

**LAND VALUES**

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"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.*

**LABOUR AFTER THE WAR**

At the Labour Party Conference at Bristol, on January 26th, a resolution on the finance of the war is to be submitted by the Independent Labour Party recommending, among other taxes, a special tax on land values. The Independent Labour Party are to be congratulated on declaring themselves boldly in favour of the special taxation of land values. We do not expect to find them in complete agreement with our views, any more than they would expect to find the land values movement identifying itself with all of their views. It may be that nothing but the logic of experiment and experience will bring about a uniformity of progressive opinion. But we do expect the Labour movement to give a firm and substantial measure of support to the policy of taxing land values. This is one sign that this support will be given. It is a sign, too, that the taxation of land values is going to play an important part in the Labour politics of the future. Another omen equally significant is the cordial reception that our speakers are receiving at trade union meetings in all parts of the country.

Probably the main reason for this growing interest in the taxation of land values on the part of organised labour is the serious financial situation created by the war. If the conflict comes to an end even so soon as next spring, the country will probably have to bear an increased burden of taxes amounting to 200 millions, as much as the whole public revenue prior to the war. The prospect of the imposition of this burden on lines similar to those we have adopted hitherto can only be viewed by Labour with the deepest consternation. To have the standard of living that has been built up by generations of organised struggle broken down by crushing taxes on commodities, and perhaps by direct taxation of wages, would be an unspeakable calamity. No wonder,

then, that Labour is deeply agitated about the question of taxation, and that it is ready to accord a hearty support to the taxation of land values.

We have always argued that one of the virtues of a land-value tax is that it will stay where it is put. It must be paid by the landowner and by him alone, and it cannot be shifted in increased rents or prices on to other persons who are not intended to bear the burden. This in itself is a cardinal virtue in a tax, and one that will appeal most strongly to the working masses who are becoming more and more conscious of the burden of taxation they bear that is nominally imposed on the more well-to-do classes. One most glaring illustration of the shifting of taxation is the large increase in house rents that has been taking place all over the country; and perhaps the increase in prices generally is due in part at least to this cause. Taxation whose incidence is perfectly definite and certain is much to be desired as compared with our present methods.

But anxiety as to the incidence of the war taxation is only one of the problems that is agitating the Labour world. The condition of industry, wages, and employment after the war must fill every thinking man with concern. We all know what the state of this country was after the Napoleonic wars, and what a period of depression followed the Franco-Prussian war. What will be the condition of industry after this war, so unprecedentedly destructive and exhausting? There is only one opinion—industrial depression, unemployment, and high prices. So says the editor of the *Economist*, who offers no suggestion for the solution of the difficulty. So, too, says Lord Haldane, who recommends an improved system of education—a suggestion that means more taxation and no immediate benefit. And the *Daily News* advises the workers to invest their savings in the war loan in order that they may be able to face the time of trouble that will ensue—advice which the workers might be ready enough to follow if they did not need to invest their earnings in food and clothing now.

These forebodings are only too well justified if experience and deduction can prove anything. The impoverishment of our customers all over Europe would be quite sufficient in itself to cause a most serious crisis in this country. But this is not all that is agitating organised Labour. The introduction of women's labour into innumerable occupations where it was unknown is another factor threatening the wages of the men. They expect, too, a continuance of the high food prices now prevailing, and dearer house rents. Add to all this the effect of taxation, badly levied and on an unheard-of scale, and we have a perturbing outlook.

One mitigating circumstance will be if the taxation is raised in such a manner that it will not recoil upon the

workers. This in itself is merely a minor item, though quite sufficient to awaken a thoughtful interest in questions of national finance. But the main problem is how to stimulate production so as to provide the opportunity for every man to find employment at a fair rate of wages—a problem that is even now much more important than that of inducing men to save and invest in the war loan.

How this problem is to be solved seems as yet to have received hardly any consideration, and attention unfortunately seems directed rather to mitigating the ill-effects of the industrial crisis than to prevent its occurrence. The means of obviating the depression in trade are in the first place to levy the taxation so that it does not hamper and restrict industry, and in the second place to adopt means of developing the latent industrial resources of this country. The first we need not elaborate, for it is perfectly plain that the taxation of land values can do nothing to hinder industry—the second demands more careful consideration.

The production of wealth is conditioned by a large number of factors, of which the most important is access to land. We apologise if this seems to be reiteration of a plain truth, almost a truism, but to the industrial worker in the factory of to-day, the land question appears almost irrelevant. He is apt to forget that there is much more in it than the finding of a site for his factory. The brick and stone of the factory, the machinery he tends, the materials he manufactures have all come from the land. Some of these materials, perhaps, have come from foreign lands, but if so they must have been paid for with the products of this land, so we may neglect that apparent difficulty. Now if the land of Britain were utilised to its fullest extent, there would be nothing more to say, but the contrary is the case. As regards agricultural land we have the admissions even of the defenders of landed privilege that it is badly, disgracefully under-cultivated. As regards building land, we have the official figures which show that in urban districts in England and Wales two-thirds of the land is rated as "*agricultural land*." In regard to mines and quarries, the circumstances are much the same; and so we might go round the whole gamut of industry, but already we have touched on occupations which employ millions of men. If all this land can be forced into use, or even a fraction of it, there need be no unemployment, diminished production or low wages after the war. The question is, how to force it into use. The facts as to building land will supply a clear answer.

The 2,533,035 acres of land in urban districts of England and Wales which are rated as "*agricultural land*" now contribute only about one per cent. of the rates, while the remaining 1,351,104 acres, which are

more or less developed, pay almost ninety-nine per cent. of the rates. When we thus encourage the holding of land out of use, it is scarcely surprising that it is held out of use. An alteration of the rating system so as to make these acres contribute on their full value while exempting the improvements made on developed land would quickly put an end to this state of things; and as the land became available under the pressure of taxation two things would happen—men employed in the building trade and subsidiary trades would find employment, and the housing problem would find its solution. So under a general tax on land values all classes of land would be forced into use and all classes of workers obtain employment and a fair return to their labour.

It is because of these social effects of the taxation of land values that we welcome its incorporation in a resolution at the Labour Party Conference, even though the sponsors of that resolution regard the proposal primarily as a means of raising revenue. The revenue aspect is important, but the effect on wages and employment is much more important and will be more and more appreciated as the discussion of the question in Labour circles progresses.

Already trade union branches all over the country are adopting strongly-worded resolutions protesting against taxes on food and wages, and calling on the Government to include in the next Budget a tax on land values. Sustained and unanimous pressure of this kind by all the progressive forces will in time be successful. Indeed, if the Labour Party in the House of Commons would exert to the full the power they possess, that alone might be sufficient to induce the Government to impose their taxation on a juster basis. But it is right that the Labour and other progressive Members of Parliament should feel that they have behind them a firm backing in the country, and such resolutions of the trade unions and other organisations will be the best evidence of this.

F. C. R. D.

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"By the early institutions of Europe, property in land was a public function, created for certain public purposes, and held under condition of their fulfilment; and as such we predict, under modification suitable to modern society, it will come again to be considered."—J. S. MILL (*Essay on Coleridge*).

"Property in land differs in its origin from property in any commodity produced by human labour; the product of labour naturally belongs to the labourers who produced it, but the same argument does not apply to land, which is not produced by labour, but is the gift of the Creator of the world to mankind; every argument used to give an ethical foundation for the exclusive right of private property in land has a latent fallacy."—Right Hon. Justice LONGFIELD (*Cobden Club Essays*).