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LIBERALISM AND THE LIBERAL PARTY

The Liberal party is in dire straits; not for the first time its representation in the Commons has been reduced to impotence. It has some forty odd members in Parliament and more than half of these are returned with the help of Tory votes. Naturally, since the election there has been much heart-searching into the cause or causes of the downfall. The Liberal press of the country is giving counsel and devoting columns to correspondence on the subject. The leader of the party, Mr. Asquith, speaking at the Reform Club in London, on 10th November, indignantly resented the idea that the Liberal party had finished its work with the extension of the franchise, and called upon his followers to rouse themselves and incidentally to learn from the Labour party a much needed lesson in the art of political propaganda and education. He urged the Liberals, who had a gospel at least as well worth hearing, to go and do likewise. Referring to past achievements, and recognizing the inevitable, the speaker declared he was the last person in the world to underrate the significance of the rise of the Labour party, and left the hard fact there, to simmer in the thoughts of his audience inside and outside the Club, as a controlling factor if not an insurmountable obstacle to the Liberal party ever again forming a government, at least in our day and generation.

The legions brought together under Sir Henry Campbell-Bannerman's leadership are no more, and the question canvassed is the why and wherefore of the dispersal. It is a Liberal party affair, in a sense, but it is also held to be a matter of wider national importance. Liberals insist that Liberal principles are vital to the ordered progress of society and if these are not upheld the nation and humanity at large will suffer.

What are Liberal principles and how are they distinguished from the principles of the other two parties in the State? The fine record of the Liberal party in the past in standing for free institutions, and for the right of the individual to the fullest expression of his citizenship is not to be gainsaid. That work accomplished—what next? The Liberals cannot rest on their oars to-day and claim unquestioned allegiance because of their previous triumphs. It is now realized that political freedom is not enough; it is only the means of obtaining in a constitutional way real freedom, the economic freedom that will assure the worker the full fruits of his industry.

Liberal leadership in recent years has fallen short of previous declarations on economic policy. The strong ground once held for radical land reform has been abandoned and the ground now occupied is given over to plans not for the removal of the cause of poverty, but for its regularization. The doctrine now in fashion is that good trade when it comes can alone provide employment, and for the rest the worker must look to State Insurance for permanent help; a sort of pauperizing of the working people that is, or should be, foreign to Liberal thought and Liberal ambition. The Party has developed a craze for what is called the improvement of industrial service—the Liberal industrial policy, so named. The scheme is to obtain for the worker a share in the management, and in the profits of industry, and it is presented as an alternative to Socialism! Manifestly it is not an alternative, but a pace-maker for the real article. The ranks of the out-and-out Socialists stand to gain, and the Liberal party stands to lose in this new Fabian departure. When the Liberal party was young and strong, when it was both militant and triumphant, its teaching was to regard State interference with suspicion, if not aversion. How does it come that the State is now requisitioned in the name of Liberalism to function for the good of the country? It cannot be for the advantage of the worker unless it be a Liberal principle that a free citizen (worker or captain of industry) cannot look after himself without the help of Whitehall bureaucrats. The one thing the Liberal "Industrial Policy" will do with its fatalistic belief in the inevitable recurrence of industrial depressions that can only be insured against in good times, is to strengthen opinion in favour of Protection as a remedy at least worth a trial when times are bad.

The Liberal party have come to the parting of the ways, perhaps too late for their reinstatement as an instrument for democratic advance. They are out of touch with the common people who formerly constituted their mainstay and support. Their traditional opponents, the Conservative party, have moved on with the times. Speaking on the eve of the election a voice said: "This country was the home of constitutional liberty and political freedom, and from the tree which took root in this soil and grew up and overshadowed the land came that freedom which did not grow in an hour. It was the result of the struggle of their ancestors from one generation to another." There was more said in the same strain and strange as it may seem to many it was not the voice of Mr. Asquith but of Mr. Baldwin, our Conservative Prime Minister! That, if we like, is the triumph of Liberalism, but where does it place the Liberals for the future in the line of demarcation that separates the one party from the other? Liberals may cry out in anguish that their creed is the greatest in the world, but it will not avail if others can successfully compete with them in the field of common endeavour.

Again, at the Lord Mayor's banquet on 10th November, Mr. Baldwin's programme was: better houses for the people, quickly provided, the clearance of slums; and he urged that the prevention of slums should be the first necessity of policy for any Government of this country. Could any other party leader improve on that sentiment? In the

matter of housing all parties have the same policy ; subsidies out of the rates and taxes, boosting up the price of land, State management and control with the consequent maiming if not the destruction of private enterprise in the building trade.

