

LAND & LIBERTY

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Editor: A. W. Madsen

Assistant Editor: F. C. R. Douglas

34 KNIGHTRIDER STREET, LONDON, E.C.4

Telegrams:

"Eulav, Cent., London."

Telephone:

City 6701.

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THE ECONOMIC BACKGROUND

WHATEVER VIEW may be taken of the immediate circumstances which have led Europe to the verge of war, the ultimate causes are mainly economic.

The peace treaties partitioned Europe with scant regard in many cases to the requirements of economic life. The victorious powers were left with a staggering burden of national debts which they vainly hoped to alleviate by the exaction of reparations from the vanquished. Lacking the courage to impose the burden of taxation in a just fashion, all governments resorted to tariffs and indirect taxation, which impoverished the workers and hindered trade and exchange. The separation of producers from their markets and the interference with natural and economical division of labour was the result not so much of the creation of new frontiers as of the customs houses with which they were lined.

Although in a few cases, as in Czechoslovakia, some attempt was made at land reform, the basic conditions of economic life remained as they were before the war. The land, the ultimate source of all production, remained the prerogative of the few. The upward movements of trade and production were soon frustrated by the speculation in land values which they evoked, accentuated in many cases by currency inflation.

The economic crisis which began in 1929 and reached a climax in 1931 was of unexampled intensity and duration. Instead of dealing with its causes, all governments resorted to further measures of protection and restriction of trade which prolonged and aggravated the depression instead of alleviating it.

It was in these circumstances that the Nazi party came to power in Germany, making the most of the grievances of the peace treaties and the failure of the allies to carry out the policy of the fourteen points, and promising also economic reforms which would improve the position of the German workers. In Italy, too, the regime felt obliged to keep the people quiet by promises of amelioration of their economic condition, and the annexation of Abyssinia, however much it may have been surrounded by the glamour of recreating a Roman Empire, was justified to the Italian people as a fresh field for colonization and honest work. In Russia, too, the attempt to impose by force a collectivist regime upon the peasantry and to "liquidate the kulaks" resulted in failure of the harvest and the deaths of millions of people. As these facts leaked out they provided an argument, readily seized upon by the vested interests, against any kind of democratic reform.

Nor did the other powers do anything to solve their own economic problems, but pursued in the name of democracy a policy of economic nationalism nearly as detrimental to themselves and their neighbours as that adopted by the autocratic states. Added to all this was the flight from Geneva and a feverish rearmament. It is true that the achievements of the League of Nations had been of a minor character. The experts had frequently pointed out the need for reduction of tariff barriers, but the governments had done nothing to follow this advice, nor had the experts explained the need for land reform or pointed to land value taxation as a solution.

In fact, the ultimate problem, that of poverty and unemployment, cannot be solved by collective action but by individual action in each country. In the neglect of that the totalitarian and the democratic countries are all guilty. It is to the solution of this problem that those who in all countries desire to see peace established on a permanent foundation must devote themselves. Any true step towards that taken by any one country will benefit both itself and its neighbours.

What is most needed to secure the peace of the world is the throwing down of all barriers between nations which prevent the free movement of goods and of people, together with the abolition of the barriers which prevent the denizens of each country from making use of its natural resources and which require them to make payment to a few among them for this essential and natural right. If such conditions were established, every man would be in effect a citizen of the world with liberty to produce wealth wherever opportunity offered and freedom to transport himself and his possessions where he chose. National frontiers would then represent merely the boundaries of a particular administration of public affairs, as county or provincial boundaries within a state now do, but they would oppose no obstacle to the economic activities which are the essential of civilized life.

The false notion that the people of other countries are competitors and antagonists, not collaborators, arises naturally in a world in which within each country there is scarcity and starvation. When it appears that there are not sufficient opportunities to earn a living, when one's own fellow-countrymen appear to be competitors ready to take the bread out of one's mouth, how easy it is to foster the idea that trade with foreigners will aggravate these conditions. And, indeed, the more that the people can be led to believe that the foreigner is the cause of their sufferings, the more secure will be those privileged interests which grow rich out of an unjust economic system. Thus, in every country the monopolists are at the back of those who would increase armaments, raise tariff walls still higher, add to international tension and discord, create the illusion that the distresses of their own countrymen are to be mitigated by appropriating territory from other countries, and so distract attention from and safeguard their own unjust privileges.

That this is indeed so is evidenced by the facts regarding land monopoly in many countries which have from time to time been published in our columns. In every country there are unused natural resources, and in every country the few who own the major part of these

resources appropriate the lion's share of the wealth that is produced.

The first task of those who in every country would work for enduring and stable peace is to secure the breaking down of land monopoly and the abolition of tariff barriers. These ends can be secured by the taxation of land values which, by restoring to the community the values which it has itself created, will provide a just source of public revenue in place of the unjust taxes which now burden the trade and industry of the workers and which will at the same time throw open to labour access to the natural resources with which alone wealth can be produced. F. C. R. D.

