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Editorial Offices:

11, TOTHILL STREET, LONDON, S.W.1.

All communications to be addressed to the Editor.

Telegrams: "Eulav, Vic, London."

Telephone: Victoria 7525.

DEFINITE FACTS AND DEFINITE REMEDIES

The following article gets first place in the April
issue of the LAND UNION JOURNAL:—

Our contemporary, LAND & LIBERTY, the official organ of the United Committee for the Taxation of Land Values, appears to be annoyed because the Land Union have issued a report calling attention to the grave state of agriculture, and in the debate on the Amendment to the Address, reported in our last issue, have called attention to the heavy burden of rates with which farmers are faced. It appears that the main objection is to the remedies which we advocate, for, as is well known, the United Committee have but one panacea for all the evils of rating and taxation, namely, that all rates and taxes should be levied upon some mythical land value. There is no doubt the supporters of this form of rating and taxation must be angered at the present time, for, notwithstanding all their efforts, the electors in the London County Council election can scarcely be said to have paid much attention to the candidates who in their election addresses advocated the rating of land values. It appears, however, that the land value taxers will never learn from experience. The fiasco of the 1909-10 Budget is known to all. That Budget has, happily, been repealed, and, as Mr. Chamberlain stated recently in his speech, even Mr. Lloyd George, the originator of that Budget, has nobly admitted that it has failed, and has consented to its abolition. The United Committee for the Taxation of Land Values, together with the Liberal Party and the Labour Party, still feel, however, that the public will listen to this theoretical scheme of raising revenue, for the two Parties named have in their official programme adopted resolutions including the reform of rating and taxation on a site value basis. It is always easy to put forward a plausible case for any theoretical scheme, and, provided one is not tied down to a definite system, one can always change the arguments, or, for that matter, adopt a system advocated to suit the particular audience being addressed. We venture to say that this is the case with supporters of the taxation and rating of land values. They have never yet produced in draft a Bill showing definitely what their scheme is. We venture to suggest that, if they wish to be taken seriously by the electorate, they would be well advised to publish a Bill showing in detail their system as applied to this country. The day of theories has gone: the public to-day demand definite facts and definite remedies. It is for this reason that we issued the Report on Agriculture to which the United Committee for the Taxation of Land Values take exception, and we suggest to our contemporaries that if, instead of attacking us, they were to devote their energies to obtaining some relief from the serious burden of imperial taxes and rates at present existing, they would deserve better of the public.

A correspondent and recent recruit among our readers has written us, "If you are right in saying that the Taxation of Land Values would cure unemployment, how is it that people who own estates and land are closing down, and allege they must do so owing to the heavy burden of taxation?" Our correspondent encloses with his letter a newspaper article setting forth the sorrowful experience

of a well-known landowner, who has suffered just so much reduction in his rent roll that he must shut at least one of his country residences, dismiss staff and retinue, and live with less ostentation until times improve. The case is not exceptional. There are other "distressed landlords," and their laments have achieved immense publicity in the Press ever since the repeal of the Corn Production Act and the slump in the prices of farm products. It is not possible for tenants to pay the rents they formerly could pay, or for owners to sell land at the prices that ruled during the boom. That is what the landlord as landowner has to contemplate, and for him "agricultural depression" has no other meaning.

Although the value of agricultural land has depreciated, the decline is not so great as the fall in the prices of farm products. Sir Henry Rew, a recognized authority on agriculture, recently pointed out that on an average, prices of farm products in January, 1921, were 186 per cent above the level of prices in 1913. This year they are only 79 per cent above that level. That being the case, prices this year are two-thirds of the prices that ruled last year, and if farming is to be carried on with no less difficulty now than twelve months ago, it would be necessary for the rent of land to fall at least in equal degree. But it has not done so. On that matter all the authorities are agreed. The present position of tenant farmers and of would-be cultivators of the land, whether farmers or small-holders, is that they are faced by demands on the part of the landlords that they cannot afford to pay in addition to all their other obligations. This is well understood by the agencies of the landlords themselves, who have been engaged these past six months in looking for some other measures or means, now that the Corn Production Act has been repealed, to assist farmers to pay their rents either by doles from the Treasury or by the device of a protective tariff, or by allowing them special privileges as taxpayers.

