



LAND & LIBERTY

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THE MENACE OF PRIVILEGE

But all other monopolies are trivial in extent as compared with the monopoly of land. And the value of land expressing a monopoly, pure and simple, is in every respect fitted for taxation. That is to say, while the value of a railroad or telegraph line, the price of gas or of a patent medicine, may express the price of monopoly, it also expresses the exertion of labour and capital; but the value of land, or economic rent, as we have seen, is in no part made up from these factors, and expresses nothing but the advantage of appropriation. Taxes levied upon the value of land cannot check production in the slightest degree, until they exceed rent, or the value of land taken annually, for unlike taxes upon commodities or exchange, or capital, or any of the tools or processes of production, they do not bear upon production. The value of land does not express the reward of production, as does the value of crops, of cattle, of buildings, or any of the things which are styled personal property and improvements.

Taxes on the value of land not only do not check production, as do most other taxes, but they tend to increase production by destroying speculative rent. How speculative rent checks production may be seen not only in the valuable land withheld from use, but in the paroxysms of industrial depression which, originating in the speculative advance in land values, propagate themselves over the whole civilized world, everywhere paralyzing industry, and causing more waste and probably more suffering than would a general war.—*Progress and Poverty*, VIII., Chap. III.

In the current topics of the day the League of Nations and the high hopes it envisaged of International peace and friendship enjoy a full share of public discussion. The League was fashioned for peace and progress and the idea firmly held by its votaries was that the main road to the goal lay through general disarmament. The age-long superstition that to keep the peace a nation must be prepared for war was rudely shaken in 1914, but at the Peace at Versailles five years later it revived again and its triumph in 1927 is openly and fearfully admitted.

The question of the mechanism of War and the burden it imposes on industry and commerce is now referred to the Nationals concerned, which goes to show that the prime fallacy underlying the very conception of this new instrument was that it could possess more wisdom than its component parts. But what can any nation hope to see accomplished in any international discussion, outside its own conventions? It is not within the province or the power of the League of Nations to bring order out of chaos, if the nations themselves are not first of all prepared for the deliverance. In the official recognition of this truth we can agree that an important elevation has been reached in the upward trend of thought on the subject.

In his letter of resignation to the Prime Minister Lord Cecil says:—

"I cannot conceal from myself that on the broad policy of disarmament the majority of the Cabinet and I are not really agreed. . . . What of the future? I look back on the refusal to accept the Treaty of Mutual Assistance, the unconditional rejection of the Protocol, the Ministerial declaration against compulsory arbitration, the partial failure of the Preparatory Commission, and now the breakdown of the Three-Power Conference. An advance in the direction first of security, then of arbitration, lastly of disarmament itself has been tried, and in each case has made little or no progress. In each case the policy I advocated has been more or less completely over-ruled."

This is a damaging blow at the Locarno spirit, but it could not be otherwise, for the existing constitution of society is rooted in an economic injustice that everywhere keeps men and nations apart. It becomes clear that it is no more possible for the League of Nations to achieve its purpose without first bringing down the tariff walls of Europe than it is for the Government at home to solve the housing problem, without first dealing with land monopoly and freeing houses from the oppressive burden of the rates.

In failing to patch up a truce with the United States Naval Experts the British Government has come to a standstill on the question and the Foreign Secretary, fresh from Geneva, calls upon his countrymen (London, 27th October) "to decide in their own minds and declare exactly what commitments they are ready to undertake, what obligations they are prepared to assume, and what means they require in order to fulfil them." It is the voice of a puzzled if not a bankrupt statesmanship. Well may Lord Cecil ask: What of the future?

The instruction the public mind requires is something that would, in Cobden's burning words, show the people how they are being bamboozled and cheated by the existing land system. Its unmitigated cruelty is the bottom cause of all the mischief. Society is groaning under a load of debt, unemployment continues to undermine character, and in the clash of opinion it is not given to many with the critical and reflective mind to observe a cheerful outlook. Peace in industry is eagerly and earnestly sought but its chief spokesmen, unmindful of the common brotherhood principle at Geneva, plead for an efficiency that only means the ousting of the "foreigner"

from the neutral market. The foreigner plays the same game and as he succeeds the Protectionists prepare for the erection of another tariff wall. Industrial efficiency is no substitute for economic stability. If that were not so, the engineer, the inventor and the organizer would long since have left the politician with little or nothing to do, except perhaps to direct the traffic.

