

## LAND & LIBERTY

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### A BUDGET TAX ON LAND VALUES

This is the law of rent: As individuals come together in communities, and society grows, integrating more and more its individual members and making general interests and general conditions of more and more relative importance, there arises, over and above the value which individuals can create for themselves, a value which is created by the community as a whole, and which, attaching to land, becomes tangible, definite and capable of computation and appropriation. As society grows, so grows this value, which springs from and represents in tangible form what society as a whole contributes to production, as distinguished from what is contributed by individual exertion. . . . Here is a provision made by natural law for the increasing needs of social growth. . . . Here is a fund belonging to society as a whole from which without the degradation of alms, private or public, provision can be made for the weak, the helpless, the aged; from which provision can be made for the common wants of all as a matter of right to each, and by the utilization of which society, as it advances, may pass, by natural methods and easy stages, from a rude association for purposes of defence and police, into a co-operative association in which combined intelligence can give to each more than his own exertions multiplied many-fold could produce.—Henry George in SOCIAL PROBLEMS, Chap. XIX.

In his opening speech in the House of Commons last month in which he sketched the programme of the Session the Prime Minister indicated in so many words that the Government had before them the urgency of Land Values Taxation; but since then, nothing further has been said to warrant the belief that a Budget tax on Land Values is in course of preparation. There is no reason for any postponement, and Members of Parliament pledged to the policy are showing signs of impatience.

The question of improving trade we are told is bound up with foreign affairs, reparations, currencies and European stability in general. But it has been well said that a people are never so much concerned with outside relationships as they are with their own immediate needs; in other words, the people have a sort of suspicion that the cause of their undoing has little or no connection with conditions on the Continent any more than the conditions abroad have to do with the social injustice they endure. And they are right. What, for example, have the people of France or Belgium to do with the deplorable housing conditions in Great Britain? When new roads are in demand, what Russian or Turk hinders the development by increasing the price of the necessary land?

It is not the foreigner, but the unbridled sway of our own landlordism that stands in the way of employment and all municipal expansion.

The dockers' strike last month for a living wage, happily ended in favour of the men, is no sooner over than the miners, the shipbuilders, tramway workers, the bricklayers and the house-builders speak out. "The tower leans from its foundations and every new storey but hastens the final catastrophe." Who is responsible? Those who, wherever they are placed, stubbornly ignore the root cause of the unequal distribution of wealth and power; those who will not turn a hand to remove the restrictions that make labour a "drug in the market," and who childishly think to cover up the naked truth by patchwork schemes that deceive no one, not even themselves.

The working classes now alive to their own interests are not out to regularize the poverty that afflicts them through no fault of their own; they are considering how the hateful thing can be abolished. They believe this can be achieved, and until steps are taken to that end we can bid good bye to all hope of industrial contentment and peace.

Unemployment and the misery it engenders is the question of questions. The King, replying to an Address from the Established Church, deplors the harm and suffering caused to the community by the scarcity of houses and laments the terrible effects of unemployment. The Prime Minister sanctions the building of new cruisers in the interests of the workers at the Government yards. The Minister of Health is going to build houses, at last, at an expense, it is said, of £40,000,000 a year to the taxpayer, and in anticipation of these schemes failing of their purpose the Liberal leader in glowing terms directs his Party (at Plymouth on 23rd February) to a consideration of a new Liberal publication—insurance for all. What a lot they are preparing to take from the people to make such lavish provision for their distress!

Labour cannot produce without access to land, and land everywhere is held out of use at monopoly prices, or at the instance of selfish greed and caprice. Instead of being asked to remedy this injustice, we are calmly told that the highest wisdom consists in obliging the labourer, his employer and the taxpayer, to which category the labourer himself belongs, to unite in making provision against the evil effects of the abuse. It is the "new Liberalism" at a bound. We are not making it appear to be so, we are merely pointing to the facts of the case; but what it all amounts to in the light of the advance of rent and the corresponding reduction of wages is another question. There is no Liberal or Labour publication extant to show how the operations of the law of rent, which mirrors the law of wages, can be insured against, and none may be looked for this side of time.

There are some politicians with a bent for the making of their own economic laws, but they will be well advised to remain at their own job. The law of rent is independent of parliamentary effort. It was in force before Parliament was known, and should Parliament disappear it will survive and have its say in any new adventure to reach the ideal state. In view of this law, and the lesson it teaches, there is no cure for unemployment by the expenditure of public

money, and by marking time "until the industrial cycle of depression automatically passes away." Every additional burden imposed on the taxpayer lessens his purchasing power, and that being so, the level of employment is not affected by current remedies. What the taxpayer must spend on housing or road-making, means to that extent so much less in his hands to spend, say, on food and clothing. Twenty shillings' worth of employment cannot be made into forty shillings' worth, any more than protection can provide work by stopping, or limiting imports.