The present unemployment is closely bound up with the recent gamble in the value of land that has brought depression and the stoppage of production in its train. To avoid losing their homesteads thousands of farmers had to buy their holdings when prices were at the highest level, and, unable to pay cash, they had to borrow or leave most of the purchase money on mortgage. According to the latest agricultural returns, the number of holdings owned or mainly owned by occupiers increased from 48,665 in 1919 to 70,469 in 1921, showing that 21,804 occupiers became owners in that period. Taking 75 acres as the average area of each holding, the figures mean that something like 1,635,000 acres of excessively dear land have been bought by men who have now no chance to make good. The public purchase of land for settlement at extravagant cost has placed the new small holdings in precisely the same position. Serious loss and possible ruination face the victims of the land speculation that has been the natural outcome of the pseudo-reconstruction schemes of the present Government. In very truth, that reconstruction, so-called, was a landlord's game, played in this case against the would-be cultivators with loaded dice; and in agriculture alone, to name

one of the primary industries, with all its relationships to the secondary industries, it has spread destruction on all sides.

The official agricultural returns tell us that in the two years 1919-21, some 781,000 acres of arable land have gone out of cultivation, and that since 1913 nearly 1,000,000 acres have disappeared from the total area under crops and grass. If that is true, could an invading army have done greater havoc? Are not the figures tantamount to saying that fields have been laid waste, crops have been torn up by the roots and so many people have been exiled from the land? It is easily seen that if this process goes on, there will be more tales of "distressed landlords," with their rent rolls doubly diminished by taxation to support the unemployed and by the growing inability of the people still at work to make ends meet and so pay their rents. As the greater comprises the less, so wealth produced comprises rent. A possible way to eliminate landlordism is to bring production itself to an end. In that way landlordism surrendered with the downfall of every civilization of ancient times, remaining obstinately until the end of all things. "Great estates destroyed Italy" and land monopoly itself was overwhelmed in the devastation it had created. Indications are not wanting that modern civilization is travelling along the same road.

The landlords' remedy for the present agricultural depression is to fashion new weapons to uphold the power of monopoly. It is to seek more alms at the public expense and demand subsidies to maintain or increase the rent of land. Thus, we had the recent debate in the House of Commons calling upon the Government, and, apparently securing a pledge from the Government, to increase the grants given to local authorities under the Agricultural Rates Act, so that they can remit a still larger portion of the local rates levied on agricultural land. Friends and defenders of the landlord interests compile reports and memoranda on the state of agriculture, proclaiming that "if rural voters were in the majority" imported flour and imported barley would be taxed. They would maintain the Customs duty on sugar, and abolish the Excise duty, and so add a premium of some £50 per acre to the rent of beet-growing land without reducing the price of sugar to the consumer.

Can anyone pretend that the benefit of such measures would go to the farmer as farmer; that a protective tax on sugar would benefit the beet-grower as beet-grower? Whether the farmer is helped by doles to pay rates, or by tariffs to raise prices on the consumer, the gain would be to the landowner. All land suitable for beet-growing, whether actually used or not for that purpose, would rise in value and anyone who wished to grow beet would find that the price of permission to do so transferred the whole benefit of the tariff from him to the landlord. Reduce the rates on agricultural land, and transfer the burden to other industries, and every acre of ground that might be cultivated has something added to its price, leaving to the man who works on the land no greater return than before for his labour. These are the devices that hold the field in the name of a landlord policy to promote agriculture.

The Government gives way to this sinister agitation. It is ready to revise the Agricultural Rates Act in the interests of landlords; the Budget proposals, just announced, concede the protective tariff on sugar and all but abolish the farmer's income tax. These concessions will not stay with the farmer. They are intended to benefit, and will benefit only the farmer of the farmers—the owner of land.

