

LAND VALUES

Twenty-first Year. (Established June, 1894)

Monthly 1d. By Post 2s. per annum.

(United States and Canada, 50 cents.)

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"OUR POLICY"

"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.

THE WAR AND THE PROBLEM OF TAXATION

During the present so-called political truce, the supporters of privilege and monopoly have not been idle. They are having the field to themselves, not only in the maintenance of an insidious attack upon democracy, but also in being able to advocate unchallenged the most reactionary doctrines. Pretending to be non-partisan and to respect the opinions of opponents, most Conservative journals are day after day striking the dominant Conservative note of the vested interests. Institutions and ideas which have their sanction in political and economic iniquity will be grateful that strikes and disturbances during war-time have provoked the TIMES, in its issue of March 24th, to ultra-Tory declamation and the assertion that the working man has no sense of duty, that he has always been appealed to through his worst passions, that he pays no direct taxes although his income may be far higher than those who do, that he generally pays no rates, and that while relieved of the burdens of citizenship he is granted all its privileges and more. We doubt if the most insolent super-Junker in the Prussian Diet could improve on this language, but we may be grateful too that this attitude of mind has been revealed. Perhaps it will do something to remove the superstition of the catch-phrase "no political controversy," and warn people that the worst breach of the truce is the full licence given to aristocratic sentiment.

In the department of practical political activity the body known as the Tariff Commission has been busy. It has published a costly and voluminous document, ostensibly an investigation into the present state of British trade, but in effect a specious plea for a crushing protective tariff, heavy enough to produce 100 million pounds yearly in revenue—which is the Commission's

estimate of the normal increase in national expenditure after the war. This is, however, not the first sign of protectionist agitation; during the war the "Tariff Reform" scheme has been sedulously kept alive by hint and suggestion with all the art that the protectionist press can employ. But it is the best justification of the opinion we expressed months ago that the declared war on German trade would surely develop into a renewal of the fiscal controversy, and proves that protectionist manufacturers are not so much concerned after all about the capture of German markets abroad. They are out for greater spoils. Their intention is to deprive the British consumer of the measure of commercial liberty he at present enjoys, and under the banner of an anti-German crusade force the Government to erect a permanent customs barrier against foreign imports from all quarters.

The absurdity of this proposal, altogether apart from its gross injustice, is of course apparent; but the obvious taunt that a tariff cannot provide revenue and at the same time destroy foreign competition has been worn threadbare. While there is room for ridicule, those who use it in the Free Trade cause will be bound to be serious in their turn. They cannot expect a hearing unless they are prepared with some plan, consistent with their own doctrine even as some Free Traders interpret that doctrine, for meeting the tremendous expenditure incurred by the war; and how to set about the discharge of this account, without pulling industry up by the roots as a tariff would do, is the nation's immediate problem.

Some spokesmen of the Labour Party and some Liberal Ministers would adopt the line taken by the TIMES and abolish the workingman's exemption from the payment of direct taxes, although they could not get more than a fraction of war costs from that source, even if wage workers were to tolerate the attempt. Politicians, however, will not easily mislead the public by taking out of the hands of the statisticians the barren discussion as to the respective merits of "direct" and "indirect" taxes, which are so carefully tabulated as so much per cent. direct and so much per cent. indirect, and compared with similar ratios twenty-five or fifty years ago. British direct taxation, both for national and for local purposes, wants abolishing and not extension. As a tax upon industry and upon the price of commodities it deserves the same condemnation as the indirect tax, its rival in the economic text-books. Its effects have been consistently to increase the cost of living, to handicap the employment of labour and capital, and to make the price of access to land which is the source of all wealth a heavy exaction on the user and a valuable but unwarranted privilege to the owner. The tax on inhabited houses, for instance, and the local rates on the shopkeeper's premises or the smallholder's fields are "direct" taxes, but in what respect are they less harmful than the "indirect" taxes on tea and tobacco? The recent advance in the income tax,

a tax which is devised and thought to be based on the principle of "ability to pay," has demonstrated its real incidence in the numerous instances of increased house rents. In Glasgow the matter has become so serious that the Corporation has requested the Government to institute a special inquiry into the cause, while evictions have had to be handed over to the Sheriff's Court, where they can be dealt with more expeditiously than by the magistrates. The story of increased rents comes not alone from the towns; the same upward movement is going on in rural districts in response to the demand for land to grow crops. The price of vacant land and of uncultivated acres has naturally gone up in sympathy, and altogether landowners are in for a rich harvest. But the stiffening in the speculative value of land at this moment is nothing compared with what is likely to take place when business and trade are resumed after the war.

