

6s. 6d. per acre. It was not necessary to cite more examples. The thing was notorious. They could not deny the results of such a system in forcing up rents, causing overcrowding and closing unlimited opportunities for employment in both town and country. If the land had this "high value" it should be rated and taxed accordingly. Then it would come quickly enough into use and the prices and rents would fall.

The present system made no distinctions in regard to property, except that it gave peculiar favours to owners of land and allowed them to appropriate the wealth produced by the labour and capital of others. It proceeds on the plan universally condemned as Bolshevism, that the State need obey no moral law, but could take anything it saw fit to take. The Taxation of Land Values, on the other hand, did make the fundamental distinction between what truly belonged to the individual and what belongs in common to all, and on that ground it had to be upheld.

Other countries had carried through some instalment of the reform, and there they could find even in these small beginnings full justification for the claims he had made. There was no doubt about the simplicity, cheapness and accuracy of valuing land apart from improvements, whether in town or in country; nor any question that the land value so revealed was sufficient to meet the cost of necessary public services and good government—in which reckoning the cost of useless and extravagant "money for social reform" schemes and interest on excessive public debts was not included. Much testimony as to the effects of taxing land values and untaxing industry (as in New Zealand, New South Wales, Queensland, Victoria, the Transvaal, Canada, etc.) had been gathered at the Information Bureau of the United Committee, and the proof was conclusive that the reform had benefited every community where it had been adopted. In Denmark, where the land of the whole

country, rural and urban, had been valued separately from improvements in 1916 and again in 1920, the Government were putting through a national tax on land values, and had announced their intention to legislate for local rating on the same basis.

Among the precursors of Henry George, including William Ogilvie, Thomas Spence, Tom Paine, Winstanley, Fintan Lalor and others, he would mention the late Sir John Macdonell for his remarkable book, *THE LAND QUESTION*, published in 1873, and offer the following eloquent extract from that work as a final word:—

"We vex the poor with indirect taxes, we squeeze the rich, we ransack heaven and earth to find some new impost palatable or tolerable, and all the time, these hardships going on, neglected or misapplied, there have lain at our feet a multitude of resources ample enough for all just common wants, growing as they grow, and so marked out that one may say they form Nature's budget. Such seems the rationale of the subject of which the land question forms a part. And so we may say that if property in land be ever placed on a theoretically perfect basis, no private individual will be the recipient of economical rent. . . . I know how far out of the path we and others have strayed, how hard it is to hark back, and how easy it is to speak in three words that which generations of strong minds will not accomplish. We have been putting hills and seas between us and this principle. Not in our time, perhaps never, will they be wholly cast down and utterly dried up. But I still presume to think that it is good to contemplate a splendid possibility, some dim similitude of which may one day be realized, to the unspeakable benefit of society."

At the conclusion of his address Mr. Madsen was asked and answered many questions.

THE INDUSTRIAL PROBLEM

By G. A. Goodwin, C.M.G.

Many men of good character and sound ability fail to find employment. Whatever their vocations—farm-hands, mechanics, labourers, clerks, traders, or such like—they all live on and from land. Moreover, there is no possibility for them to find work without using and occupying land. This applies to the consulting specialist no less than to the unskilled worker.

There is much usable land lying idle.

In every city there are valuable plots of unused land, and every city is "ringed in" by high priced land that is only partially used or wholly unused. In this country there are millions of acres of land either wholly undeveloped and absolutely unused, or only partially developed and very indifferently used. Some of this land is let at nominal rents, the owners retaining the right to resume the possession on short notice. The remainder is vacant. This land is not only usable, it is wanted for houses, shops, and industrial enterprises, or for educative and recreative purposes. It is idle because with present conditions no one has seen his way to make full use of it at the owner's terms.

No rates are paid for this unused land. For the land let at a nominal rent rates and taxes are paid on the nominal rent, not on the price of the land. When the sale of land yields a profit the seller receives the profit tax free. On the other hand, all who occupy land are assessed for rates on the value of the buildings, machinery and equipment they use. The rates are collected from the occupiers or users, even in those years when they are so unfortunate as to be losing money.

Titles to the land that is withheld from use, are legally protected. If living abroad the owners escape all our rates and taxes. Subject to these conditions land is bought

and sold as if it were a commodity produced by man, and not something provided by Nature—something which is vitally necessary for the life of man, and for which there is no substitute.

The more capital there is, the more do "traders in land" compete with one another, and with the users of land in buying land. In prosperous communities this inevitably causes the price of land to rise.

The legal authority to withhold land from use free from rates and taxes, coupled with the right to receive tax-free all increase in its value which may have arisen whilst it has been lying idle, gives traders in land an unfair advantage over those who employ land usefully. On the face of it, this difference in assessing those who use land, and leaving unassessed those who withhold it from use, seems unfair. The results are disastrous.

"Traders in land" find it lucrative to limit the supply of land on the market, in order to raise the price of the urban, mineral-bearing, and other desirable land which they hold in reserve.

