

## LAND VALUES

Twenty-fourth Year. (Established June, 1894)

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

### Editorial Offices:

The United Committee for the Taxation  
of Land Values,  
11, Tothill Street, London, S.W.1.

Telegrams: "Eulav Vic, London."

Telephone: Victoria 7323.

*All communications to be addressed to the Editor.*

### "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.*

### CONTENTS.

	Page
Notes of the Month:—	
The Land Union and the Hawarden Estates .. ..	45
Real and Nominal Wages .. ..	45
Keen Competition for Farms and Houses .. ..	46
Land Settlement .. ..	46
Birth Control .. ..	46
A more Hopeful Outlook .. ..	46
Leading Article:—	
A Levy on Capital.. ..	48
Special Articles:—	
The Working of the Corn Production Act .. ..	47
Mr. Robert Smillie on the Land Question .. ..	47
Middlesbrough Land .. ..	47
Proposed Amendment to the Address .. ..	50
Unploughed Land .. ..	50
Improvements that Merge in the Land.. ..	51-53
A Ducal "Sacrifice" .. ..	53
Holding up Land .. ..	54
"Can Radicalism and Socialism Unite?" .. ..	54-56
The Fundamental Reform .. ..	55
The Ring Fence of Large Estates .. ..	56
The Land Question in Russia .. ..	63
"How to Socialise" .. ..	64
A Catalogue of Futility .. ..	65
Land Settlement for Soldiers .. ..	66
News of the Movement:—	
English, Darlington, Manchester, Yorkshire, Scottish, Edinburgh, and Highland Leagues .. ..	57-60
Colonial and Foreign:—	
South Australia, Argentine, Spain .. ..	60-61
Questions in Parliament .. ..	62-63
Correspondence .. ..	66
Book Review .. ..	61
Here and There .. ..	67

## A LEVY ON CAPITAL

To pay off the whole, or a greater portion, of our debt is, in our estimation, a most desirable object. This cannot, or rather will not, be done by a sinking fund as at present constituted, nor by any other that we can suggest; but if, without raising any fund, the debt were paid by a tax on property, once for all it would effect its object. Its operation might be completed in two or three years during peace, and if we mean honestly to discharge the debt, we do not see any further mode of accomplishing it. . . . Thus, by one great effort, we should get rid of one of the most terrible scourges that was ever invented to afflict a nation.—*David Ricardo*, "Essay on the Funding System (1820)."

The question of whether or not there should be conscription of wealth, is entirely a matter of expediency, and I think it is a matter which concerns mainly not the working classes but the people who have money. In my opinion, it is simply a question of whether it will pay them best, and pay the country best, to have a general capital levy and reduce the National Debt as far as you can, or have it continued for 50 years as a constant burden of taxation. My own feeling is that it would be better, both for the wealthy classes and the country, to have this levy of capital, and reduce the burden of the National Debt. That is my own feeling, but I am convinced that you can't do that while the war is going on.—*Press Report (26th December) of Mr. Bonar Law's reply to the deputation of the Trades Union Congress Parliamentary Committee on 14th November.*

I am perfectly certain that you should leave no doubt in the public mind, the mind of this country, or of people abroad, whether they be enemies, friends, or neutrals, that whatever form of taxation you may embark upon anything in the nature of repudiation of our national obligations, direct or indirect, is a thing which this country will never contemplate and can never pursue. And when I say repudiation, I use the term in its largest and widest sense, for you may have what is in effect repudiation under veils and disguises which conceal, perhaps, from the superficial observer its real character, but which none the less strikes at the root of that confidence in the security of the man who has lent his money to the State under a sense of patriotic duty for the purpose of meeting a great national necessity.—*Mr. Asquith in the House of Commons, 29th January.*

