

THE TAXATION OF LAND VALUES

What it is and What it Will do

BY HENRY GEORGE

(Abridged from "The Condition of Labour")

The value we propose to tax, the value of land irrespective of improvements, does not come from any exertion of labour or investment of capital on or in it—the values produced in this way being values of improvement, which we would exempt.

Land Values due to Social Progress

The value of land irrespective of improvement is the value that attaches to land by reason of increasing population and social progress. This is a value that always goes to the owner as owner, and never does and never can go to the user; for if the user be a different person from the owner he must always pay the owner for it in rent or in purchase money; while if the user be also the owner, it is as owner, not as user, that he receives it, and by selling or renting the land he can, as owner, continue to receive it after he ceases to be a user.

Thus, taxes on land irrespective of improvement cannot lessen the rewards of industry, nor add to prices, nor in any way take from the individual what belongs to the individual. They can only take the value that attaches to land by growth of the community, and which therefore belongs to the community as a whole.

Taxation of Land Values would Relieve Labour

To take land values for the State, abolishing all taxes on the products of labour, would therefore leave to the labourer the full produce of labour; to the individual all that rightfully belongs to the individual. It would impose no burden on industry, no check on commerce, no punishment on thrift; it would secure the largest production and the fairest distribution of wealth, by leaving men free to produce and to exchange as they please, without any artificial enhancement of prices; and by taking for public purposes a value that cannot be carried off, that cannot be hidden, that of all values is most easily ascertained and most certainly and cheaply collected, it would enormously lessen the number of officials, dispense with oaths, do away with temptations to bribery and evasion, and abolish man-made crimes in themselves innocent.

Growth of Population

In that primitive condition, ere the need for the State arises, there are no land values. The products

of labour have value, but in the sparsity of population no value as yet attaches to land itself. But as increasing density of population and increasing elaboration of industry necessitate the organisation of the State, with its need for revenues, value begins to attach to land. As population still increases and industry grows more elaborate, so the needs for public revenues increase. And at the same time, and from the same causes, land values increase. The connection is invariable. The value of things produced by labour tends to decline with social development, since the larger scale of production and the improvement of processes tend steadily to reduce their cost. But the value of land on which population centres goes up and up. Take Rome, or Paris, or London, or New York, or Melbourne. Consider the enormous value of land in such cities as compared with the value of land in sparsely settled parts of the same countries. To what is this due? Is it not due to the density and activity of the populations of those

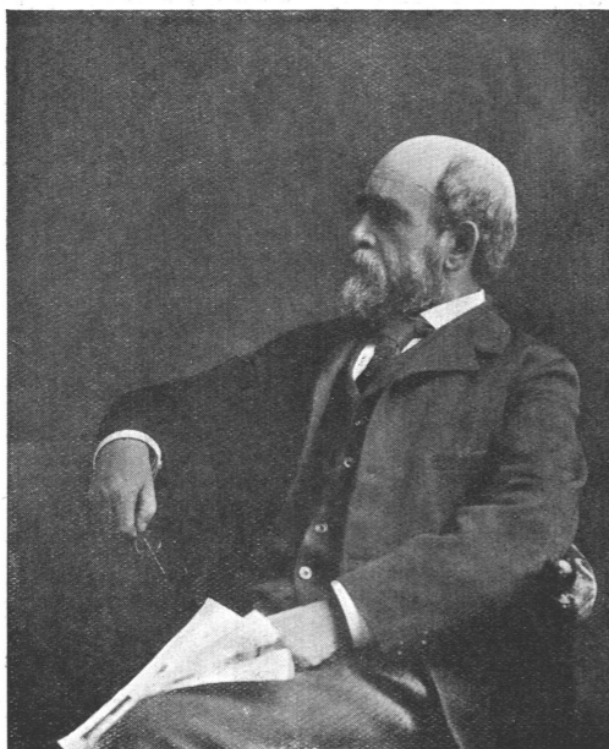
cities—to the very causes that require great public expenditure for streets, drains, public buildings, and all the many things needed for the health, convenience, and safety of such great cities? See how with the growth of such cities the one thing which steadily increases in value is land; how the opening of roads, the building of railways, the making of any public improvement, adds to the value of land.

Taxation of Land Values makes for Social Equality

Here is a natural law by which, as society advances, the one thing that increases in value is land—a natural law by virtue of which all growth of population, all advance of the arts, all general improvements of whatever kind, add to a fund that both the commands of justice and the dictates of expediency prompt us to

take for the common uses of society. Now, since increase in the fund available for the common uses of society is increase in the gain that goes equally to each member of society, is it not clear that the law by which land values increase with social advance while the value of the products of labour does not increase, tends, with the advance of civilisation, to make the share that goes equally to each member of society more and more important as compared with what goes to him from his individual earnings, and thus to make the advance of civilisation lessen relatively the differences that in a ruder social state must exist between the strong and the weak, the fortunate and the unfortunate?

That the value attaching to land with social growth is intended for social needs is shown by the final proof.



