

## LAND VALUES

Twenty-fourth Year. (Established June, 1894)

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

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### "OUR POLICY"

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

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## SHALL THERE BE UNEMPLOYMENT AT THE CLOSE OF THE WAR?

To the Workers.

The demobilisation of eight million troops and munition workers will bring the whole wage-earning class grave peril of unemployment, reduction of wages, and a lasting degradation of the standard of life.—*Report on Reconstruction by the Sub-Committee of the Executive of the Labour Party.*

Why is it that men have to work for such low wages? Because, if they were to demand higher wages there are plenty of unemployed men ready to step into their places. It is this mass of unemployed men who compel that fierce competition that drives wages down to the point of bare subsistence. Men are compelled to compete with each other for the wages of an employer, because they have been robbed of the natural opportunities of employing themselves; because they cannot find a piece of God's world on which to work without paying some other human creature for the privilege.—*Henry George—"The Crime of Poverty."*

"The expropriation of the Mass of the People from the soil forms the basis of the Capitalist mode of production."—*Karl Marx ("Das Kapital," 793).*

The power to keep land out of use which is supported by unjust taxation drives the workers in ever-increasing numbers to the gates of the factory for any kind of wage; it is this unnatural condition which gives rise to the vicious competition among workers for employment, keeps wages in a deadly rut, and maintains the power of exploiting capitalism. This condition must end if labour is to win the full economic enfranchisement that free citizenship demands.

We are faced with the prospect of industrial collapse. Unemployment will be the pre-eminent danger for the workers at the close of the war. Millions of men who have been fighting to preserve the integrity of the land of Britain will return to seek employment, and millions more of both sexes will be dislodged from munition factories. The bureaucrats are already at work on schemes for charity, card-indexing, regimentation, and deporting the workers to the ends of the earth. These reactionaries must be met by bold and immediate action. Emerging from a war of freedom we would be false to fundamental principles if we were to allow patchwork schemes and vested interests to frustrate labour's demand for justice.

The Prime Minister has said: Now is the time for audacity. Take him at his word.

The volume of unemployment is the measure of the power to exploit human labour. The reserve army of the unemployed, as Revolutionary Economists recognise, is essential to this exploitation, which is possible only where encroachments have been made upon the rights of the people to the earth. The continued existence of these conditions is only possible where land, the primary source of wealth and employment, is locked in the grip of monopoly.

Unemployment must be abolished in this country by the removal of every barrier that stands between man and the opportunity to live a free and decent life. The alternative for Labour is a continuance of monopoly

exactions, however much they may be disguised by alluring promises of social reform.

There is no sure way to the abolition of unemployment short of opening up the millions of acres of unused land—agricultural, woodland, urban, and mineral bearing—for the use of labour. Take housing; the first essential for housing is land—land for building sites, for stone, slate, minerals, timber. Unless land monopoly is destroyed, and the rating and taxation of houses abolished at the close of this war, the increased price of building materials and the rise in land values due to speculation in building sites will make the solution of the housing problem an impossibility.

In Russia the soldiers and workers have shown their fixed determination to establish equal rights to land. Shall it be recorded of the British soldiers and workers that, after their unprecedented sufferings and sacrifices they returned submissively to search for employment to the restricted area prescribed by monopoly, and for a home to the congested and disease-stricken slums of our industrial centres?

After the Napoleonic wars the last great struggle with despotism in Europe, the soldiers came back to find their common lands appropriated and the necessities of life burdened by war taxation. Then as now the vested interests entrenched themselves securely behind Corn Laws. During this war these same vested interests have not been asleep, as witness the Corn Production Act and the Petroleum (Royalties) Bill.

Problems of taxation and employment are bound up one with the other. In the long run taxes must be levied upon monopoly or upon industry. If it be argued that landlords who appropriate ground rents pay Income Tax, the reply is that ground rents are land values earned by the public, and not by the landowners. The landowner, as such, is a non-producer and bears no public burdens. Any tax that he pays as a receiver of ground rents comes not from his industry, but from the earnings of the community. But even so, only some landowners pay, and those actually pay most who are putting their land to the best use. In this way the Income Tax as now assessed on land and property has precisely the same bad effect as existing local rates. Both encourage the speculator and the withholder, both act as a "hostile tariff" upon industry. Those who hold valuable land out of use, or prevent its development, in the interest of sport, family pride or other landlord caprice are exempt from the tax. Taxation, however, if it falls on the value of all land whether it is used or not will have very different effects. It will force all idle and underused land into its most productive use.

