do not know if the Labour Party of Leeds would agree with that either, and I suggest we substitute "lessen the risk of unemployment" or "would help to prevent the unemployment," &c.

Mr. WHITE: I shall be pleased to accept that amendment (to the last line)—"would help to prevent unemployment."

A DELEGATE: Being a land taxer of many years, I do not take any part in Free Trade campaigns, and I do not think we gain anything by attaching those words to our resolution.

Mr. WHITE: I should be very sorry indeed if that amendment were carried, because we stand for liberty and progress, and we maintain that the people of all the countries of the world have a right not only to the land nature has provided, and the produce they gain from the land, but have the right to unrestricted trade one with another in that produce. (Hear, hear.)

Councillor T. MYERS: Would there be a possibility of arriving at public ownership of the land of the country by a gradual and progressive system of land taxation, commencing at a low figure and gradually increasing it until taxation absorbed the whole rent of the land? I suggest it is a very slow method indeed of gaining ultimate ownership.

Mr. WHITE: I understand the criticism, and I say frankly I should like a large tax upon it at once. The first thing is to get the principle established and in working order. We have been trying to get it carried on as far as possible. I have been in Parliament ten years, and we have not got it properly established yet. The so-called land values duty of the 1910 Budget were fancy taxes and were not land value taxes at all. For myself I am ready with proposed amendments to the Corn Production Bill and the coming Finance Bill, having for their object the amendment of the income tax, so that under Schedule A of the income tax, the taxation of improvements will be diminished and the taxation of land values will be increased. You may think it is a very small thing—I agree with you it is a small thing,

but we push forward the principle, and it is the best thing we can do.

Mr. OUTHWAITE: With regard to public ownership, and whether you are going to buy out the landlords so far as the land of the United Kingdom is concerned there are some thousands of millions of pounds in land value created by the people; are you going to raise four thousand millions or six thousand millions to hand over to the landlord and tax the people to pay interest on it? Are you out for buying out the landlords? We are for taxing them out. (Hear, hear.) If you suppose it is going too slow, well it is your fault.

A DELEGATE: Why not take it instead of taxing it?

Mr. OUTHWAITE: There are methods by which you can acquire land for public purposes without purchase. You may acquire land under a fixed rental from the landlord, and so keep him there as landlord without getting away with the plunder. In that case the monopolist draws the ground rent from you, so long as you are foolish enough not to put a ground tax upon it.

The Chairman then put the resolution in its amended form and it was adopted with only one dissentient.

Mr. WILSON RAFFAN, M.P. (Leigh) moved the following resolution:

**In view of the great and growing need for more houses in town and country, this Conference declares its belief that the first step towards solving the problem is by making unused building sites available and cheap, and by removing the "hostile tariff" on the building industry in the form of rates on houses; and, further, is of opinion that land can be cheapened and building stimulated by taxing and rating land values and unrating houses, and urges the Government to take immediate steps to make use of the land valuation for that purpose.**

Mr. RAFFAN said: There have been many indications at this gathering this afternoon that the people of this country are already beginning to discuss the urgent problems that will face us when the war is over, and amongst all these problems I think none is more urgent than the housing of our people. (Hear, hear.) This was an urgent question before the war, and one result of the struggle is that nearly all men employed in the building trade have been absorbed into the Army or munitions works. Building has come to a complete standstill, and when the struggle is over you will not only face all the old bad conditions, but you will have to face those conditions aggravated by the present facts. This is not the only reason why you will have to face this great housing problem. In this struggle the flower of the manhood of this country has been stricken down. Many of our workers will never come back to the task of production again, and many others will come back maimed, and, sir, I think we will, at all events—whatever difference of opinion there might be amongst us with regard to any other matter—all agree that whatever burden has to be borne in future, we must see to it that the first charge upon us is the maintenance of those brave men who have fought so gallantly for us—(cheers)—and provision made for their wives and children. When you have faced all these facts, you have to face a condition in which you will require an immensely accelerated production; in which you will require to develop to the very utmost every resource and every asset in this nation. I think there is no asset which we have so wilfully wasted and so long wantonly wasted as the child life of this nation. (Hear, hear.) Every day of 24 hours 400 little children up to five years of age are passing away. I know we cannot save them all, and there are mothers and fathers in this audience who know, as I too well know, that even when you lavish all that thought and skill and care can do, and be conditions as favourable as may be, sometimes the little one is taken from you. But I make this assertion this afternoon: if we were as careful as we ought to be, we can save half these young lives, and reduce this death roll from 400 to 200 in 24 hours. Why do I make a statement of

this kind? I will try to prove it. I can show clearly there are districts where the death-rate is more than twice as high as other districts and in the best districts there are black spots, and if this be so then I think the statement I have made is not an extravagant one.