Where is the Liberal policy on housing that can be distinguished from this bureaucracy and its dear-bought failure either to clear up the slums or provide the necessary houses ? In Campbell-Bannerman's day, the halcyon days of modern Liberalism, the present system of local taxation was roundly condemned "as a tax upon house room" and held up to public contempt as "the cause of overcrowding, a disgrace to our humanity and a blot upon our record as a capable self-governing community." The Liberal cure for housing in those days was not State subsidies, but the abolition of the penalties on house room that produced the housing scandal. It is simply not true to contend that this is still the policy of the Liberal party, when only last session the Wheatley Bill that contained no provision for untaxing houses was backed by the Liberals in Parliament. The Bill ignored the "hostile tariff" on houses, and there was no Liberal protest, nothing but Liberal amendments to confirm this measure designed as it was to fleece the taxpayer for the benefit of the interests.

What is the alternative to the control of industry by the State ? Mr. Asquith has said that Liberals stand for the fullest play to be given to individual and communal effort. This may be good enough for platform oratory, but something more concrete is required. The people cannot live and prosper on abstract formulæ, and in recent years have had more than enough of hard-worked platitudes. The time has come to translate some of them into more definite meaning. Until this is done the anti-socialist crusade is all "hot air." As a Liberal candidate of some standing has put it : "No blank negation would defeat Communism. The majority of Englishmen would be Communists if they had to live under such conditions as existed in the slums of Glasgow and London." That is the naked truth of the matter. Another leading Liberal declares "that the rebuilding and strengthening of the Liberal forces was the best guarantee for the progress of the country." They can build and strengthen as they like, but undeserved poverty will dog their footsteps whenever they venture forth on any Liberal mission, short of a positive policy that will challenge the established institutions responsible for the present maldistribution of wealth and power.

Liberalism we are told by Liberals stands for equality of opportunity. It is an empty phrase, divorced as it always is by Liberal speakers from any economic interpretation. Equality of opportunity that holds no correspondence with any definite proposals for industrial freedom, for the freedom to produce as well as to exchange wealth, that has nothing to say on the urgency of a sane and workable land policy is what separates Liberalism from the Liberal party. It is not politics that engender trade and social growth, it is trade and social progress that make politics ; and the politicians, whose policy is not shaped to liberate trade from the fetters of monopoly must sooner or later meet, as they merit, the fate of blind leaders of the blind.

It is the private appropriation of economic rent, with all its related oppression and denial of social justice at the base of things, that if not checked will yet bring society to the brink of revolution. It is this fundamental wrong that has discharged the worker from the natural field of employment and made him a beggar in sight of nature's abundance. As Henry George well says :—

"This robbery is not like the robbery of a horse or a sum of money, that ceases with the act. It is a fresh and continuous robbery, that goes on every day and every hour. It is not from the produce of the past that rent is drawn ; it is from the produce of the present. It is a toll levied upon labour constantly and continuously. Every blow of the hammer, every stroke of the pick, every thrust of the shuttle, every throb of the steam engine pay it tribute. It levies upon the earnings of the men who, deep underground, risk their lives, and of those who over white surges hang to reeling masts ; it claims the just reward of the capitalist and the fruits of the inventor's patient effort ; it takes little children from play and from school, and compels them to work before their bones are hard or their muscles are firm ; it robs the shivering, of warmth ; the hungry, of food ; the sick, of medicine ; the anxious, of peace.

"It debases and embrutes, and embitters. It crowds families of eight and ten into a single room ; it herds like swine agricultural gangs of boys and girls ; it fills the gin palace and groggery with those who have no comfort in their homes ; it makes lads who might be useful men candidates for prisons and penitentiaries ; it fills brothels with girls who might have known the pure joy of motherhood ; it sends greed and all its evil passions prowling through society as a hard winter drives the wolves to the abodes of men ; it darkens faith in the human soul, and across the reflection of a just and merciful Creator draws the veil of a hard, blind and cruel fate !"

Is this a strong or extravagant indictment ? It is for the reflecting mind to consider all that must appear in society, as society advances with the scales weighted against the millions who have nothing but their labour power to barter for a living wage.

We are asked if we expect either the Liberal or the Labour party to advocate the single tax on land values as practical politics. It is not an uncommon question and it has been answered times without number. It is answered in all sensible land-value literature devoted either to propaganda or legislation. What is demanded, what has been promised over and over again, is a uniform or flat tax on the market value of all land, together with the local rating of land values in relief of the burden now falling on houses and on all industry. We are under no delusions ; we believe in first steps first as the way to any change for the better. There is nothing wrong with a step at a time if it be a firm step and in the right direction. The principle once introduced can take care of itself. Our purpose is to see it made law. It carries its own justice and promise, for if the value of land be a communal product, the result of all communal effort day by day, and year by year, who shall

maintain that private persons are entitled to confiscate any portion of it?