The plausible schemes of the landlord friends of agriculture are based on the plausible theory that the land belongs to the landlords. We reject that theory, holding to the truth that as all have equal rights to life so all have equal rights to land. We propound the theory that the land belongs to the people. The value attaching to land as land (apart from improvements) is a public value. The wealth produced by capital and labour is the private property of those who produce it, but the landlord theory is that they can rightfully appropriate wealth they do not produce by charging rent for the use of land. It is only on land and from land that wealth can be produced at all; and in considering the production of wealth, of all the definite facts we come across none is more undeniable than land as such varies in value according to its situation and the opportunities it affords. The law of rent is no myth. It commands the respect of mankind. Consciously or unconsciously every one must recognize it, from those who willingly pay £100 a square foot for a site in the heart of London, to those who by experience know that 10s. an acre on some hillside is an excessive price for a foothold.

This public value attaching to land is a fact that no one can gainsay. Examination of the causes that give rise to it leads to the one conclusion, that the private appropriation of the rent of land is a deep-seated wrong; a wrong that permits some privileged persons to hold the natural resources of the country to ransom; a wrong that registers itself in the definite facts of poverty in the midst of abundance; unemployment, gruesome housing conditions and hardship for all who live by labour. The definite remedy for this wrong is to get rid of it as speedily as may be by asserting the common ownership of land, and on that principle, taking the rent of land in taxation for the use and benefit of the whole community. To put that proposition in the form of a Bill is a simple matter—once the self-evident principle is admitted that land value is a public value and can be as easily ascertained by the taxing authorities as it is recognized every day in every private transaction when land is rented or sold.

The policy we advocate will take suitable shape in practical and effective measures when a Reform Parliament again comes to St. Stephen's. Public sentiment is making and will make an irresistible demand for the imposition of a national tax and for the levy of local rates on the value of land, requiring contribution from every person interested in the value of land, whether it is used or not. The more that demand is rebuked or fought by the landed interests, the greater and quicker will be the steps taken to carry out the policy in its fullest measure, so that nothing shall remain of the burdens now imposed on production, exchange, enterprise and the earnings of industry.

The acclamation with which the Budget of 1909 was received showed that the public had our remedy

at heart and understood it well in all its implications. Something had been achieved in the provision to prepare a new valuation that separated the value of land from the value of buildings and improvements. The landed interests hated and feared the new legislation just on that account, but sought to demolish the whole structure in an attack on those ill-conceived and mischievous "land value" duties, that were never any part of our case. The futile politicians had thrown this sand into the machine and had no doubt intentionally obscured the great principle that led through valuation to the straight taxation and rating of land values. For a time our opponents struggled hard to confuse our policy with these "land value" duties and bring ridicule upon the valuation itself; but in that debate others have taken part to some purpose, and the significant fact that both the Liberal and the Labour Parties have placed the taxation of land values in clear terms in their official programmes, giving the matter more and more prominence, proves that the days of such confusion are numbered.

We welcome the importance attached by candidates at elections to the demand for this reform. It is a sign that they acknowledge a growing public sentiment, but unless they make their fight on the taxation of land values, our issue is not judged by the result. At the recent London County Council elections, the two candidates who stood for our policy and put it in the forefront were accorded a triumph. We can make our opponents a present of the London County Council contest. No one knows better than they do how, with the exception above stated, the taxation of land values was not the issue. It was mentioned once and then obliterated in purely parochial questions by the candidates themselves and their speakers. Enough to say that in recent times forty representative local authorities, with Manchester and Glasgow taking the lead, have by resolution requested powers from Parliament to adopt the rating of land values. Meanwhile we go on with our advancing campaign. The definite remedy we advocate that will set the pace for great and abiding social progress marches steadily to realization; and we will let the definite facts, chronicled regularly in the columns of LAND & LIBERTY, which no opposing organization can hope to refute, speak forth among all the unanswerable arguments for reform.

