

LAND & LIBERTY

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THE BUDGET AND ITS LESSONS

Those who looked for a reactionary Budget from Mr. Churchill have had their expectations fully realised. It is in its main features but a continuation or an extension of last year's performance. In respect of its attack on the Free Trade principle it is the same old rake's progress to Protection which in former years he so cleverly exposed and ridiculed. To-day he brings his tariffs forward with lip service to the theory of Free Trade. He is the kind of free trader "in theory" who accounted for the vicious McKenna Duties, a war-time concession to the Protectionists that had not been called for, as the late Mr. Bonar Law, the chief of Tariff Reformers, afterwards confessed. The Chancellor of the Exchequer in 1926 can only resolve to extend the practice. Here is what he said sixteen years ago in the Free Trade Hall, Manchester:—

You could not find a better object lesson either for the defence of free trade or for the justification of land reform than the Manchester Ship Canal. It is a channel to enable foreign goods to be imported cheaply into this country, it is a tube to bring dumping into the very heart of our national life; and you have built it, you have built this canal yourselves, you have built it at great cost, you have dragged the Trojan horse within your own walls, and you have thrived upon it. The Manchester Ship Canal has been an enormous stimulus to the trade and prosperity of Manchester and Lancashire, and nobody denies, nobody can deny it. What kind of fools are those who come to us and say that, when we have spent so much money in building a canal and making foreign goods cheap on the Manchester market, we should spend more money on Custom House officers and Custom House buildings in order to make them dear again. These arguments are not only against reason and logic, they are against nature.

This ruthless examination of the case for Protection touched high-water mark in the controversy, the last great battle on the subject in our politics. It showed, in Mr. Churchill's own words, how Free Trade and Free Land stood together with Richard Cobden and Henry George. It rang round the country and round the globe as the death-knell of Tariff Reform. Statesmen looked fearfully at its implications and journalists sharpened their pencils in readiness to sketch the future of this bold and confident apostle of a new crusade. Alas! for their high expectations and subsequent disappointment.

There is just one more vivid stroke from this outstanding utterance worth mention. To very many it was a pronouncement that marked the speaker as an untrammelled student of natural law in social life; a coming leader of economic democracy, one who would go fast and far with the stream of events making for a new epoch in industrial and social life. This further declaration was as follows:—

Every nation has its own way of doing things; every nation has its own successes and its own failures in particular lines. All over Europe you have a system of land tenure far superior, socially, economically, politically to ours. But the benefits of these superior land systems are largely, if not entirely, taken away by the grinding tariffs on food and the necessaries of life. Here in England we have long enjoyed the blessings of free trade and of untaxed bread and meat; but, on the other hand, we had to set against these inestimable boons a vicious and unreformed system of land tenure. In no great country in the civilized world, in no great country in the New or the Old World, have the working classes yet secured the advantages of both free trade and of free land, by which I mean a commercial system and a land system, which so far as possible, the element of monopoly is rigorously excluded.

Mr. Churchill proved his capacity for navigating us through the Manchester Ship Canal but outside in the open sea he could not weather the storm. There he had his own way of doing things. As Campbell-Bannerman said in 1906, of another distinguished politician (Lord Balfour) "in theory" a Free Trader, the course taken had fatal consequences to all on board, but to the credit of the captain he went down with the ship. Verily the Budgets of 1925 and 1926 teach the lesson: Put not your trust in princes nor in men's sons.

There are some discerning politicians who affect the belief that an uninstructed electorate are, as a rule, more given to desert their leaders than the leaders are to abandon the teaching that brought them to place and power with so much popular approval. But in the case of the Chancellor of the Exchequer they must surely revise their opinion. If it be urged that one swallow does not make a summer the answer is that Mr. Churchill is only one of many swallows, as witness the recent right-about-face in the matter of the Liberal land policy. If the need for political preferment inclines political leaders to champion policies they formerly opposed they cannot very well be classed with those who prefer principle and retirement to personal ascendancy. The straightforward politician may require to abandon hope of preferment in his desire to instruct the public opinion of his day; or, having gained a place in the sun, he may sacrifice it, rather than play the turncoat. But in this manly attitude he is not without reward, for in a democratic State, where the people are free to make a Parliament, the final word is with public opinion.

There is nothing in the Budget calculated to excite more than a passing display of no great importance in the Press, and the usual depressing talk at the clubs. It is over-shadowed by a recrudescence of the Coal Crisis. During the month the Coal Commission Report has been turned inside

out and upside down but nothing has come of it. The Spirit of Locarno has suffered an eclipse and there is little hope of its reappearance in the mining industry unless it brings to the altar the usual financial offerings.

