

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.

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URBAN LAND NEXT?

The prediction that the minimum prices, guaranteed to be paid to growers under the provisions of the Corn Production Act, would raise the price of corn-growing lands, promote the speculative buying and selling of farms, and harm rather than benefit those whose business it is to cultivate the land, is being fulfilled with almost dramatic effect. Evidence is accumulating showing with what results the new economic forces, brought into play in a gamble in land value, are acting upon the security and prosperity of the producers of food and of all who are applying for the use of land for what they can take out of it. The subsidies promised by the Act ensure given prices for crops for a stated number of years, and they are already being discounted in favour of landowners, by setting up a new and higher standard of rent and of prices for land when it is sold. But this is not the only stimulus to speculation. There are other less easily calculated factors in the period and extent of scarcity during the war and after it, and in the possible further pro-monopoly legislation in the way of protective tariffs that the Act itself foreshadows. And taking both factors together, the certain and the uncertain, their natural influence on agriculture is not to encourage production, but ultimately to strangle it by encouraging the withholding of land for the highest rent a farmer will pay for the opportunity to sell corn, subsidised by the taxes or rendered scarce by famine. There is no proof that the guaranteed prices are genuinely helping production; they only appear to do so pending the time when the legal privileges of land-owning will be asserted. What legislative stimulus to food-growing at present exists comes from the actual or potential exercise of the powers now possessed by the County War Agricultural Committees to enforce the cultivation of uncultivated land. It is this, coupled with the fact that the land-boom has as yet by no means spent itself, that disguises what is gradually coming to light—the Act is not so much a Corn as a Rent Production Act.

While the rural landowner is enjoying these aids, parliamentary and fortuitous, to higher rent, it is not surprising that Government and financial assistance makes its appearance in regard to another kind of land. The scarcity of food dictated policy in the one case; the scarcity of houses has dictated the self-same false policy in the other case. It has been announced by the Local Government Board that, after communications with the Treasury, they have decided to assist local authorities with grants of money to carry out housing schemes under Part III. of the Housing of the Working Classes Act, 1890. Loans are to be raised by local authorities to pay for any approved housing scheme, and if the loan charges exceed the revenue from the houses—that is to say, if the scheme results in a loss—the Treasury will pay three-quarters of the loss every year for a period of years stated to be possibly not less than seven. In certain special cases, where the remaining one-quarter of the loss would be a heavy burden to the local authority concerned, the amount of the loss is to be limited to the produce of a penny rate, the Board

undertaking that the Treasury shall pay all the rest. Further, in all cases, if at the end of the period above referred to, the value of the property built by the local authority is less than the amount of the loan then outstanding, the Treasury is to meet three-quarters of that difference.

One "extenuating circumstance" attaches to the Corn Production Act, wrong in principle as it is. It was at least made law by a parliament. The agricultural doles have some constitutional authority behind them. We know not if the same can be said of these grants-in-aid of housing. Vast sums of public money are pledged in a Government ukase without any pretence of consulting the House of Commons, save that the citation of "Part III. of the Housing of the Working Classes Act, 1890," can have provided this potentially enormous blank cheque drawn on the Treasury and the tax-payers by the Local Government Board. Be this as it may, the two policies, Corn Production and House Production, are an exact parallel the one of the other. Both confirm and strengthen the obstacles erected by monopoly in the way of industry and development. The housing subsidies, if any such proposal ever gets farther than the paper it is printed upon, will only raise the barrier higher than it has already been raised in face of private demands. Local authorities with their own credit, backed by that of the State, will be sent to market to buy or lease first of all the sites for their houses. They will find land speculation lying in wait for them, ready and able to exact a price that will transfer to the mere landowner a large part if not the whole of the financial assistance, given but not granted by the taxpayer. Vacant land, so unjustly relieved now from taxation, will command a still greater premium; and not that alone, since the value of the quarries and deposits where stone, clay, slates and lime are to be found, will equally respond to the expenditure of the Treasury's millions.

It may be said that the Board do make some stipulations about land. It is laid down as a condition of financial assistance that schemes must be "approved," and such approval "shall include approval of the site chosen, of the cost of the land, and of the conditions on which the land is acquired." Moreover, "the scheme should be framed so that, as far as reasonably possible, not more than twelve houses shall be placed on one acre of land." These quaint ideas have no meaning if there is any intention to get houses built, and at once. The price of land is not reduced by the displeasure of the Board of Agriculture, nor by the opinion that twelve houses are enough to crowd on to one acre. The price of land is a glaring, outstanding fact to be accepted with the best grace and the longest purse until the radical means are adopted that will overthrow the monopoly.

The excuse for this plunge with public money into the unknown is that of dire necessity. Our contention is that this is the way to make matters worse. The causes of congestion and house-famine are the difficulty of obtaining the ground on which to build houses, the rents exacted and the taxes imposed when they are occupied, and above all the low wages that disable men from paying for the accommodation they desire and

need. No doubt dire necessity compels drastic action, but anything short of at once freeing the avenues to employment from tribute and the possibilities of tribute, and at the same time repealing penal taxation, will certainly fail of its purpose.

A. W. M.

THE BUDGET

The Budget marks a further downward step in our fiscal legislation. The taxation of food, matches, tobacco, correspondence and industry is increased, while the dangerous though superficially attractive plan of taxing luxuries is carried a long stage further. We understand the sentiment which supports "luxury taxes" on the ground that those who have the money should pay, but we deny that such taxes do in practice have the desired effect. These taxes following on the heels of the import duties placed upon "luxury imports" simply provide a convenient jumping off ground for the protectionists. The greater the number of articles taxed the more difficult does it become on grounds either of principle or expediency for those who have supported the imposition of some to resist the enactment of others. We hope, therefore, that the free traders, or so many of them as remain in the House, will take this opportunity of considering their position, and of standing up for a principle of enduring importance, and one which there is no excuse for sacrificing on the altar of battle. The outcome of the war will indeed be disastrous, and the prospect of future wars enormously increased if trade is to be restricted by a tariff and a multitude of oppressive and unequal Excise duties. It is only a few days since Lord Robert Cecil stated that the Paris resolutions still stood as the policy of the Government, and the spirit of those resolutions is protectionist, just as is the spirit of this Budget.

The Chancellor of the Exchequer has stated that there is nothing in land values, and in his financial proposals for the year he has acted up to that statement. There is another £13,000,000 in sugar and £4,000,000 in postage stamps, but the landlords, whose land has been enormously enhanced in value by the "Rent Production Act," are still exempt from any special taxation. Manufacturers of munitions and others have to pay an excess profits tax of 80 per cent. (perhaps rightly, we are not concerned with that), but those who obtain an enormous increase in the value of their land out of the simple increase of demand and growth of industry, are subjected to no such impost. It is true that on his rents the landlord pays income tax, but it is only some landlords who thus pay—those whose land is being used—while the others whose land is held out of use and who least deserve consideration are exempt. The workman is subjected to the Munitions Acts and the average citizen to D.O.R.A. and the virtual suspension of the Habeas Corpus Act and all the time-honoured civil liberties of the British Constitution, but those who own the land, and can turn him out of house and home and close up every avenue of employment, are subject to no restraint or disability.