A. W. M.

The great thing would be that the reform I propose would tend to open opportunities to labour and enable men to provide employment for themselves. That is the great advantage. We should gain the enormous productive power that is going to waste all over the country, the power of idle hands that would gladly be at work. And that removed, then you would see wages begin to mount. It is not that every one would turn farmer, or every one build himself a house if he had an opportunity for doing so, but so many could, and would, as to relieve the pressure on the labour market and provide employment for all others. And as wages mounted to the higher levels, then you would see the productive power increased. The country where wages are high is the country of greatest productive power. Where wages are highest there will invention be most active; there will labour be most intelligent; there will be the greatest yield for the expenditure of exertion.—*Henry George in THE CRIME OF POVERTY.*

THE CONSPIRACY OF SILENCE

The National Liberal Federation Agenda for its Annual Council Meeting to be held at Blackpool 17th and 18th instant, set forth in the official 39th Annual Report, in pamphlet form of 24 pages, contains no reference whatever to the Taxation of Land Values. Resolution 6, on "Trade, Unemployment and Economy," states that what is wanted is full national productivity and "that this will be stimulated by the early adoption of industrial reforms." It is evident that the pro-landlord forces at Liberal headquarters, like the resources of civilization itself are not yet exhausted.

It is not enough to pass resolutions one year on the need for Land Value Taxation as a means to economic freedom and ignore it the next. Last year at Nottingham and Newcastle-on-Tyne the Liberal Federation put forward a fully worked-out plan for the Taxation of Land Values. Commenting on its soundness at the time the MANCHESTER GUARDIAN said it was more like a finished Act of Parliament than a draft political programme. The rank and file Liberals who stand for the reform, including those who are its recognised sponsors in the Party, hailed this declaration of principle as a turning point; and looked forward confidently to a publicity campaign directed by official headquarters. There is no sign of this in the Blackpool programme.

The Liberalism of the past was synonymous with individual liberty, the liberty to think and to vote on the basis of equal opportunity, but it is made to halt at the gateway of economic liberty. The landlord element in the party is still in the saddle and the official mind is bent in that direction. The gentlemen who represent this circle of passive resisters know very well the case for the Taxation of Land Values, and what is claimed for it as an instrument to open the door to real free trade and industrial betterment. They do not deny that the reform so consistently advocated by their ablest leader in modern times, Sir Henry Campbell Bannerman, will break down the monopoly barriers to social progress. They do not argue the case, they keep silent about it; it is not the silence that gives consent. But opinion on the need for opening up the natural opportunities in the land cannot be turned aside, and certainly not by the politicians who like to feel their own pulse when the storm is about their ears.

"In a recent visit to Muse Lane and Milton Lane, I found a family of five persons occupying a small, single apartment, measuring 13 feet by 8 feet 6 inches, for which they were paying 18s. per month, including rates. The cubic space in this apartment amounts to 994.5 feet, and the total floor area is 110.5 square feet. The tenant of this miserable hovel is, therefore, paying for his accommodation at the rate of nearly 2s. per annum per square foot of floor space. In our modern three-apartment house, with scullery and bathroom, the rate per square foot of floor space is about 1s. 1d. per annum."—*From a Report (issued last month) to the Glasgow Corporation by Mr. Peter Fyfe, Director of Housing for the City.*

Mr. J. A. Clark, Town Chamberlain of Stirling, has prepared a comprehensive table showing the local rates levied for the year 1921-22 in 202 Scottish burghs. The highest rated town is Findochty, where "owners' rates are 7s. 6½d. in the £ and occupiers' rates are 9s. 9½d.—total 17s. 4½d. The lowest levy is at Ballater, where the total is 5s. 6d. in the £, with "owners' and occupiers' rates at 2s. 4½d. and 3s. 1½d. respectively. The Glasgow figures are: "owners," 5s. 3.6d.; occupiers, 8s. 7.2d.; total, 13s. 10.8d. In Edinburgh the rates are: "owners," 2s. 10.2d.; occupiers, 6s. 1.6d.; total, 8s. 11.8d.