From the summary of war-time finance, published weekly in the *ECONOMIST*, we learn that the total outstanding National Debt incurred up to 16th February amounted to the gigantic total of 5,679 million pounds. The chief items of the money thus owing by the State to some of its citizens, and in much smaller measure to lenders abroad, are 2,087 millions in the four per cent. and five per cent. War Loans, and 1,055 millions in Treasury Bills. The National War Bonds, for the continued support of which Mr. Bonar Law recently made a fervent appeal, had on 16th February brought in 364 millions. Since 31st December last, the vigorous campaign for the sale of these Bonds has produced 168 millions; it has taken forty-eight days to collect by this means enough to pay for only twenty-five days of war. The total debt is reaching the 6,000 million figure, requiring 300 millions a year at least to discharge the interest alone; to which must be added the costs of repayment, of pensions, and of the normal civil administration.

Since the debt keeps mounting up, and the ever-increasing demands of the war machine must apparently continue, it is almost purposeless to make any estimate in hundreds or thousands of millions of the burden that future Budgets have in store. Whatever the ultimate amount may be, it is already so large as to have exhausted the present yield of taxation, and no conceivable increase in existing sources of revenue will meet its steady growth. It is a physical impossibility, unless the actual receivers of the bulk of that revenue are themselves to contribute their proportionate share of the taxes levied for the extinction of the debt. But it is just that "unless" which makes the whole situation anomalous for the special interests who have subscribed in the main to the loans, and challenges the issues Mr. Asquith recently raised in the House of Commons.

It is universally admitted that new forms of taxation must be discovered. Of these, one has come prominently to the front of late, and it is worth some examination, because it is proposed not alone as an instrument for producing revenue, but also as a fiscal and economic weapon. It is the so-called "capital levy," which, it is interesting to remember, was advocated by David Ricardo under another name when this country had emerged from the previous European War, and was faced with the self-same problems as those which now confront us.

The "capital levy" or the "tax on capital" is a loose name for an impost that is manifestly intended not merely to tax that which is true capital: the buildings, machinery, and other labour products used to assist further production—we should protest against their being taxed at all—but to have a levy on the *capital value* of each person's possessions, whether in land, stocks, bonds, or goods. The proposal, moreover, as we understand it, is to exact, not a small rate of tax continuing year by year, but a special levy for only a few years at a sufficiently high rate in the pound to liquidate the debt or a large part of it once and for all. The difficulties of assessment and collection are easily stated, and they are thought to be overruled by suggesting that we already have all the means to apply to each living person at any given moment that form of taxation his heirs would pay now if he died. The death duties, in fact, are an ideal capital levy, and only need be extended to apply generally to all possessions. This by no means disposes of all the numerous objections. The levy on goods, on the scale suggested, would so exceed any income obtained from them that enforced sales would result, and every one would be faced with the difficulty of finding money to pay the tax. If, as it is said, the remedy is to make and receive payment in kind, the Treasury would have to store the most extraordinary assortment of goods and stock-in-trade, and in trying to find a use for them could only sell again at a loss. Any threatened repetition of such a tax would strangle further production.

The capital levy, as proposed, suffers from drawing no distinction between two separate classes of property, upon which it would have precisely opposite effects—the things produced by labour and the claims to the

fruits of other people's labour. These claims take shape in and can be reduced finally to the two institutions, monopoly in land and holdings in public debts. Rent is the instrument, on the one hand, for gathering wealth from those who produce it; taxation wisely devised in the interests of the State's creditors is the instrument on the other hand.

In respect of the products of labour and the value of the tools, machinery, and buildings and stock-in-trade used to assist in production, the yield of the proposed capital levy is limited to the highest amount that can be derived from income taxation, over which besides it has no fiscal advantage. In respect of land monopoly and holdings in public debts, taxation on capital value would have quite other effects. In the former case it would take rent for public purposes and throw open the land to use by reducing the price of land held in speculation. In the latter case it might serve its purpose without bringing in any revenue at all; holders could certainly pay in kind, but the Treasury, instead of storing such payments, would naturally tear them up. In both cases, the levy would destroy capital values, and in doing so would lift an enormous load off the trade and industry of the country.