It is this unsettled question that has given rise to the Labour party, with its claim that the rights of labour should be its primary concern and that without it nothing would be done by the other parties to put the worker on his feet. And just as the Labour party assumes proportions and takes hold of government, another party is evolved with a more daring and reactionary programme. It must be met and answered, or worse will follow. Not one man of standing in politics dare utter the word that would make clear beyond peradventure that land monopoly stands athwart the people and their economic emancipation. Our politicians are free to declare once in a while in a tentative way that they favour the Taxation of Land Values, but they cannot agree that the policy contains within itself the solution of the unemployed problem. They refuse to allow nature, or natural opportunity to take part in the argument, and continue to talk as if nothing could be done outside the limits of their own evolution and narrow vision. Their question seems to be: how can we make the most of the country and the people? When they learn to put it the other way about, and ask: how can the people make the most of the country? they should get an encouraging glimpse of the realities of the case and some much needed guidance in democratic thought and philosophy.

It is a waste of time, and so much vexation of spirit, to indulge in the manufacture of pettifogging schemes that do nothing, and lead nowhere. The teaching of Adam Smith, Richard Cobden, Henry George and Campbell-Bannerman has not been in vain. The Taxation of Land Values with all that it stands for in relation to free trade, housing, employment and the betterment of the lot of the people is the alternative positive policy to either negation or reaction.

J. P.

A FURTHER STEP IN DENMARK

The Danish Socialist Government, which took office as the result of the general election on 11th April, included the Taxation of Land Values in its declared policy. In *LAND & LIBERTY* of July last we reported that the Government intended to introduce legislation in the autumn, and we are now glad to be able to announce satisfactory action taken in fulfilment of these pledges. A Bill was introduced in the Lower House on 25th November by Mr. C. N. Hauge, Minister of Home Affairs, with provisions for a comprehensive reform of the system of local taxation in Denmark. The Bill takes a further step, and in a straightforward direction, in the levy of taxation on the value of land apart from improvements, with the concurrent remission of taxes on industry and production. The intricacies of Danish local taxation are a matter of special study in view of the many sources of revenue involved and the peculiar incidence in a number of cases. The intention of the Bill is that in future there will be three main sources; the real estate tax, the personal tax on incomes and fortunes, and what is called the "old tax," which will be a consolidation of a number of previous burdens and charges.

In principle the Bill imposes the local real estate tax on the value of land apart from improvements and permits, within limits, the replacement of the other taxes by a land value tax. The local authorities are required to levy a given minimum tax on land values and may if they so decide levy a higher tax up to a given maximum. These limits in the towns are 7½ per 1,000 minimum, and 15 per 1,000 maximum, the equivalent respectively of 1·8d. and 3·6d. in the £ of selling value. The local authorities are free to exercise their option as stated, subject to the condition that during four successive periods covering the next 14 years the amount of land value tax levied on a given property shall not be more than 5 per 1,000, 7 per 1,000, 9 per 1,000 and 12 per 1,000 of the established assessed value of land *plus* improvements.

As to the taxes in the counties and parishes, the limits provided for in the Bill are not stated in definite figures, but the object is that a large part of the real estate tax in the country shall fall on land value, and the local authorities can decide to increase the land value tax by taking less revenue from the other taxes, exercising in that respect a much wider option than the town authorities can exercise.

There are sundry other provisions such as the exemption of new houses from taxation, and the option given to local authorities to impose also an annual supplementary tax on all increases in the value of land between one general valuation and another.

We are not able at the moment to give more than a hurried and inadequate outline of the Bill. Mr. Berthelsen, to whom we are indebted for a copy of the text, writes to say it is a triumph for the Danish movement, and we agree. The mandatory provisions in the Bill make the application of the principle, quite an encouraging instalment of it, universal over the whole country. The optional provisions enable the local authorities to extend the principle in obedience to public opinion in its favour—and there are towns and communities in Denmark that will carry the policy as far as the law will allow. Many local authorities, chief among them Copenhagen, have continued year by year to petition Parliament for just the kind of legislation that has been introduced.

Denmark with its previous steps in our direction has encouraged great hopes. The national tax on land value imposed by the Act of 1922 secured periodic valuation in 1924, 1927 and thereafter every fifth year. It made possible the progressive development contemplated in the new Bill which further applies the just principles of taxation through a recognition of the rights of the people to the land and to its communal value.

A. W. M.

"Grant that we behave like men of an enlightened age and not fossils belonging to a far-gone geological era, and grant that we get ourselves taxed on land values alone and our buildings and improvements set free altogether from taxation, and soon the farmer will find himself much better off than he is to-day, and finally blessing the pioneers whom he is at the moment mainly bent upon criticizing."—*T. Atholl Robertson, in an article "A New Bill for Farmers" in the NINETEENTH CENTURY, November.*