

LAND VALUES

Twenty-fourth Year. (Established June, 1894)

Monthly 1d. 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.

THE ESSENTIAL REFORM

The period preceding the outbreak of the war was marked by growing recognition of the existence of social injustice. The current of political thought was setting strong in this direction and economic issues were assuming a predominant position. The insistent demand of the workers for improved conditions was riveting attention upon the circumstances under which the masses struggled for existence. Grave and menacing evils underlay superficial prosperity. Millions of workers received wages on which only a bare existence could be maintained, unemployment was their recurring fate and the ever-existent cause of dread. Overcrowding in insanitary slums bred devastating diseases and consigned 100,000 infants each year to the grave. The countryside lay derelict or under-utilised, and the holding of urban land out of use for a rise reduced towns and cities to the condition of vast festering internment camps. Inequitable taxation and rating retarded industry, and cast heavy financial burdens on shoulders least able to bear them.

The evils that beset society will be intensified a thousandfold as the result of the war. Infinitely more drastic will need to be their treatment, far more essential is it to diagnose their causation so that remedy going to the root of the disease may be applied.

There are many manifestations of social disease, but one and all are symptoms of Poverty. Poverty is inability to satisfy the natural needs of existence. If a worker dwells in a slum where his children rot and prematurely die it is because Poverty prevents him renting a dwelling with adequate living space reached by sunshine and fresh air. There is no housing problem amongst the rich, there are no "ticketed" houses in Mayfair as in Glasgow and other Scottish cities, to which the sanitary inspector has access at any hour of the night to ensure the enforcement of the regulations against overcrowding. How so-called problems are created by Poverty and disappear with any betterment of wage conditions can be seen from the following which appeared in the Report of the Medical Officer for the Board of Education for 1915:—

At one time during the period (1914) no fewer than 105,000 children in Public Elementary Schools were in receipt of daily free meals. In December, 1914, this number began to decline, and, according to the latest

available figures, those in respect of the weeks ending July 22nd, 1916, the number of children receiving free meals was 22,615. The cause of the rapid decline in the number of children fed was due to the payment of the separation allowances and high wages.

With the abolition of poverty social reformers would be compelled to discard their blue-books and scrap their manifold schemes, and legislators would largely find their occupation gone.

Poverty is the result of the denial of opportunity to produce wealth, or of the denial to the producers of the right to consume the wealth which they have created. Wealth is the product of labour applied to land or materials drawn from land. Poverty, therefore, is primarily, the result of labour being denied opportunity of access to land. It follows that the abolition of Poverty is in the first instance a matter of securing to Labour unrestricted access to land so that the fullest production of wealth may be assured. Every restriction on the use of land engenders Poverty by limiting the production of wealth.

It is obvious that untrammelled access is the first essential of the well-being of those who desire to apply their labour direct to the land. But the status of those who in secondary occupations apply their labour to the products of the soil is likewise affected. Poverty amongst the industrial workers is the result of unemployment and low wages. When employed the workers are not permitted to retain the wealth they create. They receive a wage to enable them to exchange wealth they have created for other wealth which they require. This wage does not represent the full value of the wealth they created, and is not fixed as it should be on this basis. It is fixed instead by the competition of workers with one another for permission to produce wealth. When several men compete for one job, failure to obtain which would entail starvation, each will offer himself for the lowest wage on which he considers existence can be maintained. So the employer buys workers as a plantation owner bought slaves, and the price is determined by the supply in the market.

This competition for employment in secondary industries is a direct result of restriction of employment in the primary land industries. To restrict the use of the soil is to compel would-be land users to sell themselves in the industrial labour market and force wages down. To enable them to use the soil is to ensure that they will not go to the labour market, or if they do so, it will not be to offer themselves at a wage that will purchase less wealth than they could have acquired by applying their labour to the soil.

Moreover, if the land is fully used the primary wealth-producers will not come to the towns as sellers of labour but as purchasers of commodities. The demand for these commodities will create a demand for industrial workers to produce them. This demand will give opportunity of employment to the town worker in his own industry, and this demand will enhance his bargaining power in the matter of wages. To stimulate a demand from the countryside, to create on idle territories a new home market, will be a consideration of added importance to industrial workers in the aftermath of the war. For the export trade in which millions were engaged will be lessened by the death of millions of foreign consumers, and by the reduction in the consuming capacity of the peoples of Europe.

To compel the full utilisation of the soil, and to ensure to the primary worker the opportunity to earn a livelihood thereon, is therefore the first step towards raising

industrial wages from the bottom. It is the first step to the abolition of unemployment and to the setting up of a tendency of wages to rise until they represent the value of the wealth created by the workers.

