

Insurance Act, which in the long run will show very little to the credit of the Tory Party. We have answered that with a campaign of robust Liberalism, on the lines of land reform; and the policy for which we have stood in North-West Norfolk is going to find its mark in the course of the next few years in this chapter of Liberalism.

And this is the confirmation of his opponent, Mr. Jodrell:—

I think I should have got more votes on the Insurance Act, but for the fact that these land proposals came along.

It was for lack of this "robust Liberalism" that Mr. Nicholls was defeated.

#### The Lesson for the Future.

Writing in the DAILY NEWS AND LEADER on the causes of the defeat, Mr. Harold Spender says:—

The chief was the present position of the Government's Land Policy. All we had to say was that the Government proposed to do something—something big and large, but still hazy and indefinite. On the other side, there were two Bills—doubtless doomed to brief life as their portion here below—"brief life and short-lived woe"—but still for the moment very potent and active. Unless the Government mean to give a clearer lead it is useless to send men like Mr. George Nicholls—splendid men, worthy of a better fate—down to the villages to be massacred in detail.

On the one hand, he (the labourer) has the promise of the Tories that they will give a million to cottage-building, and the labourer wants new cottages so much that he does not care very much who gives them and how. On the other, he sees old houses being condemned without the erection of new ones being considered. And so it is with wages. We said many eloquent things about the disgraceful wages of Cambridgeshire; and they were all true. But unhappily for us the only practical proposal for dealing with the wage question was the new Bill of the Tory democrats—the proposal to place the agricultural industry under the Trade Boards Act.

The real way to treat these Tory proposals is to accept them—and improve on them. That will be the real test of their good faith.

To put it in plain language, Mr. Spender says that the only thing to be done is for the Liberal Party to forget their Liberalism and adopt the Tory policy. What a confession of blindness and impotence! It passes our comprehension how any intelligent person can fail to see the economic and political futility of such a proposal.

We do not wish to deal at length with the economic objections to these proposals for minimum wage, State aid for cottage-building, and so on. We merely point out that the primary reason for the misery of the agricultural population is the meagreness of their wages, and that this is due to the non-use and meagre use of the land which has restricted the opportunities of production and employment, and has thereby, through the forced and desperate competition of labourers for a living, reduced their wages practically to a starvation level. This fact is indisputable and undisputed; and it is the duty of Radical social reformers to turn their energies to securing that fundamental change in the system of land tenure and taxation which will give the largest and freest access to land and which will bring about the greatest and most profitable production from it, and which will keep the price of land down to a fair level. If this is not done, all the benefits which might possibly accrue from legislation of the kind Mr. Spender advocates will sooner or later be swallowed up in increased land values, and will inure not to the labourer but to the landlord (see p. 23).

#### Practical Politics.

It would appear that Mr. Spender is unable to see the political significance of those Tory measures which he wants the Liberal Party to appropriate and improve on. They are the last entrenchment which reaction and privilege is putting up against the Radicalism of Great Britain. They are an attempt, a bold and dangerous attempt, to side-track Radical land reform and to substitute for it futile palliatives and mild readjustments which will cause no shock to landlord interests. A little philosophy and a little reading of history might have taught Mr. Spender that it is just in this way that the hopes of democracy have been frustrated in the past, and that it is by such means that privilege, conceding to the people the empty shell, has kept the kernel for itself.

No doubt others, besides Mr. Spender, will set up this cry for compromise and talk at large about following the line of least resistance. There can be no compromise with an injustice; sooner or later it must be put an end to. We do not believe that the taxation of land values is a line of maximum resistance. Mr. Nicholls's testimony that both farmers and labourers approved of it shows that it is not. But, in any case, there can be no doubt that it is the line of maximum support—the enthusiasm it created in N.W. Norfolk, Hanley, and Holmfirth is quite sufficient proof of that. The lesson of these epoch-making elections is that the Liberal Party should not trifle with the palliatives proposed by Socialists and Tories, but should hold to the policy of freedom and equality of opportunity, so much more in accord with democratic principles.

#### The Unused Country.

The following passage is from a valuable book—ENGLISH FARMING; PAST AND PRESENT, by R. E. Prothero—which was published last year:

Thousands of acres of tillage and grassland are comparatively wasted, under-farmed and under-manned. Countries whose climate is severer than our own, and in which poorer soils are cultivated, produce far more from the land than ourselves. The gross receipts per cultivated acre in Great Britain have been calculated at only one-fifth of those of Belgium and two-thirds of those of Denmark.

On reading this we could hardly believe that it was not a passage from a speech or article by Mr. Outhwaite. We wonder what those members of the Farmers' Club, who so vehemently and passionately objected to Mr. Outhwaite's statement that much of the land was unused and underused, will say when they see this statement by a man who is so welcome a visitor and so much belauded at the Farmers' Club.

#### Professor Ely on the Taxation of Land Values.

We see from the JOURNAL OF THE FARMERS' CLUB (May, 1913) that Professor Ely, of the University of Wisconsin, has been favouring English farmers with his views on the taxation of land values. He said: "I have no sympathy whatever with the Single Taxer in this country or any other country. . . . No civilisation has been built up in modern times upon anything else than the private ownership of the land; and if you remove that, as the Single Taxer proposes to do, it seems to me that you would remove the solid, substantial foundation of modern civilisation."