#### GLASGOW HOUSING

I spoke at a great Conference at Glasgow, and a week before that the Chairman of the Health Committee of Glasgow Corporation made the statement that in certain areas in Glasgow the population density was something like 50 to the acre, while inside the great city of Glasgow the people were so congested together that they were in some cases living 300 to the acre. One particular black spot had 600 to the acre. The more crowded they were the higher the death-rate rose. In some districts it was 2½ times higher than in others. Taking an equal child population out of two of these areas in one case there were 1,600 deaths, and in another 600. Is it not worth while to do something to save this thousand little children, the potential manhood and womanhood of the nation?

#### THE CASE FOR LONDON

I have since then gone through the figures with regard to London. In three municipal boroughs in London which have the highest infantile death-rate there is also the highest record of overcrowding, and in the three municipal boroughs where there is least overcrowding there is the lowest death-rate also. Taking the ages at one year, between one and two years, and even taking the whole death-rate up to five years the figures in the three highest boroughs are almost exactly twice the death-rate of the three lowest boroughs. One perfectly appalling figure with regard to deaths between one and two years of age applies to the Borough of Shoreditch. The death-rate of little children between one and two years is 67·1 per thousand, but in Lewisham it is only 17·9 per thousand. Almost exactly four in Shoreditch to one in Lewisham! What is the explanation of that? Over one-third of the population of Shoreditch, 36·5 per cent., are living in overcrowded conditions but only 4 per cent. or one in 25, of the people in Lewisham live in overcrowded conditions. I want particularly to carry my friends in the Labour movement with me in this if I can. If people have to live in overcrowded conditions where the sunshine cannot penetrate and where the fresh air cannot have fair-play, there you will always have this murdering and maiming of little ones.

#### THE NORTH OF ENGLAND

The highest infantile death-rate in the country is in the North of England, Northumberland and Durham, where men are well paid and where there is a thrifty, intelligent and temperate population, and the lowest is in the rural districts in the South of England, where men are miserably and inadequately paid, but where they have sufficient air and sunshine. In Northumberland and Durham the medical officers say housing accommodation is extremely bad, and approximately 30 per cent. of the people live in an overcrowded state. The medical officer of Northumberland says housing is very inadequate in every industrial area. If we are to have a baby day, to try to save more of these little ones, strike at the root of this evil, which denies the little children the modicum of fresh air and sunshine which the Almighty intended them to have. You cannot deal adequately with this unless you deal with housing and land. In my view it will not be sufficient to carry on a crusade upon talk of clearing out the slums. We have tried it, and have spent a lot of money on it, and it has not amounted to much so far.

#### COSTLY CLEARANCES

Sir Arthur Griffith Boscawen stated in the House of Commons that the London County Council spent two

million pounds in clearing forty thousand people out of London slums, not in finding houses for them, or re-housing them, but in clearing them out at £50 a head or £250 for every family of five. On this basis it will cost fifty million pounds to sweep away the slums in which a million people, or 250,000 families, reside, and when it is all done are conditions any better than they were before? In my view they may well be worse.

#### LEEDS

Let us look at the position as it affects Leeds. Your medical officer, Dr. Wm. Angus, says that a special feature of Leeds is the prevalence of back-to-back houses. All the working classes practically live in back-to-back houses. I want to avoid any language of exaggeration. I do not assert that many of these houses may not in other respects be substantial well-built houses, and that there are not many happy homes in them, but everyone will agree in this: that the working people of Leeds would be much more comfortable, and would live under much better surroundings if every house had its own backyard and if every house had its own bit of garden. The through ventilation of each house, proper air space for each house, would give much greater chances for recovery when illness comes, and especially for children in the summer time. Suppose some body of reformers in Leeds were to say "Very well, in these circumstances let the City Council issue an edict to say back-to-back houses shall come to an end, and if it is practically possible we will go through them row by row and demolish the house at the back everywhere." Does anyone here think these working people would be any better off? They would be infinitely worse off, because the people cleared out of 36,000 houses would have to crowd into the 36,000 houses left, and assuming an average of five persons to a house now, there would then be ten persons to each. The last condition would be worse than the first. It is so wherever you try schemes of demolition and are content with them. Building must keep pace with demolition everywhere, unless conditions are to be made worse than before. Building must keep far ahead of demolition if conditions are to be materially improved. Why should it not be? Why should an attempt not be made to get rid of the back-to-back system in Leeds by building 36,000 new houses?