The gravity of every social issue that in the past confronted society will be immeasurably increased as a result of the war. It was before a question of steadily raising to a higher level the mass of under-paid labour, of giving opportunity of employment to some tens of thousands of unemployed. On the cessation of hostilities some five millions of men who have been called to the colours and other millions of men and women serving in munition works and in subsidiary war services will be unemployed. Great Britain more than any other belligerent country will be affected because of having the smallest percentage of soldiers and war workers drawn from the soil and the greatest percentage from secondary industries.

There will be but one way to meet the menace of unemployment, and that is to compel the holders of the land to enter the labour market. Were they compelled to fully utilise the rural land they hold Britain would in the main be tilled as a garden. For such a purpose millions of workers would be required. If the holders of urban land were compelled to fully utilise it, the slums would be swept away and appropriate dwellings would be erected on their sites; if the holders of urban acres now unbuilt upon were compelled to fully utilise them a similar result would follow. For this work of demolishing, rebuilding, and building millions of men would be required. Only by making available to labour for the production of wealth the source from which wealth alone is produced can the industrial and social issues of the aftermath of war be met. Only thus can labour be saved from slavery and the nation from abysmal poverty.

It is obvious that an urgent and imperative need will arise to compel the full utilisation of the soil, and fortunately a simple and efficacious method can be expeditiously adopted. If every holder of land be compelled to state its value in the open market, free of any present value arising from labour expended upon it, and if taxation be levied on that value, the full utilisation of the land will be enforced. Land-withholding then will become unprofitable or ruinous, and to use, or part with the land to someone who wishes to, will provide the only way of escape. A full statement of the principle of the taxation of land values cannot be brought within the scope of this article. It is sufficient to say that in Australia, New Zealand, Canada and South Africa the taxation or rating of land values has been introduced to compel the utilisation of land, and once introduced has never been withdrawn.

As the full utilisation of the soil of Britain is the only way to meet the conditions which the war will create, the taxation of land values stands out as the measure which must be adopted to save the nation from destruction.

The outstanding economic and political consideration which marked the period antecedent to the war was the popular recognition of the truth that the underlying cause of social injustice is to be found in the monopoly of the soil and that the taxation of land values provides an efficacious remedy, as it would compel every holder of land to utilise it to the full or part with it to someone who would. Hence the democratic approval of the proposal to tax land values which in the two general elections of 1910 secured a majority for the Liberal Party. The Government failed to carry the reform, substituting

for a tax upon land values a set of taxes foreign to the principle and which had no economic effect upon land-withholding. A vast and expensive scheme of State land valuation was set in operation in place of the simple and expeditious method adopted in Australasia of compelling holders to provide the valuation. In the months preceding the outbreak of the war Parliament was occupied with measures for the rectification of the valuation for the purpose of imposing a true land values tax. The State Valuation Department has compiled a roll of landholders and their properties, and to compel the former to provide a valuation will be an easy matter and in conformity with later-day methods.

The incidence of taxation has a direct bearing upon the Poverty problem. If the pre-war burden of taxation had an inimical effect upon national well-being the taxation of the future, if it follow present lines of incidence, must have disastrous results.

The social future of the nation will be largely determined by the incidence of this gigantic burden of taxation. If it be levied in any large measure upon commodities it will enhance prices and lower the purchasing power of wages and so engender Poverty. If it fall upon the processes of industry the same results will accrue. Therefore the incidence of this tremendous levy will provide a fateful issue.

As matters stand at present the community is under the necessity of meeting a prior impost to those levied by the State. For, in the first place, the community has to pay for permission to exist, and produce, to the holders of the soil, who render no service in return. The amount payable by each citizen accords with the value that the community has given to the piece of land he tills, produces wealth upon, or inhabits.

Only in the last resort should the State levy upon the commodity which the individual creates, or on the wage which represents a part and should represent the whole value in money terms of the wealth he has created, or upon the processes of industry thereby, as has been shown in each instance, engendering Poverty by raising prices and limiting employment. Recourse should in the first instance be to the land value which the community has created. Particularly is this just when provision has to be made for the cost of saving the land from foreign possession. Land passed into private holding on terms, the Crown retaining ownership to this day. And the terms were that the holders should provide the means of defence and the revenue requirements of the nation. The holders of land by controlling Parliament transferred their obligations unto the community while retaining their privileges. Now they must be compelled to fulfil their historic obligations. The ancient principle must be re-established that the land being the product of no man's labour and essential to the existence of all, every citizen has an equal claim to the enjoyment of its use, and that those who actually use it should pay for the privilege to the community instead of to a private monopolist. The land must be regarded as a communal possession and the value given to the land by the community must be taken to satisfy communal needs. To this source the State should go for revenue before levying upon the results of individual labour and enterprise. So, whether it be a matter of prohibiting Poverty by ensuring the maximum production of wealth by compelling the fullest utilisation of the soil, or a matter of prohibiting the State from engendering Poverty by levying taxation upon the fruits of labour, the taxation of land values stands revealed as the essential reform

R.L.O.