He then went on to indicate, in more or less ambiguous language, that he regarded taxation of land values as confiscation. What a virtuous attitude for the man who once defined taxation to be confiscation! Here are

the words he used: "Taxes are simply one-sided transfers of economic goods or services demanded of the citizen," &c. Also, "Taxes are not an exchange nor are they a payment." (TAXATION IN AMERICAN STATES AND CITIES, New York, 1888, pp. 6 and 7.)

More than this, Prof. Ely expressly states in the same book that taxation should not necessarily fall on all persons or all things. "A burden is sustained by common sacrifices, and by common is meant according to some fixed rule, applicable to a class of persons or a class of property, but not necessarily to all persons, still less to all property" (p. 10). Thereafter he states that the thing necessary to justify a tax is whether it is advantageous to the community as a whole. By that test we are perfectly willing to stand, for though many and vehement accusations have been made against the taxation of land values, hardly anyone has denied that it would encourage industry by forcing unused land into use and by exempting improvements of all kinds from taxation. Such taxation would consequently be to the benefit of the State, though it might not be advantageous to individual landlords.

As to Prof. Ely's rhetoric about civilisation being built upon private ownership of land, it seems to us that he has probably got a right idea floating in the back of his mind, but has chosen a very misleading way of expressing it. What civilisation is built upon is freedom. Indeed the relation between the two things is so close that the words are almost synonymous. And freedom certainly involves the fullest property, the most unrestricted ownership, of the products of labour, but it certainly does not involve the monopoly of land, the source of all production. It involves liberty to produce good things from the earth, and is consequently directly opposed to the present system of land tenure which restricts that liberty.

#### The True Basis of Taxation.

We have argued above on the lines laid down by Prof. Ely, using his propositions with regard to taxation as the premises of our reasoning. We do not, however, regard taxation as a one-sided transaction, but as an exchange—the payment which the individual makes for the advantages which accrue to him owing to the existence and activities of the community as a whole. Strange to say, Prof. Ely, in another part of the same book (pp. 16, 17) makes this very statement and imagines that he has found a reply to Henry George. He says:—

"Now, if government is an indispensable condition of production, it is as truly a factor of production as any natural agent, as labour, and is as truly entitled to a share of wealth. . . . Still further, society, of which one manifestation is government, is present in all production. . . . This, it seems to me, is also a valid reply to Henry George's views on the nature of taxes."

This, instead of being a reply, is simply Henry George's view stated in another form of words, the only difference between the two being that George knew how to measure the share of wealth due to the state, while Professor Ely does not. The cardinal contribution which PROGRESS AND POVERTY made to the theory of taxation is simply this: that the contribution which society makes, consciously or unconsciously, to production is measured by the value of land. That this is so may easily be seen by considering what it is that makes the price of land to be so high in London, for example.

In the first place there is the element due to public services—streets, lighting, sewerage, water, tramways, and the rest. As these are more or less efficient and valuable so will land be more or less valuable. In the second place there is the fact that the city is the centre of a vast population, the centre of a busy hive of industry where specialisation and division of labour has been carried to the very highest point. This too has to be paid for. The greater the advantage that merchant or manufacturer can get out of this unconscious co-operation in society at a particular spot, the higher will be the price there; and the less advantage he can get the less will be the price.

These are the two factors which determine the price of land, and this is why the value of land measures the contribution of the community to production and should consequently measure the contribution of the taxpayer to the community.

#### Heirs of the Tenants' Improvements!

The discussion at the Farmers' Club which we refer to above was also taken part in by Prof. John Wrightson. He said:—

There is a point which has impressed itself upon me with regard to the landlords, and that is that the present owners of the land are really the heirs not only of all the capital which they, as landlords, have put upon the land, but of the improvements which all their tenants have put upon the land also; that is to say, if they have not paid the tenant for his unexhausted improvements, as no doubt was done to a great extent in olden times, nevertheless they remain the undisputed recipients and heirs of the whole of the improvements which have been made upon the land, either by the proprietor or by the tenants and labourers who have been engaged in this gradual improvement of the land.

This looks extremely like brigandage. Of course we are quite aware of this confiscation of the tenants' improvements by the landowners; it has been going on for many years. Still it is pleasant to see the fact stated by an eminently cautious and conservative gentleman at a meeting of such an august and conservative body as the Farmers' Club. What will those members of the Farmers' Club who are so bitterly opposed to the taxation of land values—a policy which would make this confiscation by landlords impossible—say of this statement of Prof. Wrightson's? It is rather a left-handed compliment to landowners.

#### The Spanish-American Conference.

We go to press too early to be able to publish any report of the Spanish-American Conference at Ronda on May 26th, 27th, and 28th. All the reports we have received, however, point to its being a great success. Too high praise cannot be given to our Spanish confrères on the great success which has attended their efforts during the past few years, and we look forward with much hope to the rapid progress of the movement in Spain in the near future. As our readers are aware, the policy of taxing land values has so caught hold of the popular imagination that the leaders, both of the Republican party and the Ministerialists, have declared themselves in favour of it.

The British movement is strongly represented at the Conference by Mr. and Mrs. Fels, Mr. and Mrs. Metcalfe, Mr. Mervyn J. Stewart, and Mr. Harry de Pass. In our next issue we shall give a report of the proceedings.