DESOLATION OF THE HIGHLANDS

THE HIGHLANDS of Scotland are a distressed area with an incidence of unemployment equalling that in the worst areas of England. This and many other striking details are given in the August issue of *Fact*, in an article by Mr David Keir. Reference may also be made to an article by Mr Jocelyn Gibb in the *Geographical Magazine* for May, which covers much the same ground. The picture painted by both authors is heart-rending, and calls for action. But what action? Mr Keir has little to suggest except the granting of subsidies, the spending of public funds in one way or another, and vague talk of national planning.

One need not quarrel with the view that immediate distress must be relieved, and that unemployment doles are the worst way of doing this. In some cases it would appear from Mr Keir's account that the practice of taking in one another's washing has been raised to a fine art in order that the inhabitants may put sufficient stamps upon each other's insurance cards to enable them to qualify for unemployment benefit. But government subsidies to maintain uneconomic industries are merely a roundabout method of achieving the same result.

The principal industries of the Highlands are farming, fishing, and to a less extent quarrying and forestry. There are also possibilities of hydro-electric enterprises. The direct bearing of the land question upon these problems is readily seen. Many of the herring fishers devote part of their time to cultivating crofts, and if they had more opportunity in this direction they would be more independent of the fishing industry. Be it remarked also that the growth of protectionism in Europe, to which this country has for the last seven years been a party, is responsible for the curtailment of markets for fish.

Both Mr Keir and Mr Gibb refer to the relative prosperity of the Orkneys. The former says that the Orcadians "work on holdings which are much larger on the average than the crofts in Shetland and the other Highland counties. If crofting is ever to be really prosperous in the Highlands, crofts of economic size will have to be provided." Mr Gibb refers to occupying ownership as a factor, "66 per cent of the land being owned by the occupier." Security of tenure can, however, be provided by other means than through state-aided land purchase.

That it would be possible to find land for enlargement of holdings need not be doubted. The deer forests are almost entirely a creation of last century. In 1883 they covered 1,709,892 acres, and by 1912 they had extended to 3,584,966 acres which is nearly the present figure. Complaints of the ravages of deer are frequent, and encroachments for sport still occur. Mr. Keir says: "Not long ago I visited the area round that fine mountain, Ben More, Assynt. On the 10,000-acre

Assynt estate—most of it deer forest—a tidy row was in progress. The proprietor of the estate had asked the local crofters to remove their sheep from the deer forest, although the "privilege" of grazing their sheep there had been enjoyed for a quarter of a century."

The Forestry Commission has acquired considerable areas of land for planting trees, and much more is suitable for this purpose, but they are hampered, among other things, according to Mr Keir "by the cost of land."

"In Mull and Iona there are marble and granite quarries awaiting development. In Caithness there are the flagstone quarries."

There are also extensive sources of water power.

But all these natural resources are owned by someone. The people who are unemployed have no right of access to them. While they remain unused, the owners pay no rates or taxes. But taxation is heaped upon the necessities of life of the worker.

Mr Keir refers to the need for better means of communication. If roads are built or improved the benefit will accrue to the landowners although they will not pay for them, and petrol is doubled in price by taxation, while every motor vehicle has taxes imposed upon it.

The history of the Highlands, says Mr Keir, is one of gross exploitation. Is the remedy then to be found in imposing fresh taxation for the purpose of subsidizing this industry or that, or is it to be found in abolishing the source of exploitation—the untaxed monopoly of land—and making the natural resources available to people capable and eager to use them?

ON EASTBOURNE'S SANDS

How the rent of land might furnish the public revenue without any tax on improvements is shown in miniature by the letting of kiosks and stands on the sea front at Eastbourne. The auctioneer (*Eastbourne Courier*, 11th March, 1938) emphasized the good business to be done on the golden sands, made clear that the rents were due to advantage of situation, and explained that the town levied no rates on these lots. Result of the bidding produced a total of £4,469, being the annual rents for three years with three lots unlet, compared with the previous total of £3,199 10s., or an increase of nearly forty per cent.

Whether it is "golden sands" or any other factor giving a location its value, the rent of land is everywhere the creation of the community, so why restrict the principle to land which the municipality happens to own? Whoever may have title to *the land*, nothing in economics or morals can defend the private appropriation of the *rent* of the land. To bring every piece of land into its proper place with respect to the public revenue requires only, and with absolute justice, an assessment of its true value levying rates and taxes upon that basis, so as to transfer the rent into the public treasuries and ceasing to tax any buildings or improvements.

BIRTHDAY GREETINGS

On behalf of all readers of *Land & Liberty*, and of the Henry George Movement at home and abroad, including especially the members and friends of the English League for the Taxation of Land Values, we convey to our colleague, Frederick Verinder, heartiest congratulations on the celebration of his eightieth birthday on 14th October. It is now 54 years since he became General Secretary of the League, and his friends will rejoice to know he is as active as ever with pen and voice to advance the cause to which he has rendered such notable service.