#### THE PROBLEM

You are going to have released from the Army and munitions works 650,000 men in the building trades. They will come back looking for employment. There is a tremendous demand in Leeds and throughout the country for housing accommodation. With capital, labour, and demand, what blocks the way? You are brought up against the land question every time. Why need you be? Mr. Outhwaite in the House of Commons several years ago asked for a return from every city and urban area of how much land was built upon and how much was described as agricultural land. I find there that the return for your city shows it stands on 21,593 acres of land. All the houses, business premises, factories, workshops, churches, public buildings, open squares and streets only occupy 11,340 acres, or a little more than half the total area. Nearly half, 10,232 acres, stands upon the rate-books as agricultural land. You know Leeds better than I do. I do not know if it is all land suitable for building, but a large portion of the acreage is land upon which buildings can very well be erected. You would only require one-third of that acreage to re-house the whole of the people from 36,000 houses at ten houses to the acre. But on what terms do you think you would be able to obtain land if you resolved this afternoon to form yourselves into a syndicate and instructed the chairman and myself to bargain with the people who own this agricultural land? You are raising approximately £900,000 per annum in rates and the contribution of the half of the land built upon

is £896,622 but the other half described as agricultural land contributes £3,309. (Laughter.) It is so small as to be hardly worth the trouble of collecting. As I work it out, the rates being 9s. per £1, the value of this land put down by the owner for the purpose of rating is £30 an acre. Do you suppose we should buy it at that? In Richmond they wanted some agricultural land to build houses upon and were asked £2,000 an acre for it, and could not get it a penny cheaper. You would be fortunate in Leeds, compared with other districts, if you got this land at £1,000 an acre. This means that the land, which according to the estimates of the owners themselves, is now only worth £30 an acre and therefore a total capital value of £30,000, would, before you had finished the transaction, command £10,232,000 for the land alone. This imposes an insuperable barrier to solving the housing question in Leeds, so long as present conditions exist. You cannot go ahead with garden city schemes in Leeds at £1,000 an acre, £100 for the land site alone for every house. It cannot stand it, and what will happen here is what will happen everywhere if Corporations went into building schemes. You would be compelled to crowd houses together at 30 or 40 to the acre and re-create the old bad overcrowding conditions you started out to remedy. I suggest that every owner of land should say what is its value, and if it is worth £1,000 let it be rated on the book at £1,000, and if it is only £30, he should be willing to sell it at £30 for improvements. By this method you are enormously helping the relief of rates and stimulating enterprise and production in this city. The moment you put it at a proper rate of taxation, instead of holding up land as idle, these men would be scouring the city for tenants, and putting the land to its full use. For these reasons I have the greatest pleasure in submitting the resolution for your approval. (Applause.)

#### SOME INFORMING FIGURES

Mr. HENRY GEORGE CHANCELLOR, M.P., seconded the resolution. He said: Almost the last Act of Parliament before rising for the Easter recess was one of the meanest in all its history. To get 100,000 recruits who had fallen short of the estimate, over one million men who have been rejected or discharged are to be compulsorily re-examined and rendered liable to conscription for the Army.

Do you realise what that means? It means that roughly one in six of the men examined were certified by army doctors and medical boards as physically incapable of military service.

In his annual report issued in January last, Sir George Newman, Chief Medical Officer of the Board of Education, stated that out of nearly six million children attending elementary schools one million, one in six, are so physically or mentally defective or diseased as to be unable to derive reasonable benefit from the education provided by the State, and not less than 250,000 are seriously crippled, invalided or disabled. These are the children who, hampered from infancy, will grow up like the rejected men, unable to defend their country, if, which God forbid, their country is attacked when they reach manhood.

That is an amazing record for a country which, by social and industrial legislation, has erected safeguards against all sorts of physical dangers, and by sanitation has nearly exterminated many diseases that were formerly common.