The loan prospectuses say that the financial resources now being placed at the disposal of the State are to be returned to the lenders plus interest. Modern wars are conducted with a wonderful confidence that the engine of taxation may be so adjusted that the investor, combining patriotism with financial gain, will come more or less unscathed through the period of liquidation. The other man will foot the bill. The "levy on capital" has cut athwart that comfortable belief, and this Mr. Asquith sees. His statement reveals what men mean when the protest is made against the "veils and disguises" that conceal virtual repudiation. It is a clever device to cloak the issue and should deceive no one. The levy is not proposed to be confined to the capital value of public debts—then it would be repudiation—but would apply to possessions of all kinds, and one would rank equally with another.

By all means borrow what is needed if you have not the political power you ought to possess to commandeer by taxation or consent the goods and services required in the name of national crisis and national safety. But do not let it be suggested that the borrowing policy has tied the hands of the future to make its own reckoning with privileged wealth, however created. Those who had great possessions should have given, not lent, them, they should have surrendered the power they had to take wealth without working. They did not, and every reading of the "no repudiation, veiled or disguised" contention means that they stand to be further enriched.

The attack on land monopoly will go forward surely and steadily on its own lines by the taxation of land values, but, it will be said, shall tribute nevertheless continue under another name—tribute valued at 6,000 millions or more? It is just possible that the financial interests may bestir themselves in answering that question. They have Mr. Asquith's word for it,

and the only natural course is to give the finishing touch to the borrowing policy by a great United Peace Loan, which would slump together all the outstanding debts, bonds, and bills, and exempt both stock and dividends from all taxation whatever, present or future. This is the logical conclusion, and such an alternative to the so-called "repudiation" which taxation may in part demand is scarcely to be contemplated by any party that has the welfare of the community at heart.

A. W. M.

### PROPOSED AMENDMENT TO THE ADDRESS

To the motion for an Address from the Commons of thanks for the King's Speech at the commencement of the new Session in February, the amendments put down included one from some of the M.P.s belonging to the Land-Values Group, which was in these terms:—

But regret that no reference is made to the urgent need of breaking the land monopoly, and opening the natural opportunities to the people.

Though there was no opportunity of discussing this amendment, its terms may be placed on record as a short criticism of the Government's attitude on the Land Question.

### UNPLOWED LAND. Suffolk Owner Fined £50.

A prosecution instituted by the East Suffolk War Agriculture Executive Committee was heard at Saxmundham yesterday, when Sir Ralph Blois was summoned for failing to cultivate 14 acres of additional land on a farm, and also failing to make an adequate beginning in cultivating a farm of 560 acres at Hinton. Sir Ralph Blois did not appear, but was represented by Mr. S. W. Rix, solicitor, of Beccles.

Mr. Poyser, counsel for the prosecution, said that Sir Ralph Blois, so long as he got plenty of sport, was absolutely regardless of food production.

The Bench fined the defendant £10 and costs.

Concerning a 560-acres farm of which the War Executive Committee have taken possession and are now doing the work, counsel said that the question of its cultivation seemed absolutely immaterial to the defendant.

Mr. Oldershaw said that since October 11th, when the tenant gave up possession, the farm had been in the defendant's lands, and it was in a shocking condition. The defendant was given 14 days to begin cultivation, but nothing was done, and when after another 16 days possession was taken the same conditions prevailed.

The Bench fined the defendant £40 and costs.—*The Times*, January 11th.

**WORKSOP.**—Walter Beard, miller and farmer, was fined £23 for offences against the Flour Orders.—£10 for extracting only 48·5 per cent. instead of 71·25 per cent. of flour from an admixture of barley and wheat, and £1 each on 13 summonses for failing to make returns.