HENRY GEORGE, 1839-1897

Other Alternatives make for Injustice

For refusal to take for public purposes the increasing values that attach to land with social growth is to necessitate the getting of public revenues by taxes that lessen production, distort distribution, and corrupt society. It is to leave some to take what justly belongs to all; it is to forego the only means by which it is possible in an advanced civilisation to combine the security of possession that is necessary to improvement with the equality of natural opportunity that is the most important of all natural rights. It is thus at the basis of all social life to set up an unjust inequality between man and man, compelling some to pay others for the privilege of living, for the chance of working, for the advantages of civilisation, for the gifts of God. But it is even more than this. The very robbery that the masses of men thus suffer gives rise in advancing communities to a new robbery.

Land Speculation and Industrial Depression

For the value that with the increase of population and social advance attaches to land being suffered to go to individuals who have secured ownership of the land, it prompts to a forestalling of and speculation in land wherever there is any prospect of advancing population or of coming improvement, thus producing an artificial scarcity of the natural elements of life and labour, and a strangulation of production that shows itself in recurring spasms of industrial depression as disastrous to the world as destructive wars. It is this that is driving men from the old countries to the new

countries, only to bring there the same curses. It is this that causes our material advance not merely to fail to improve the condition of the mere worker, but to make the condition of large classes positively worse. It is this that in our richest Christian countries is giving us a large population whose lives are harder, more hopeless, more degraded than those of the veriest savages.

The Simple Rule of Right

The darkness in light, the weakness in strength, the poverty amid wealth, the seething discontent foreboding civil strife that characterise our civilisation of to-day, are the natural, the inevitable results of our rejection of God's beneficence, of our ignoring of His intent. Were we, on the other hand, to follow His clear, simple rule of right, leaving scrupulously to the individual all that individual labour produces, and taking for the community the value that attaches to land by the growth of the community itself, not merely could evil modes of raising public revenues be dispensed with, but all men would be placed on an equal level of opportunity with regard to the bounty of their Creator, on an equal level of opportunity to exert their labour and to enjoy its fruits. And then, without drastic or restrictive measures, the forestalling of land would cease. For then the possession of land would mean only security for the permanence of its use, and there would be no object for anyone to get land or to keep land except for use; nor would his possession of better land than others had confer any unjust advantage on him, or unjust deprivation on them, since the equivalent of the advantage would be taken by the State for the benefit of all.

A SHORT HISTORY OF THE LAND VALUES MOVEMENT IN GREAT BRITAIN

Though *PROGRESS AND POVERTY* was published in the United States in 1879, it was not till Henry George's visit to Ireland, then in the throes of the land agitation, that his teaching began to attract any attention on this side of the Atlantic. In 1882 he addressed one or two meetings in Great Britain before returning to the States. About this time there was formed in London the Land Reform Union, a body doomed to speedy dissolution, being composed not only of believers in the teachings of *PROGRESS AND POVERTY*, but also of land nationalists of the Russel Wallace and Socialist type. But afterwards there arose the English Land Restoration League, which finally developed into the English League for the Taxation of Land Values.

On his return to Great Britain in 1884, Henry George addressed a great meeting in the Glasgow City Hall, an address which has been printed and circulated since under the title of "Scotland and Scotsmen," and at that meeting the Scottish Land Restoration League was formed.

This organisation, with Henry George as adviser and chief speaker, opened up the ground throughout the length and breadth of Scotland. In this early campaigning, Mr. Richard McGhee, now M.P. for Mid-Tyrone, Mr. David McLardy and Mr. Peter Burt took a prominent part. In the General Election of 1885, the storm raised by Henry George and the League subsided to a very great extent. On the back of the Highland and Irish land agitation, Mr. Gladstone brought forward his famous Home Rule for Ireland Bill, and the mind of the country was taken up almost wholly by this discussion, as students of history know, for the succeeding five years.

The Scottish Land Restoration League had done its work and had practically passed out of existence, but some of the

seed sown had fallen on fertile ground. The Missionary work was well sustained, particularly in Glasgow, by individual effort and by effort in minor organisations, and in August, 1890, Henry George, on his way home from his great Australian trip, inaugurated a new organisation. The meeting was held in the City Hall, Glasgow, and was in those days like a passing gleam of sunshine in the midst of much political darkness and despair. Since that time the new organisation now named the Scottish League for the Taxation of Land Values has been in constant and continuous activity.

The question of taxing land values was first brought before the Municipal Council of Glasgow, on the 17th February, 1890, when Mr. Peter Burt, who had entered the Council the previous November, got a motion passed expressing general dissatisfaction with the existing system of rating, and agreeing to appoint a committee to consider the whole question and report. Mr. Burt was appointed chairman of the Committee.

Evidence was taken at a number of meetings, and the Committee finally reported to the Council in favour of imposing a rate on land values and stated the general lines on which this should be done.

On March 16th, 1891, the Council considered this report of the Committee, and by a majority of 15 remitted the Minute of the sub-committee back for reconsideration and report. The Committee submitted another report on June 22nd, which was defeated by the casting vote of the Lord Provost. Mr. Burt, as chairman of this committee, was asked to give, and did give, evidence before the Town Holdings Committee.

In November, 1893, Mr. John Ferguson entered the Town Council, and during the next two years he was incessant