No doubt some of it is due to inheritance, some to character and habits, some to ignorance of parents. The NEW STATESMAN is crying out for wider powers to compel them to subject their children to the treatment of school medical officers. Compulsion is in high favour just now; but I think the war will cure our people of that. The State is not proving the all-wise providence that can organise people out of responsibility and initiative. Englishmen will not take kindly to being turned from individuals into automata, even if State organisation were conducted with Prussian efficiency instead of hopeless muddle.



## OVERCROWDING AND HEALTH

But all these causes together will not account for the fact that one-sixth of our men and one-sixth of our children are defective. There must be some things far more fundamental, and one of the most important is indicated by the fact that, whereas whilst in crowded towns like Leeds, 127, in Bradford 124, and in London 112 out of every thousand born die before reaching the age of one year, in selected parts of the same area, *e.g.*, London, the rate varies as much as from 79 in Hampstead to 145 in Shoreditch. (Reg. Gen. Report for 1915. Cd. 8,484).

It is not without significance that in Hampstead of every 1,000 only 79, whilst in Shoreditch 365, live in tenements with more than two occupants to each room.

The conditions of healthy life and development are reasonable food, clothing, space and ventilation. All these are denied to a great mass of our population. Where they exist, as in Hampstead, not only premature death, but disease and other causes of physical deficiency tend to disappear.

According to the last census (1911), in England and Wales 482,722 lived in one-room tenements, 2,098,092 in two-room tenements, making  $7\frac{1}{2}$  per cent. of the whole population. The death-rate in these is always the highest, and it may be taken as an axiom that the rates of disease and deficiency are proportionate. Each improvement in housing decreases all three, and a solution of the housing problem would bring them down towards the figures in the best areas. The fact is, these people have "no room to live," only to maintain a precarious existence dogged by illness and suffering from the cradle to the grave.

Yet there are great areas of land all around and often within these towns on which, if they were allowed to spread, larger populations could be housed healthily and well; land crying out for the builder, which is either not used at all, or used for half-hearted cultivation or grazing. In the White Paper moved for by Mr. Outhwaite, and issued by the L.G.B. on May 7th, 1913 (119. Urban Districts, Areas and Rates), eleven self-contained county boroughs with a total area of 92,771 acres returned 38,322 acres as agricultural land; 1,065 urban districts with an area of 3,791,368 acres returned 2,494,713 acres as agricultural, whilst one county borough and 59 urban districts made no return. It may surprise you to learn that amongst these Leeds returns as agricultural nearly one half, 10,323 acres out of a total of 21,572; and Bradford returns as such more than one half of the land within its borders, *viz.*, 14,534 out of 22,843 acres.

Now it cannot be argued that there is no demand for houses in these two great crowded boroughs. In other matters of human need, demand always produces supply, except temporarily and in abnormal circumstances, such as a sudden emergency, which is overtaken as soon as industry has had time to overtake it.

But this is no sudden emergency. Overcrowding existed long before the war, which for the moment has stopped building. House hunger is no new phenomenon in our city life. It is chronic, and has been chronic as long as I can remember.

Is it due to shortage of materials? Surely not. Manufacturers of bricks, woodwork, fittings, stoves, and all the make-up of the house have been eager to obtain and to fill orders for all these things, and to compete in price with one another so as to insure the buyer value for money. How is it, then, that in houses, the things next to food and clothing most vital to human life, the law of supply and demand breaks down? There must be some things that differentiate house building from other industries.

## WHY THIS SHORTAGE?

There are, I think, at least two. First, the demand is not effective. Effective demand means demand from persons with resources to pay for the thing demanded. House rent

is only one of many unavoidable claims on income. It comes after food and clothing. If after providing these the wage-earner sets up a standard of life in other matters, rent has to be adjusted to bring all within the compass of total income. If rent represented merely interest on cost of production, in normal times cottages can be built for £150 or less, and 4s. 6d. per week would pay  $7\frac{1}{2}$  per cent. on such cost. In normal times, with a huge demand, with little risk and a certain return, there would have been an abundance of capital seeking investment, and of builders seeking to secure the business of supplying the demand, and our towns would have spread healthy and happy homes over the surrounding fields, if rent were based only on capital outlay. Instead of that, workers, whole families of them, are crowded into one or two room tenements for which they pay rents greater than those of whole cottages in country districts. Why is this? Not because the cost of constructing their one or two rooms is greater. Much less capital is involved.