The law of rent, as to which John Stuart Mill says, "there are few persons who have refused their assent to it, except from not having thoroughly understood it," explains how the hardening process of land monopoly can cancel out the benefits of material progress. A Budget tax on Land Values will do something to make the law operate to the advantage of the worker and the commonweal. It will tend at once to remove the monopoly restrictions on employment, open up the natural reservoirs to new production and at the same time provide a due proportion of the revenue necessary for the immediate relief of those who suffer most from the present unjust system of land tenure and taxation.

The Chancellor of the Exchequer is supposed to be at his wits' end for money to meet the growing estimates for housing, pensions, insurance, etc., and to replace, according to pledges given, much of the taxation now levied on food, trade and industry. He should know where to find the money. To quote from the Labour Manifesto to the Electors: "The Taxation of Land Values would make it possible to reduce the burden of income tax, abolish not only the food duties, but also the entertainments tax and the corporation profits tax, as well as provide the money necessary for social services."

If land value is a source of revenue to be tapped, as the Prime Minister stated, to secure for the community the economic benefits of the works of utility now in hand, and prevent the land-owners from being enriched at the expense of the community, the safest and speediest way is at command in the Budget for the current year. The Valuation Department can at once be handed back the "tools" taken from it by the Conservative Party last year, and can be set to work on a new valuation without delay. If it be argued that a Budget tax cannot in the circumstances bring in the revenue in 1924-25 it is quite in order, so we are advised, to take the collection the following financial year. If the Chancellor of the Exchequer feels the need of precedents for this line of action they are also available. Given the will to act, there is nothing in the way of introducing the Land Values policy through the Budget and there is everything to justify the measure.

In the course of the debate last year arising out of the attack on the Valuation Department, Mr. Ramsay MacDonald said with emphasis that "a Government with Taxation of Land Values in its programme would carry the measure, Valuation or no Valuation." The time has come for the Prime Minister to show good faith.

Mr. R. C. Wallhead, in the House of Commons on 19th February, referring to the remarks of a

previous speaker, said: "I hold that land values are social values and should come to the community, and so far as we are concerned we will not entertain proposals of a character opposed to that principle. I hope that along these lines we shall ultimately develop." No doubt, but the ultimate development can be left to take care of itself: what is wanted now is a step forward, and it can be taken without prejudice to any future advance.

A Budget tax on land value will earmark some of the revenue for the schemes which the Chancellor of the Exchequer is expected to provide, and it opens the way once and for all for an application of the principle to local rating. The Government is in office and not in power, as the saying is, and how long they will continue to keep afloat in their sea of uncertainty is a question that is widely canvassed in all quarters. The time allowed by the commentators ranges from six to eighteen months at most. We are not at all concerned with these speculations. The Government will retire in all likelihood owing to circumstances that are at present conspicuous by their absence, and sufficient unto the day is the evil thereof. The point for us is that the Government is in being, that their Budget is in the making and that there is a majority in the House ready and eager to support a Budget tax on land values.

The time for inquiry and for any doubt or hesitation in the matter has gone; the time for action has come. One-third of the House has just given personal pledges to the United Committee on this understanding. The Labour and Liberal Manifestoes at the election gave ample promise of the coming of this long overdue reform. The Party literature on the subject, the speeches of the Party leaders, the knowledge that the Conservative Party itself is honeycombed with members who can declare adherence to this defined measure of relief from landlord exactions and tax burdens, all go to constitute a body of opinion which cannot in all fairness be ignored.

If the Government mean to deal with this part of their programme let them not think to wait upon the exigencies of a second session.\* They have resolved to spend millions of the taxpayers' money in bettering the condition of the country. It is incumbent upon them to see that the fruits of these policies shall not go into the pockets of monopoly and privilege, or to intensify unemployment by promoting speculation in the increase of land value. Whatever else must have attention by an Administration that is admittedly hard at work, the Budget for the year must be undertaken. The inclusion of a tax on land values is not in competition with any other item in the programme. Now is the time to put this measure through.

J. P.

Information obtained from auctioneers and estate agents in various parts of the country indicate that land is recovering from the slump in value which has been experienced during the past two years. . . . Small houses with anything over 100 acres have realized fancy prices, and as a rule there has been keen competition. It has frequently happened that land without even a shed on it has made a fancy price owing to the keenness of local competition.—IRISH TIMES, 2nd January.