As we go to press we learn that the negotiations for a peaceful settlement have broken down and a million miners are on strike. The miners and the mine-owners, the WESTMINSTER GAZETTE has been told by a member of the miners' executive, have to the present been "playing for position," and there can be little solution of the difficulty without a continuation of State assistance. The Minister of Health in the Labour administration, Mr. John Wheatley, referring to the problem at Edinburgh, 24th April, said:—

The subsidy is the intelligent way out of our difficulty. It means taking from the surplus wealth of the country an amount sufficient to maintain in a decent standard of living the workers engaged in one of the essential industries of the country. I have always said that the Conservatives blundered or were forced into doing the right thing by that wonderful display of Labour solidarity that confronted them last July.

Mr. Wheatley is wrong, the Conservatives did not blunder into the subsidy for the first time last July. They deliberately stepped into it in the Agricultural Rates Act in 1896, and again in 1923. This method of keeping the agricultural industry on its feet has since cost the taxpayers many millions of pounds; in the last five years no less than £30,000,000. Next we have the Corn Production Act, the Housing subsidy, the Sugar beet subsidy, to say nothing of the millions given to make new roads, designed to absorb the unemployed and, in Mr. Snowden's words, "enrich some landowners beyond the dreams of avarice."

How far astray Mr. Wheatley is on the merits of the subsidy as a lever to maintain a decent standard of living for the workers would take a lecture on economic analysis to explain. Our Labour leader is a breaker of images with more than usual disrespect for the law of rent and its corollary, the law of wages. The subsidy does not mean taking the surplus wealth of the country. The country has no surplus wealth, as the Budget for the year reveals. What our ex-Minister of Health means is the surplus wealth of the rich; and if he would only stop and ask himself the question why it is that the rich become richer and the poor no better off with every issue of his debased currency, he might find out the folly of it, or perhaps his public would discover what he is really driving at.

If there had been anything in this form of relief agriculture and the other industries affected would now be in a flourishing condition, unemployment a thing of the past and wages equal at least to the necessaries of life. But the unemployed by the million are still in evidence; the subsidy plunder in its incidence has passed them by and instead of a tax on land values the Government offers a tax on betting!

The new name for the subsidy is an accommodation, but however it be named it is a confession of

industrial and political bankruptcy, a sign of decadence sufficient in itself to paralyse the energies of those who really strive for security and a better understanding all round. In the circumstances the parties to the coal dispute have done their utmost to achieve a satisfactory settlement. But it is the circumstances that must be altered if strikes are to give place to the Locarno ethic. The calamity that is upon us is not particular to the mining industry and any accommodation that pays no heed to the condition of industry in general is mere pretence to tide over the day of reckoning. The cry is: Let us put the coal industry right, otherwise industry as a whole must suffer. The answer is that the economic symptoms of coal-getting, with all its political trappings and financial supports, are kin to all industry and that relief will come when the exactions of the dead hand are removed, not before.

There are Labour leaders and others apparently out to make their own economic laws who tell their followers and the public at large that a living wage is to be found in better organization, in transport and such like improvement. There is nothing in this contention if the achievements of half a century are to enter into the argument. The wages of labour are not determined by efficiency. They are determined by the number of labourers seeking employment in relation to the opportunities available. The new openings are everywhere in abundance in field, mine, and urban district and the Taxation of Land Values will set them free so to raise wages and better the condition of industry all round.

Politicians, preachers of righteousness in the abstract, captains of industry, labour leaders, and philanthropists are loudly calling and humbly pleading for a better understanding between Capital and Labour. It is the empty jargon of the day which at best betrays an innocence of the economic tyranny that dictates to the workers of all classes the terms on which they will be permitted to work.

There are those who wax eloquent over the sentiment that what is required is a change of heart, defined as something that will find expression in working not for one's own selfish end, but for the common advantage. The short answer to this moonshine is that the unemployed are ready to work for themselves, or for anyone else, the common weal not excepted. Such verbosity is an insult to intelligence and those who indulge in it should try to learn the lesson that metaphorical language does not help in any economic or scientific discussion. The unemployed are naturally not on friendly relationship with a State or a common weal that refuses to release them from the bondage of monopoly. Their unhappy position is not due to any quarrel between Capital and Labour, and what quarrelling there is comes of a perpetual scramble for what is left after the non-producer has taken his share.

The growing unrest of the mass of the people both at home and abroad is but another name for economic injustice, and the Budget can only enlarge the disturbance that stands athwart the course to security and public safety. The mass of the people been promised a change for the better and received

have nothing, so far, but the regularization of their poverty-stricken condition. This is the work of the politicians, and the further they proceed on such Fabian lines things get worse instead of better.