Here I come to the second thing that differentiates the supply of houses from the supply of other necessities, and which is the real cause of the first.

The reason is that the tenement is where it is. People must live and they must live where they can carry on the work whereby they live. If dwellings are only available in a limited area and numbers are competing for them, then the rent rises in accordance with economic law. Hence a "third-floor back" in many a city slum costs more than a four-room cottage with a garden in many a rural village. And the more confined the area containing such dwellings the higher the rent they command. The difference, therefore, is one of location, and is measured by site value or land value.

Now land is limited in area. It is the one thing that cannot be manufactured, or removed from one place to another; and houses can be built only on land. Obviously, then, the possession of a monopoly of this absolute necessity carries with it the temptation of all monopolies, *viz.*, by withholding its supply to extract the greatest amount possible from it. In doing this, landowners only do as all other monopolists do. They are no more criminal than the man who corners wheat and, by withholding it from the market, creates artificial scarcity and extracts higher prices at whatever cost to the poor, who must have it or starve. The land monopoly is only more baneful because more effective owing to the fact that land cannot be produced, whilst wheat and all other commodities can be, so that these other monopolies break down with the next harvest or with further production, whilst growth of population makes land more needed and hence more sought after and dearer. The owner of land round a growing town knows, therefore, that by not building on it he will presently reap a harvest vastly greater than the income from its immediate use. Hence he continues to graze or cultivate land long after it is wanted for building, or even discontinues using it until the pressure of population "ripens" it, *i.e.*, puts up the price to a figure which makes its use more profitable than its disuse or underuse; in other words until the owner can get his price. When that time arrives the owner proceeds to create ground rents. Land which has produced no income, or only agricultural rent, is divided into small plots for houses, perhaps twenty to the acre, for every one of which a rent is demanded, or a price that will produce it, as great as the whole acre yielded before, *i.e.*, the owner multiplies his income from such land by twenty at a stroke. Who would not?

Now it is useless to abuse owners for doing what every business man regards as legitimate with the commodities he sells, *i.e.*, for getting the highest price possible. If you want to solve the housing problem you must make the demand for houses effective by removing the causes that prevent its being effective now.

## LAND COMPARED WITH BRICKS

In regard to all the materials for house-building it is already effective. Demand produces supply, and competition makes supply reasonable. The only difficulty is in securing sites at economic prices owing to the power of withholding possessed by land monopoly. If for monopoly you can substitute competition, and only so, your question is solved; for land purchase by public authorities will only strengthen monopoly and stiffen price. In any case, experience has shown that it only palliates the trouble locally and for a time, and often at the price of making tenants into paupers by letting under cost, thus subsidising rents out of public money; another way of reviving the bad old system of supplementing wages with poor-rates which wrought such economic and moral havoc a century ago, and can only have the same tendency to-day or any day.

If decent houses can be supplied at rents now paid for slum tenements, most slum tenants will forsake slums and live in such houses. Like other tradesmen, builders have to make their living by supplying what the public demand. That is what they are in business for. If they can get land, labour and materials at prices enabling them, with reasonable security, to get a fair return on their outlay, they will jump at the chance, and the houses will get built where and when they are wanted. It will not be a sudden spurt to meet an urgent need, but a steady, continuous supply, regulated as to time and place by actual demand. How, then, can land be put into the same position as bricks, *i.e.*, how can its supply be made to meet the demand and its price regulated by competition?

You will have seen by what I have already said that the value of building land consists but little in the nature or substance of the soil, but almost entirely in its site, *i.e.*, its location in relation to population. Growth of population in any place means growth of demand for land in or around that place, and the consequent growth of land value just there, apart from anything done to it or not done to it by the owner. In other words it is, as described by Mr. Asquith, "a communal value." As such it should belong to the public by the inalienable right of creation, and at any rate before any form of property created by individuals, is properly the first subject for taxation, national and local. Taking by the community for their own use what they alone create can be no injustice, whilst allowing it to become the subject of speculation and to pass into private hands is robbing the community for their benefit. Yet this is just what we do now. Land bearing houses is assessed for rates and for house duty. The rates and taxes represent part of its value taken into the local and national exchequer respectively for public use.