**SCARBOROUGH.**—Thomas Byass, corn dealer, was fined £20 for feeding pheasants with grain.

**WOODBRIDGE.**—Thomas Boon, farm bailiff, who had scattered corn in a wood, was fined £10.—(*The National Food Journal*, 12th and 26th December, 1917, and 9th January, 1918; Reproduced in the *Journal of the Board of Agriculture*, January, 1918.)

### PROSECUTIONS OF FARMERS UNDER STATUTORY RULES AND ORDERS

**SPALDING.**—Illegal profits amounting to £2,143 were alleged to have been made by Henry Thompson, farmer and potato grower, of Dawsmere, Holbeach, Lincolnshire, who was indicted at Spalding on 18 charges of selling potatoes at prices in excess of the permitted maximum. Thompson pleaded guilty on all the summonses and was fined £1,800 with the costs. On the sales of 500 ton of potatoes he had received prices from £12 to £16 per ton, as against the maximum of £10.

**DODDINGTON.**—"We look to a big man in the potato world like defendant to set a good example in times of great emergency," said the solicitor for the Food Controller, in prosecuting George Thomas Butcher, of Doddington, Cambs, for exceeding the maximum potato prices. There were twenty-seven summonses against Butcher. Two others failed, and nineteen were withdrawn by the prosecution. The amount of the fines, with costs, totalled £1,400.

The prosecuting solicitor said that Butcher contravened the Orders repeatedly, in some instances selling to big merchants. He did it with eyes open and put the money in his pocket, securing illegal profits at a time of national stress, which was a shameful thing for such a prominent man to do. On permitted dealer's prices the illegal profits were £542, and, including the cases withdrawn, £823.—The defence contended that Butcher sold as a retail dealer, "whose position was undefined in the Order."

**NORTH SHIELDS.**—On twenty summonses charging him with having sold milk at a price exceeding 1s. 5d. per gallon, viz., 1s. 9d., fines amounting to £40 were imposed on John Vert, Rake House Farm. On forty summonses John Potts, Preston Grange, was fined £80.

**RAMSEY.**—A fine of £300, with 25 guineas costs, was imposed in a case of profiteering, where Horace Yeomans, of the George Hotel, had sold potatoes at prices by which his unlawful gains in three transactions had amounted to £224 12s. 10d. The defendant was granted a month in which to pay the penalty.

**CLITHERO.**—Kayley Jackson, farmer, Bolton-by-Bowland, was fined £15 for exceeding in two instances the maximum price of butter.

**HAMILTON.**—Charged with having bought eight bullocks in Glasgow and resold them in Wishaw, contrary to the Meat (Sales) Order of 31st May, 1917, John Brown, of Main Street, Wishaw, was fined £25, or 20 days' imprisonment. He pleaded that he had acted in ignorance of the regulations. The Sheriff said that people must make themselves familiar with any regulations issued which affected the business that they were carrying on. It was a perfect scandal that a cattle dealer should go into the witness-box and say that he had never read this Order.

**SPALDING.**—For neglecting to thatch a wheat stack, and thus causing a loss of grain equivalent to 792 quartern loaves, James Edward Ridlington, of Holbeach, was fined £20. It was pointed out that this waste destroyed a day's food of 6,366 children.

**BOURNE.**—George Sommerfield, miller, Dyke, having ground for pig-meal wheat and barley that were fit for human food, was fined £25, with costs.

**GRANTHAM.**—Fines were imposed as follows at Spittlegate on millers and farmers in connection with the use of good barley and wheat for stock-feeding:—William T. Rowbotham, miller, Ropsley, £30, with £6 6s. costs; Ralph H. Netherclift, miller, Colsterworth, £20, with £4 4s. costs; and Thomas Harrison, Miles Harrison, J. C. Abbott, William C. Nottingham, and William Weston, farmers, £5 each, with £1 1s. costs. Rowbotham remarked: "We will shut the mill up. That will have you."

**UCKFIELD.**—Luther Berry, Halland, was fined £30 for mixing with oats 42 per cent. of wheat fit for human food, and sending it to be ground for pigs.

(Continued at foot of 1st column.)