The latest revenue-raising experiments show what kind of an engine taxation is and what harm it can do when operated unjustly. To apply it with justice one need only take a square look at the nature and origin of economic rent, that "communal value," which belongs of right to all. Taxation falling on land values would have opposite results from taxation falling on industry. While its revenue producing capacity is limited only by the last pound of rent now appropriated to private use, long before that limit had been reached it would have the happy effect of destroying the monopoly which forestalls all the advantages of social progress and is the root cause of poverty and its allied problems. We are not advocating anything new or strange. The case for the taxation of land values has been before the country for long enough, and it is the one cause above all others which has repeatedly placed the present Government in power. The Government stood to its pledges by causing a valuation of the land to be made and so laying the foundation of the system, but there is special and particular work yet to be done before the valuation can be made suitable for instituting a tax on land values.

As it is the fashion to appeal to the Colonies, we might refer to what they are thinking in the matter. They, too, are exercised about the extra expenditure the war has entailed. In Ontario a war tax of one mil on the dollar (equivalent to about $\frac{1}{4}$ d. per £) has already been imposed on all assessable land within the Province, and it is estimated to yield £360,000. The expenditure on the war up to the present has been £200,000. In Western Canada during the past few months the farmers of Manitoba, Alberta and Saskatchewan have been holding their representative annual conventions, which speak for the great bulk of the population in these territories, and on each occasion a unanimous resolution has been passed demanding the taxation of land values, both for urban and rural purposes. The movement is one of the most significant developments in Canadian politics. In the Transvaal, the dominant party in the Provincial Council has pledged itself to oppose any taxation to

make up a deficit except the taxation of land values. In South Australia this year's State election is being fought by the Labour Party on proposals for a direct tax on all land values in place of the graduated tax. In Australia the federal land values tax, increased this year to produce a million more in revenue, is an accepted thing, as are the distinct State land values taxes in Victoria and Tasmania. New Zealand also derives much of its revenues from land values, although its taxes, like the Australian, are vitiated by graduations and exemptions. This in brief is the precedent offered by the Colonies, to say nothing of all that has been done to place local taxation on land values, and we may well ask ourselves if we are to lag behind in all this splendid endeavour.

With valuation accomplished, the mission of the Liberal Party is clear, for the land question will come up for immediate settlement. Especially will their hands be forced when all the men at present absent from field, workshop, and factory return to knock at the door for a livelihood. They will come back to find monopoly and privilege still further entrenched unless measures are taken to make land withholding impossible. The Government, too, will find the reports of the Land Inquiry Committee staring them in the face, and the pledge of the Chancellor of the Exchequer at Glasgow on February 4th, 1914, awaiting fulfilment.—A.W.M.

TWENTY-FIRST ANNIVERSARY OF "LAND VALUES."

The June issue of "Land Values" 1915 marks the coming-of-age of the monthly journal of the British movement for the Taxation of Land Values. By a curious and almost unpardonable blunder we previously announced the event as occurring in June 1914. But this time there is no mistake; the journal was first issued in June 1894, and June 1915 will see its twenty-first birthday.

There have been several taking suggestions as to how we ought to celebrate the event, but this unhappy war and its sad circumstances is the great overshadowing subject of all our immediate thoughts and aspirations. But this war will end, and we must maintain our war against social injustice. For this purpose it is recognised by friend and foe alike that "Land Values" is our most effective agent.

Of the suggestions made to mark the twenty-one years' service the paper has given the movement we select two for consideration and approval: (1) the issue in June of a special number, and (2) the provision of additional facilities for those who care to undertake during the year to send us at least one additional regular reader.

This second object we propose to facilitate by the sale of subscription cards. These cards will appear in the form of a stamped postcard, and will cost 2s. each. The purchaser simply sells the card (there is no limit to the number available) to his friend and potential new reader, who in turn writes his name and address in the space provided for the purpose and drops the card into the nearest letter box. We do the rest by posting the paper each month to our new and welcome subscriber.

What we want now, as all through the past twenty-one years, is new subscribers.