But if building land is not used at all it is not taxed at all, and if used for grass it is rated only on its grass-bearing value, that part escaping taxation by which its value for building would exceed its value for grass growing. The value is there all the same, and the owner knows it. Cutting up an acre of land let at 20s. into twenty plots at 20s. each, or £20 per acre, does not create the difference in value, but only discloses it. The value is not created even by building houses, but inheres in its suitability for building, or in other words, in its lying where houses are wanted. That is due solely to the population, whose need creates the demand which constitutes the value that the owner puts into his pocket. Exemption from rates and taxes thus enables him to keep it out of use without present loss, whilst value grows more rapidly than if the equivalent in money were on deposit in a bank or invested in business. The scoop he makes when using or selling it to build upon represents the capitalised value of the income which its earlier development would have secured and which would then have been taxed like other income. Meanwhile its non-use has promoted overcrowding and put up rents on all the

neighbouring land already built upon, and the people have thus been doubly injured, in pocket and in health.

Now if the income concealed in the growing value is there it ought to bear taxation not less than the income which a man earns by industry, skill and management. In so far as this is publicly created it ought in strict justice all to be publicly owned.

All we ask at the moment, however, is that the income he could and ought to take now by putting the land to its proper use shall now be taxed and rated, not less but the same as that derived from land that is so used, and that the sum so raised shall be taken off the buildings, which, so far as they go, do meet the public need, however inadequately.

## MAKE CORNERING UNPROFITABLE

The effect would be to make land withholding a costly business. Each rate and tax demand would mean money paid out without money coming in to provide it. The owner would soon find it necessary either to secure an income from the land out of which to pay the tax or to sell or lease it to someone who would. This would set up a competition for tenants or purchasers which would break up the monopoly, bring down the price, and force the land into use. In other words it would destroy artificial scarcity, put land into the same position as building materials, make it, like them, available where wanted at an economic price, and enable the builder to meet the public need, and to develop his business with the certainty of a fair profit, by supplying the houses at a price that would make the demand effective. Where mansions were wanted they would still be built; but so also would workmen's houses where and when the demand arose for that class of property.

The levying of rates on the actual value of land would, by setting up competition for tenants and purchasers, bring down its cost from a monopoly to a competitive price. The exemption of buildings from rates would reduce their weekly or annual cost, and bring within the reach of weekly wage-earners, who can now afford only rooms in crowded back streets, homes with gardens, air, light, and the conditions of healthy life that would cheat disease and drink of many victims. This would enormously reduce our proportion of defectives from the awful figure of one-sixth at which it now stands. And it would be a permanent cure, not a mere local patching-up or temporary palliative like housing schemes that mean permanent public loss, and land purchase, which means the raising by the public of prices against itself. For the same economic pressure applied to all land according to its value would compel its use for the purpose for which that value could be realised, *i.e.*, for which it could be made most productive. This would insure for the community the fullest benefits from the resources nature has provided in earth, sea and air. It would also provide opportunity for labour that would reverse present conditions by making capital dependent upon it, and solve questions of employment and remuneration and conditions that laws, unions and strikes can only deal with in places and for short periods. This method could be put into operation before the war was over, when the house hunger will have become a house famine and employment must be found for the millions of soldiers re-entering civil life. All that is needed is to bring up to date the valuation already made and use it for local and national taxation alike.

## THE THREE WAYS

Mr. FRANK SMITH: I am here as a Socialist and Labour worker for many years because I want to destroy land monopoly. Now the question is how shall we do it? One thing is certain, the House of Commons as at present constituted will never do it, and the Labour Party is as guilty as any other party. (Cheers.) I have spent 30 years of my miserable existence in Labour and Socialist fights, and I begin to wonder whether it is worth the candle.