Notwithstanding the struggle to keep industry on its feet there is evidence everywhere of surplus wealth and in some quarters this is regarded as proper spoil for an adequate extension of the social services. But the more the rich are taxed the greater becomes the disparity between rich and poor. Such taxation is passed on to the consumer in higher prices and poverty deepens. In this generation the income tax has risen from 7d. in the £ to 4s. 6d. in the £ and to 10s. in the £ or more in the case of super incomes. It is a kind of rake's progress in the field of finance. As the money is appropriated the working classes by the million have been driven below the subsistence level, unable to keep a roof above their heads. We are not contending that the State may not look for money where it is to be found; we are merely pointing to the fact that this plan of collecting public revenue, to be spent again in the hope of raising the standard of comfort of the man at the margin, is thoroughly discredited. As we read the platform speeches in support of the pursuit of this will-o'-the-wisp, with the Press comments on the underlying fallacies of the case, the impression comes that nothing but a miracle can save the situation.

And how is the miracle to be worked? Only by a recognition of the elementary truth taught by the masters of Political Economy that taxes on economic rent do not lessen the production of wealth and that taxes on manufactures and commerce do; and further that speculation in the natural resources of the earth is the prime cause of industrial and social distress. As Pope Leo XIII has it in his Encyclical on *The Condition of Labour*: "Nature owes to man a storehouse for the daily supply of his needs and this she has given him in the inexhaustible resources of the soil." This beneficence holds good to-day as when man first learned how to handle the spade and the plough so to develop a settled and civilized state.

The question is not how much money a man has, but how did he come by it? If by honest industry, he can safely be left with the fruits of his own exertion, for the more he produces the better it will be for the community as a whole; if by monopoly, it cannot safely be left in his hands, for the more he gets the worse it is for the community.

With all our unparalleled advance why is it that the mass of mankind cannot be left unmolested in the enjoyment of the produce of their labour? The answer is that the cause of their oppression is the cause that deprives them of their birthright in the land. As Rousseau exclaims—"The first person who enclosed a piece of land and bethought himself to say 'This is mine' and found people

of our social system. What crimes, wars, murders, what miseries and horrors would have been spared to mankind, if somebody had torn down the stakes or filled up the ditch, and had warned his fellows, 'Beware of listening to this impostor; you are lost if you forget that the produce is for all, and the earth for no one'."

The Taxation of Land Values will tear down the stakes; the taxation of wealth will leave them standing, ditches as well. The Taxation of Land Values will not take from the producer, it will prevent the non-producer from levying toll on industry and enterprise. There is no guarantee given that it will of itself solve every social problem; the claim is that without this salutary reform industry must remain in bondage to monopoly.

Unless Parliament works in harmony with natural law in social life it can only weaken and ultimately destroy the civilization it seeks to serve. The open spaces of Canada for the boys and girls that come daily from our schools in search of a place to earn an honest living, means, if it means anything, that except at a price the open spaces of their native land are not for them. They can have the vote at 21; but for a piece of ground on which to build a home of their own they must cross the sea. How long do the politicians who defend this one-sided arrangement expect it to survive? While it lasts gaunt poverty will have its say in the argument and play its part in the gathering forces that are not slowly making for a political upheaval of one sort or another.

Full political freedom has now been won and the mass of people everywhere and in all circles are asking, what next? In the wide and ever widening field of human desire there are many things to remedy but the problems of industry, of work and wages, overshadow all other strivings. And this is as it must be, for the intellectual and the spiritual life of man is based on his animal nature. Food, clothing, and shelter are the primary necessities of life, and the bigger the struggle for these "daily needs" the less mental energy there is for higher aims. The struggle for these material satisfactions is not with nature but with the law and practice that withholds land from use.

The much talked of partnership between capital and labour, between employer and employed, is, as things are, a mere platform gesture quite unrelated to the teaching of political economy. Yet with land monopoly out of the way there would be nothing wanting in this good intention but the will to peace and progress. Population, industry, enterprise, public expenditure and good government can only enhance the value of land and speculation in this increment is the check to new production. The Taxation of Land Values will make an end of it and so open up the road to the solution of the bigger problems of our day and generation.

J.P.

The Labour Question. An Abridgment of "The Condition of Labour" by Henry George. Harry Llewelyn Davies Memorial Edition. Price 2d. (Postage 1d.)