It is by the subtle method of taxation that the privileged classes maintain their status at the expense of the workers, and every effort is being made to impose the burden of war-taxation upon labour. The workers must realise the power of this weapon of taxation, for upon its correct use depends their very life and progress towards complete emancipation.

Those who monopolise the land have not been asked to make any special contribution towards the cost of

its defence. Not only are they exempt from any special levy to meet the crisis, which private property in land with its concomitant denial of equal rights to life has done so much to provoke, but their power to keep land out of use and reap the increase in its value—due alone to the presence and demand of the people—has been strengthened by recent legislation. Millions of British citizens, though landless, continue to give their all for "their country," but the power of the owners of it to deprive the people of their natural rights to employment is greater than ever.

Additional taxes have already been placed on the products of labour, inflating prices and increasing the cost of living. Weekly earnings have been brought within the ambit of the Income Tax, and the suggestion is made to reduce the limit further so to include lower paid labour. No device for raising revenue from the earnings of industry, not even the food of the poorest, has escaped the Chancellor of the Exchequer, yet the great basic monopoly of the land remains untouched.

The demand must be made for a revolutionary change in our land system if we are to reach a standard of living worthy of free citizenship. Instead of the exploitation of man by man there must be the exploitation of the land and all its potentialities for the common good by men voluntarily associated for this high purpose.

Here are the resolutions already approved and carried unanimously by the representatives of Organised Labour. If these resolutions are not to be left in cold storage as abstract platitudes they must be enforced without delay.

1. "That the whole system of land taxation should be revised so that effect should be given to the fact that the land of the nation, which has been defended by the lives and sufferings of its people, shall belong to the nation and be used for the nation's benefit.

2. "This Conference, recognising that the huge national expenditure, caused by the war, has to be met by increased taxation, declares that those who claim the ownership of the land of the country should be required to make a special contribution towards its defence. It therefore calls upon the Government to impose a direct tax on land values in the next Budget, and, to enable this to be done, to use the powers conferred by the Defence of the Realm Act to compel all owners of land to furnish an immediate declaration of the present value, extent, and character of all land in their possession.

"This Conference affirms that such a tax, in addition to providing a large amount of revenue, would open up the land to the people, increase the production of home-grown food, and thus materially reduce the prevailing high cost of living, tend to raise wages, and lessen the evil of unemployment which threatens at the close of the war. . . ."—*Annual Conference of the Labour Party, Manchester, January, 1917.*

3. "This Trades Union Congress, recognising that increased taxation will have to be imposed to meet the huge expenditure in connection with the war, declares that those who own the land should be required to make a special contribution towards its defence, it, therefore, calls upon the Government to levy a direct tax on land-values in the next Budget. This Congress also expresses the opinion that the present rating system is unjust and inequitable, as it facilitates valuable land being withheld from use or from the uses for which it is best adapted, thereby strengthening land monopoly and encouraging land speculation, penalising industry, and restricting improvements.

"This Congress affirms that the taxation and rating of land-values would yield large revenues, national and local, give all desiring the use of land access to it on more reasonable terms,

and thus materially assist in opening up opportunities for employment and raising the economic status of the working classes of the country as a whole."—*Trade Union Congress, Blackpool, September, 1917.*

"This Conference declares that as an essential means for destroying land monopoly, Parliament must impose a tax on land values."—*Annual Conference of the Labour Party, Nottingham, January, 1918.*

Let the Labour Party of Great Britain follow the example of the Labour Party in the Commonwealth of Australia, which, after making many attempts through wages boards, arbitration courts, small holdings, and land purchase schemes to cope with the tragic results of land speculation, adopted land-value taxation as the only effective remedy. They appealed to the people at the 1910 general election to return the Labour Party to power to deal with land monopoly and unemployment by the Taxation of Land Values. In their manifesto to the electors they boldly declared:—

"We must get the bulk of the people on the land. If we do not destroy land monopoly it will destroy us. In the overcrowded city immigrants are a drug on the labour market, a menace to the worker, and a burden to the community. Land monopoly is a upas tree; it is not to be uprooted by fine speeches or a rose-water policy. We have only dallied and paltered with the matter. Closer settlement schemes (land purchase schemes) have been equally ineffective. Large estates are growing to-day faster than the closer settlement schemes are cutting them up. Their effect is like the attempting to bale the ocean with a sieve, and something much more drastic must be resorted to."