Land monopoly is the fundamental evil to-day. The man who can get at land to grow his own "spuds" is going to stand out a good deal better than the other fellow if he has to come out on strike. Everything is in the land and if you settle the land problem you settle a good many other things at the same time. There are only three methods of getting hold of the land. The first is the Russian method if you have courage enough. (Laughter.) It is all right to say three cheers for Russia, but what about Leeds? First you may chuck them out—are you ready to chuck them out? The second one is to buy them out. Lots of Socialist friends seem prepared to do this, but I am not. I am not going to be a party to fraud and felony. (Laughter.) If you are willing to buy out you can't, you've spent all your money. If you can't chuck them out and you can't buy them out, how are you going to get them out? You can't say "Mr. Landlord, will you kindly retire for the benefit of the community?" There is only one way to do it easily and simply—by taxing them out. I have a patent way of my own, put the Defence of the Realm Act into operation. (Laughter.) Let the Wizard from Wales declare that if any landlord failed in one month to lodge a full statement of the value of his land he would be subject to a thousand pounds fine and six months' imprisonment. (Laughter.) People have had both for less than that. (Laughter.) Depend upon it, the taxation of land is the line of least resistance and successful advance in the interests of labour and housing and decency. (Applause.)

Councillor MYERS: I do not think the conference is hostile to the principle of land values taxation. I want to vote for the principle in this second resolution, but I cannot endorse any declaration which would possibly play into the hands of an opponent of the taxation of land values. I think we shall all agree that the housing problem is going to be one of the greatest after the war, and we ought to keep the resolution to expressing the contribution that land values taxation will make for the solution of the housing problem. I think this point is covered by stopping at the word "cheap" in the third line, and beginning again at the word "urges" in the last line but one. I think the middle part of the resolution could be voted for by a property owners' association.

Councillor ARNOTT: It would be a great deal better if instead of saying the problem could be best solved, it said it would more easily be solved. I do not think you will cause houses to spring up automatically. This is one factor, but it is not every factor.

The CHAIRMAN: I was prepared for this suggestion and I should like to ask whether these gentlemen would find it easier to give a unanimous vote in a way that will not involve any relaxation of principle in the resolution if we

say that instead of "the problem can best be solved" in the second line we say "the first step towards the solution of the problem" and then proceed with the resolution.

Councillor MYERS: If we got land for nothing it would not start housing schemes, because land charges in housing schemes are such an insignificant contribution to the whole lot.

Dr. WHITE: Will you accept the suggestion "the first step towards the solution of the problem is," &c.?

Councillor MYERS: Yes, that is all right.

Councillor ARNOTT: A rate upon houses is simply imposed for raising municipal revenue and has nothing to do with land values. You may tax land values for either municipal or national purposes.

Dr. WHITE: It is not a question of using money but of raising money. Two pieces of land are sold at the same rate. One is used and one is not. You tax the one man for his industry in using the land, but you ought to tax them both upon the land value and let either go ahead with any improvements he can make.

A DELEGATE: What effect would it have upon quarry land or clay land for bricks, or mineral land?

Dr. WHITE: A most important question. Suppose you have land with clay for bricks, or land with a coal mine in it. You tax upon the selling value and wherever coal is believed to be you will not get that land at agricultural value.

Question: Will the taxation of land values affect the rent that tenants have to pay for living in houses? For instance, we know very well that in general trade it is the consumer who pays. When Mr. Lloyd George brought out his Insurance Act he said no doubt employers would find a way of passing it on. Will this pass to the tenants?

Mr. CHANCELLOR: It is almost inevitable that housing will be cheaper after the tax than before. The competition for tenants instead of competition for houses will reverse the present process, and bring down the price that has had to be paid. People would be able to find a four- or five-roomed cottage outside the congested area

for the present price of one or two rooms in the centre of the town.

After Mr. Chancellor had repeated the figures quoted in his speech in answer to inquiries for them Dr. White moved a cordial vote of thanks to the chairman for presiding over them so admirably that afternoon.

Mr. P. W. Raffan seconded, and the resolution was carried unanimously.

The Chairman informed the meeting that a full report of the proceedings would appear in LAND VALUES for June.

After tea at the Hotel Metropole an informal meeting was held in the evening at which a hearty vote of thanks



Mr. FRANK SMITH, at Leeds, for Taxation of Land Values without undue delay.

was accorded to Mr. Fred Skirrow, secretary of the Yorkshire and Northern Land Values League, for his very successful efforts in organising the Conference. It was moved by Mr. John Paul, and seconded by Mr. John Archer.

On Sunday night there was a very interesting discussion on "Economic Freedom the Basis of Permanent Peace."