What is the good of profit sharing and co-partnership in industry until we first make certain that the land monopolist will not rake off the surplus? It is worse than folly, it is a mockery of intelligence to lecture Capital and Labour on the need for more energy in production, while the opportunities are held out of use at ransom prices. Our democratic leaders, if they are to accomplish anything worth while, must retrace their steps and get back to the principle of radical land reform. As Sir John Simon would say, they have been playing a "mug's game." It is so, and in cold isolation they are paying for it.

The threat of universal disaster is something more than mere talk. The storm is brewing, and as Henry George aptly says:—

When a gale sets him on a lee shore, the seaman must make sail, even at the risk of having his canvas fly from the bolt-ropes and his masts go by the board. The dangers of wind and sea urge him to make everything snug as may be, aloft and aloft; to get rid of anything that might diminish the weatherly qualities of his ship, and to send his best helmsman to the wheel—not to supinely accept the certain destruction of the rocks.

If we would help to revive and promote industry it must be at the expense of monopoly. The Taxation of Land Values we are told by many who accept the principle may not be applied to agricultural land; but where building land ends and agricultural land begins is their problem. Within urban areas there are millions of acres put to agricultural use, yet when any portion of this expansive territory is wanted for buildings or improvement of any kind up goes the price; and the penalizing rates follow the improvement—the certain rewards of industry and enterprise.

The alternative to our way out into the open spaces is but to harden Pharaoh's heart. It is the lesson of the financial support already given to agricultural land; it is what all subsidies and land purchase schemes engender, and until an approach is made on the lines we advocate signs of economic convalescence are spurious and deceptive to a degree. The example of Denmark is one more striking appeal in support of a Budget tax on the value of all land, together with the local rating of land values, in both town and country. This is the way rigorously to free the land from the element of monopoly, and to put new life and vigour into the "object lesson" of the Manchester Ship Canal. J. P.

We keep up the roads and the lighting is paid for out of the rates. These and other improvements we make increase the value of the land; the people pay for improvements, the landowner claims and gets a higher return. We are taxed twice over—once to pay for the improvements and again in higher rents. The Taxation of Land Values will free the land from the shackles that now bind it and give free play to the natural progressive character of our British trade and commerce.—*George Lamb.*

A Free Copy of "Land & Liberty" is an Invitation to become a Subscriber. Monthly 3d.; by Post 4s. per Annum.

"NOVEL AND UNWORKABLE"

The LAND UNION JOURNAL for March (the journal of the landlords organized to oppose the Taxation of Land Values in this country) commenting on the new Liberal Land programme has this to say:—

Now, whatever may be said against the policy for the Taxation of Land Values set out in careful detail by the late Mr. Henry George in his famous treatise, PROGRESS AND POVERTY, at all events that policy, although based on theory, was intelligible. Further, when Mr. Lloyd George in 1909-10 produced a system of Land Value Taxation which proved to be a failure, one of the chief arguments brought forward by the Land Taxers in explaining this state of affairs, was that any departure from the proposals of Mr. Henry George must end in disaster, and one must either have his complete scheme or nothing. The Liberal Party, however, now appears to think otherwise, and has again thrown over Mr. Henry George, and intends to go forward "as one man" on a campaign to induce the country to support a novel, and we may add unworkable, system for the Taxation of Land Values.

The "complete scheme" the land taxers stood for in 1909-10 was not a beginning on straightforward land value lines. The irrational and hopeless scheme of the notorious Finance Act was supported by the land taxers because it carried the promise of land valuation. Until that fundamental provision is made good a tax or a rate on land values is in the air. It is not true, and no one knows this better than the Land Union, that Mr. Lloyd George in 1909-10 produced a system of Land Value Taxation. Then as now it was a "novel and unworkable system" that was put forward and contained within itself the seeds of its own dissolution. In 1914, valuation of the land was all but completed, but the war gave the friends of the Land Union their chance and they turbulently put it to rest. With Land Valuation it is clear to all, in the light of what has been accomplished in Australia, in Denmark and elsewhere, that the rating of land values would by this time have bettered housing conditions as nothing else can. It is no satisfaction to the land taxers to recognize how the misguided members of the Land Union have since paid for their folly, along with the rest of the taxpayers, in the cost of unworkable schemes, and levies for the benefit of the unemployed.

The arbitrator's award in connection with the Manchester Corporation's acquisition of land at Withington has been given. The original claim made on behalf of Lord Egerton for 42 acres was £25,562 14s., while the expert witness for the Corporation estimated the value at £15,000, after deducting the capital value of the tithe rent charge. An offer of £18,000 by the Corporation, and costs, had been declined. The award is for £17,900, with £200 towards the costs of Lord Egerton and £147 as costs of the award, which works out at approximately £430 an acre.

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