The Labour Party were triumphant at the polls, and the Prime Minister, the Hon. Andrew Fisher, speaking later at a great Labour rally held at Brisbane to commemorate the victory, said:—

"What the party had pledged themselves to do they would carry out or give place to somebody else. The principle they advocated during the recent campaign was the principle of the taxation of unimproved land values which was economically sound and practically right."

The policy has not belied the principle. The total revenue now derived, annually, in the Commonwealth by taxation and rating of land values amounts to £7,791,980, or over £1 10s. per head of the population. If similar measures were in operation in the United Kingdom the yield would figure out to quite £70,000,000. So much for the fiscal side of the question. The full story of this great triumph must include the economic incidence of such taxation. Besides providing revenue it has dealt land monopoly a staggering blow and shattered for ever the prospect of an Australian "land boom" with all its devastating effects on trade and commerce.

It is true that speculation in land values, though badly damaged, is not yet wholly subdued, thanks to imperfect valuations, the £5,000 exemption, and to the paralysing effects of a vicious tariff system which keeps the workers in bondage to the false philosophy that work is an end in itself and that labour, the producer of wealth, must look to privilege for sustenance and support. These landlord dug-outs and reactionary laws remain to keep Australia from realising the full benefits of her land tax system. But the handwriting is on the wall. There is no security for the speculator and the foresighter where the communal value of land is earmarked for the common good.

## THE BASIS OF OUR BELIEF

BY FREDERICK VERINDER

*From a paper on the Taxation of Land Values appearing in the January issue of "The Herald of the Star."*

The basis of our faith, the source of our enthusiasm, is the belief that, in the taxation of land values, with its necessary corollaries, the untaxing of labour and of labour products, and universal Free Trade, is to be found the way to Social Justice and Economic Freedom.

Man is a land animal. His physical constitution is such that he can only live on the land and from the land. He has nothing but land to live from; nothing but labour (his own or other people's) to live by; for "land is the mother, and labour is the father of all wealth." The very materials of our physical frame are drawn from the land, and finally return to it. During our earthly life every material thing that supports our existence or adds to our comfort comes from the land. To deny access to land altogether is to pass a sentence of death. To deny access to land *on equal terms* is to make some men the inferiors and slaves of others.

The earth ante-dated man. When man first appeared, no individual could have reasonably questioned the equal right of any other individual to the use of the earth. There was plenty of room for all, and there were nowhere any natural indications of private ownership. If, as men multiplied on the face of the earth, and formed themselves into communities, some men, first by force or fraud, and later under form of law, made themselves exclusive "owners" of what was essential to the life of all, I know of no process of reasoning by which such appropriation can be justified in the court of morals.

The advent of the landless man meant the beginning of the "poverty in the midst of wealth," whose injustice shocked Henry George, even in a "new" country like California, and whose worst horrors may be seen in the slums of the wealthiest cities of the wealthiest countries in the world. Social and economic liberty dies in a community where equal rights to land are denied. The problem of the Sphinx, which modern civilisation must solve or perish, is the problem of the restoration of equal rights to the use of land. All other social and economic problems depend on that. In the last analysis the capitalist exploitation of the worker, of which we hear so much, is only a by-product of land monopoly, and it functions through unemployment, due to the denial to labour of access to land. Landlordism holds the worker down while the "capitalist" robs him. Probably the "capitalist" is landlord as well, or holds some other form of monopoly secondary to and resultant from landlordism or from unjust taxation. As capital, properly so called, is only a form of wealth devoted to a special purpose, and as all wealth is produced from land, the monopoly of land inevitably limits the production of capital and tends to make its possession a monopoly. Yet, given free access to land, there is no known limit to the production either of wealth or of capital.

If all land were of equal productive value, and if every man needed the use of an equal area of land, the problem of equal rights might *temporarily* be solved by an equal division of the land itself. But, in view of the constant