## LABOUR PARTY AT THE LEEDS CONFERENCE

### Demand the Land

One of the most forceful conferences we have had the pleasure of attending for some time was the one held at the Philosophical Hall on Saturday in favour of the taxation of land values. There is not the slightest question that this is a policy well worth fighting strenuously for, and the complete apathy of the Labour party towards its possibilities is one of the misfortunes of the present day. There are nearly as many methods to secure social reconstruction as there are religious creeds, and the various promoters are almost as isolated one from the other as the various little flocks inside the folds of various churches. The lack of agreement and cohesion is unfortunate in both cases, but inevitable to some extent.

Because it is inevitable to some extent, it need not be always maintained and condemned. Capitalism could do nothing better in its own interests than to anonymously subscribe to the fighting funds of these many organisations, advocating separate social panaceas. It is high time we of the Labour party got a clearer vision, and recognised the fact that we do not know all there is to know about the solution of the social miasma. As a collective party we had almost ceased to learn anything new for the last twenty years. We had adopted our faith, moulded our creed, and found it all sufficient. That is why our political progress has not been anything like commensurate with our industrial growth. Our self-sufficiency and theoretical system of salvation of the masses has not convinced the masses, and our tenets lack that practical grip, that complete application to every circumstance, that was enunciated on behalf of land taxation last Saturday.

We place in the forefront of our programme the State ownership and control of land, mines, railways, and every means of production and exchange. A capital aim to which all of us can subscribe, but how shall we get there? By buying out the landlords, the monopolists, and the great industrial controllers?

God forbid that we should ever think of saddling the State with such an enormous subsidy to idleness and profiteering. Land taxation offers a beginning on practical and very effective lines. It has been approved by the I.L.P. and endorsed by the Labour party, and then the party seems content. What a very great misfortune it is that all land reformers cannot concentrate their efforts upon this equitable method of bringing back to the people the common right of the people, the use of the land. We have enough members in Parliament aided by a few sincere land reformers amongst the Liberals, to force this issue now, and secure a just measure of land taxation. But our members are conscious of the inactivity of the rank and file, and share it. We need a "gingering up" and here is a line of action which would enormously help the masses by a ginger policy at a most opportune period.—THE LEEDS WEEKLY CITIZEN, May 18th.

Speaking entirely for himself, he believed that this scheme for a league of nations would fail unless Germany were admitted into it, and if she were excluded he could see no prospect before the world but the unending darkness of night. We had got to separate the German rulers from the German people. We must destroy the one and support the other.—LORD BUCKMASTER, London, May 14th.

## GENERAL SMUTS ON "C.-B."

General Smuts, as one of the chief guests at a luncheon at the House of Commons, given by the Empire Parliamentary Association on April 2nd, after referring to the fact that South Africa had first to quell an "internal convulsion," and then to deal with the neighbouring German Colonies, said:—

"How was this done? Here I come to the wider issue. It was done because the Boer War of 1899-1902 was supplemented, was complemented, or compensated by one of the wisest political settlements ever made in the history of this nation. I hope that when in future you draw up a calendar of Empire builders you will not forget the name of Sir Henry Campbell-Bannerman. He was not either intellectually or politically a superman, but he was a wise man with profound feeling and profound political instinct, and he achieved a work in South Africa by one wise act of statesmanship which has already borne, and will continue to bear, the most far-reaching results in the history of this Empire. This completed what was begun in the Boer War, and it switched South Africa again on the right track, and the British Empire again on to the right track, because, after all, the British Empire is not founded on might or force, but on moral principles—on principles of freedom, equality, and equity. It is these principles which we stand for to-day as an Empire in this mighty struggle.

In late years European sentiment had gone back. Men felt a boundless devotion to their own country, and had no consideration for any other country. That sentiment must be combated. In the matter of this war, Christianity was never more impotent, and never more thoroughly agreed. He would like to see the ministers of Christianity in all countries gather together to enforce the principle that war was inconsistent with Christianity, and that nationalism was equally inconsistent with Christianity.—LORD HUGH CECIL, London, May 14th.

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To become a regular subscriber to the paper. (The annual subscription is two shillings including Postage.)

To take an active interest in the agitation for the Taxation of Land Values, whose object is to secure the equitable distribution of wealth by the taking by taxation of communal property—the rent of land—for public purposes and the abolition of all taxation interfering with or penalising production and exchange.

To apply for and undertake the distribution of free explanatory literature among your friends, and to provide names and addresses of any persons to whom you think such literature might profitably be sent.

To promote the discussion of the land question at meetings of any industrial, trade, economic, literary, or political society to which you may belong.