

LAND VALUES

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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.*

THE LEEDS CONFERENCE

There is no time to lose. I am not here to prophesy when the war will be over; whether it comes to an end this year, or even if it does not come to an end this year, every minute of the time will be spent well which is devoted to thinking out the conditions under which the millions of lives which will survive the war are to be spent in this land for generations to come.

I think the State is entitled to pick and choose what it taxes; there is no doubt about that. But this is not a question of taxation. You can tax sugar and not tea, or you can tax tea and let coffee off. The State is entitled to tax anything it chooses to tax.—*Mr. Lloyd George, in his reply on March 6th to a Deputation from the Labour Party, who communicated to him the resolutions on after-the-war problems adopted at the Manchester Conference in January.*

The two statements quoted above are ample justification, if any extraneous encouragement were needed, for the time and effort involved in conveying just such gatherings as the impressive and representative Conference held in Leeds on the 12th May. It was an occasion to consider social conditions, to discuss the rights and wrongs of taxation, and to relate the land question to the problems of public finance, employment, Free Trade, and housing. We are glad to tell of the encouragement derived from the enthusiasm of the audience for the policy set forth. Industrial Yorkshire gave a gratifying response to the invitation to discuss social conditions from the point of view we consider fundamental—that they are essentially determined by the conditions of land tenure and taxation. The Leeds meeting took this view of the case, and it expressed its message in two quite moderate but practical resolutions calling on the

Government to make use of the Land Valuation to impose a tax on land values and exempt improvements from taxation.

The decisions of the Conference are a suitable commentary upon the amazing doctrine enunciated by Mr. Lloyd George that the State is bound by no moral principle when it has to obtain the public revenues. In the matter of taxation there is inferentially no moral code; the State is entitled to confiscate the belongings, or any part of them, of any class of individuals by the arbitrary rule that it is the State which acts. From this Robin Hood attitude in internal affairs it is an easy leap to the dissolution of the great issue which is now being fought out in blood and tears. If it is true, it is also true that the State may play the bully and the burglar towards its neighbours, free from the compunction that any moral law is being defied. The one is Prussianism inside the house, the other is Prussianism outside the house. Their attributes are the same, both are equally detestable or praiseworthy, and all the ideals round which this fight is raging are illusory.

But it is not true. For purposes of public revenues the community has wealth of its own in the rent of land—that portion of the results of industry which cannot be associated with any individual effort. To appropriate the rent of land for communal purposes is not confiscation of any individual's property; it is not taxation of any special class; it is restitution to the community of what morally belongs to it. The problem of taxation is not resolved by constituting the State a plunderer of men's goods, but only by recognising the intimate relation of taxation to the ethics of property and by acting on that recognition. We who plead for the taxation of land values do so because it is the appropriation of the rent of land, a method, applied through the present fiscal system and by its simple readjustment, of taking for the community what belongs to the community leaving sacredly to the individual what belongs to the individual.

The reform, however, has a still wider significance. The Conference appreciated its urgency as a lever to promote production, to bring land into better use for housing and other purposes, and to redistribute taxation on a just basis. But it was also concerned to have a clear understanding of the relation of the taxation of land values to land ownership. That question and the alleged ability of the landowner to "pass on the tax" in higher rents are often crucial points at such Conferences. At Leeds the latter difficulty was dealt with, though as usual the reply did not quite convince the questioner. The former is one which brings our whole philosophy to the test. Henry George made his enquiry into the causes which associate poverty with progress. He dis-

covered the natural law that rent is the correlative of wages, that where there is private property in land the owners of land absorb ultimately all the benefits of material progress, that the right of the individual to take rent on the one hand and material progress on the other hand are the two millstones which inevitably crush labour to the subsistence level and to involuntary poverty. The remedy is stated in words that cannot be compromised—to make land common property. That is our philosophy, and our remedy for the unequal distribution of wealth. The discussion then can only be on methods and on what method is most practicable and effective. The reply is that all methods have been examined only to find that the appropriation of the rent of land by the taxation of land values is the simplest and easiest to carry out. And when rent is taken as a communal fund, common property in land is established. Private property in land as we know it, as a means to live on the fruits of labour in idleness, would disappear; and long before it disappeared the withholding of land, the closing of opportunities to employment, would have been rendered impossible by the incidence of the tax on monopoly rents and monopoly prices.

One of the most satisfactory incidents associated with the Conference was the resolution of congratulation to the Russian people on their liberation from despotism. It came suitably from a popular demonstration on the land question, because, as the news accumulates from that great country now so miraculously become the freest political community in the world, the conviction grows that agrarian injustice contributed as much as anything to the upheaval. Amid the din and clash of war, the talk of plots and counter-plots, the disgust of some sections of the governing classes and other classes at treacherous diplomacy, the fact is gradually being revealed that the Revolution is more than a ministerial fracas, more than a political change. It is evidently also an economic revolution which we fervently hope may run its course as peaceably and as reasonably as it has begun. The great dominating force in Russia is the Council of Soldiers' and Workers' Delegates who have obliged the Provisional Government to shape its external and internal policy to their dictates. The soldiers come almost entirely from the peasant class and not in vain have they suffered the iniquities of a most vicious landlordism. The result is that the Constituent Assembly, which the Provisional Government is pledged to establish at the earliest possible date, will have as its first duty a great repartition of the land; and the peasants look back from their trenches to the homes where they will live as emancipated occupants of the soil instead of as virtual serfs.

Referring to this, and to the policy of the Provisional Government for a democratic peace based on "no annexation and no indemnities," one of the Press correspondents stated that the only "annexation" the army was interested in was the annexation of Russian land. Thus the fifth definition of this troublesome word has been added to the four diplomatic interpretations placed upon it recently by Mr. Asquith in the House of Commons. Like the other four, it is used by those who believe that they have some right to what they are about to annex. May we, choosing the proper word "restitution," find in the success of the Leeds Conference and in its robust deliberations an inspiration to press on with our own righteous demand. Our thoughts turn to Kerensky and his magnificent declaration to the soldiers that Russia was now crying "Liberty and the Land for the People." It is a clarion call, and it should be sounded in every country looking to the rebuilding of democracy out of smoking ruins and the shambles.

A. W. M.

These masses have their own ideas about annexation. What they want to annex is Russian land. They are firmly resolved not to fight for Constantinople or the breaking-up of Austria and Turkey. At present they wholly fail to see why the Western Allies should be more exacting. The old Russia, which had been half-drilled by the Tsardom into a sort of slovenly organisation and a semi-automatic obedience, has vanished into history. We have now to deal with the natural Russia which her novelists reveal to us, a Russia which argues incessantly, and acts only when an irresistible argument, based on principle, has stirred its volcanic will. . . . No Russians want a separate peace, but undoubtedly nearly all Russians want an early peace. They have a new world to create. From the thinkers and the reformers of the "intelligentsia" down to the unlettered peasants, they are all set on the domestic tasks which lie before them. The first see a humane society to construct, and the others hope for new fields to till. They are men who have just stepped (as it were) out of prison, their minds afire with the flame of liberty. We cannot call on them, escaped from prison, to step back into the barracks, not for their ends, but for ours. They are a generous race, and an active-minded race. They will not refuse to respond to the call if it seems to them that the ends for which we ask them to stand firm are worthy of the great sacrifice we require of them. . . . There must be detailed discussion, and we shall be blind to the lesson of recent months if we attempt to make it secret. Let our diplomacy come out into the open, and let us have a free exchange of thought on the many problems of the peace.—*The Nation*, May 26.