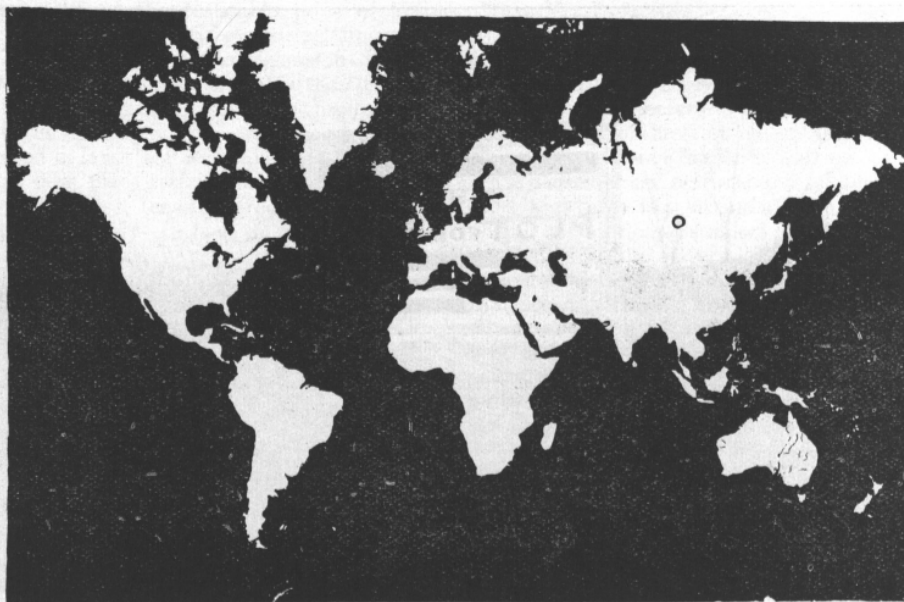
The price now being paid for thousands of acres of the urban land that is most used, is equal to a rent of upwards of £40,000 per annum per acre, and the price is still rising. Our national accounts are so arranged that it is not possible to arrive at the total amount paid for land. That the total is staggering is evidenced by the prices arrived at for the purchase of the plots of land which are from time to time bought by public authorities under The Land Acquisition Act, 1919, and also by the prices paid in the market for plots of freehold and leasehold land in our cities.

In all cases where the land is used for mining, manufacturing, or trading purposes it is the public who finally

pay, and it is the practice of limiting the amount of desirable land there is on the open market, that makes it necessary for these enormous prices to be paid.

Under our present Assessment Laws there is no check on the price that can be obtained for land in "Key positions," save only that it must leave those who buy or hire

Nature has, however, provided that the supply of usable land is so greatly in excess of man's requirements that were all owners of fixed property assessed for rates and taxes on not less than the price of their land, it would be impossible for any combination of men to control or limit the supply. There would be legally what there is



IF THE WHOLE HUMAN RACE COULD BE ASSEMBLED ON THE ISLE OF WIGHT, THERE WOULD BE ROOM FOR EVERYONE TO STAND AT EASE. ON AN AREA EQUAL TO THAT COVERED BY THE CIRCLE THEY WOULD HAVE ROOM TO MOVE ABOUT WITH FREEDOM.

it a prospect of making a profit. With our present assessment laws neither increased productivity, the recovery of our foreign trade, nor the development of vast new industrial centres—more Glasgows, Birminghams, or Manchesters, on land now lying waste, would solve our

and always has been naturally, more than enough usable land available for use to absorb profitably the enterprise, capital, and labour of all men.

In the most densely populated parts of this earth there would be on the open market land, in the improvement of



ASSESSED FOR TAXATION.

unemployment problem. The only permanent effect of such development would be to increase the prices obtainable for land in our sea-ports, trading centres, and health resorts. It would not in the long run alleviate the burden borne by the producers.

which any law-abiding citizen could profitably employ himself, with absolute security of tenure, paying rates and taxes assessed on the value given to the land by the industry, enterprise and needs of the community.

It is not natural laws, but an artificially created difficulty

in finding employment, which tends to force the wages of the unskilled below the level of subsistence.

Every producer is entitled to ask: "What justifies the laws which enable traders in land to establish corners in and profiteer in the dormant values of unused land?"

A tax assessed on the market price of unused land can

(4) All increase in the value of land arising from growth of population, or from the expenditure of public funds, would contribute to the revenue of the State. The "unfriendly act" of withholding land from use would cease to be a lucrative speculation. It would be a costly luxury.

(5) It would bring into use natural resources which are



NOT ASSESSED FOR TAXATION.

One acre of this land is worth many acres of the meadow land. It is not used because no one has seen his way to use it on the owner's terms.

never be passed on. The owners must use, lease, or sell, otherwise the tax must be paid from their private purse.

To some it may seem unfair to suggest that all property owners should be assessed for rates and taxes on not less than the current interest obtainable for the price of their land. Consider, however, that—

- (1) Man cannot live without using land.
- (2) The proposal would apply only to the value of land,

now unproductive. Hundreds of thousands of acres and much mineral wealth now unused would either become available for use at their current market value, or their owners would contribute their fair share towards the cost of Imperial Defence and the maintenance of law and order.

(6) Taxation on improvements, improvers, and producers would be automatically reduced.



NOT ASSESSED.

ASSESSED.

HEAVILY ASSESSED.

arising out of the needs of the people, and not to values produced by or on behalf of the owners.

(3) The legal owner would retain the absolute right to use, let, or sell his land. If, however, he would neither use, let, nor sell it at the price obtainable, he would be assessed for rates and taxes on the basis of the best price he could obtain for allowing his land to be used.

(7) If throughout our Empire we ceased to protect unused land as private property, except in return for the payment of adequate rates and taxes, it would be beyond the power of any man, or combination of men to give to land a monopoly value. Were all owners of land justly taxed, land would everywhere be available for use at its fair competitive price.

