

Landlordism is the same thing, it has the same instincts and appetites, in the country and in the town. There is no institution so powerful. It is the citadel of privilege from which attacks on the community are launched. Ten thousand farmers have lost their capital through its operation in the last ten years. They have been made owners of land, and with the instinct bred by their new position they are not only opposed to the dissolution of the system which has injured them, they are insatiable in their demands to be compensated by being allowed to prey on the community by means of tariffs, subsidies, remissions of rates and taxes. The Land Scheme misjudges the character of landlordism, gives a wrong verdict on its deserts and under-estimates its power. Railway companies, municipalities, county councils and governments have met it a thousand times and have been worsted and crippled. The proposals in the scheme seem to offer it the finest opportunity it has ever had.

Liberalism has always had the duty of defending the community and its weaker members against the exactions and oppression of unduly powerful sections. In 1910 the country affirmed and re-affirmed its wish that landlordism should be weakened and subdued. That was its mandate, its expectation and hope. It was mocked and deceived. The taxes were framed to meet the views of landlordism and not of Liberalism. They were whittled down to futility and ridiculousness. There was the taking of the future increment which would always be a fraction of what admittedly belonged to the community. There was an apology for taking a fraction of this fraction. If the whole of this increment fraction had been taken, the problem with which the Land Report professes to be chiefly concerned would not have arisen. There would have been little incentive to sell estates if the war increase in land values had been diverted to the Exchequer. The resumption of its proper functions and rights by the State even to this extent would have averted a disastrous result; the steady and progressive resumption of such rights and functions will make easy the solution of many baffling problems. The Tories and their privileged friends attach importance to the rating question in agriculture. They vote repeated remissions of rates and taxes on agricultural land on no principle. The new Liberals treat it as of no importance, and refuse to put forward the only form of rating which will give relief where relief is due. We trust the judgment and sense of those who thus buttress and fortify privilege.

The community expects more from Liberalism than it received in 1910, much more than apologetic reports, so careful of the interests of landlordism and so ready to give away the uncontested rights of the community, which ignores the existence of a valuation made for the community, and the machinery by which a valuation alone can be made. The Liberal leaders can play the timid part again; they can shrink from facing and destroying this vicious principle of landlordism; they may give way before the threats of privileged men who say that they will not perform any of the legitimate and generous functions associated with their position,

if they are deprived of powers which ought never to have belonged to them; they can propose to flood away opposition by endless sums of money which will cripple the country; they can erect elaborate bureaucratic machinery in the counties instead of using the valuation department to give full expression to local knowledge and local feeling. If they do these things they will betray Liberalism once more and fall once more.

BETA.

## DEPRESSED AGRICULTURE AND THE REMEDY

Let me repeat, the vampire which sucks all the blood left in farming after everything has been done for it which can be done is the high and rising price of land. . . . What will cure agriculture of its diseases, therefore, is a state of things in which good land will be once more cheap, so that a poor man can own it, and in which everything done by or for the farmers will not at once curse them with high land values and increased rents.

The first necessary of life is land. It comes before even such things as food and shelter, for we can not have either of these without access to land. The grossest error of mankind is the thought that high land values mean good to man. We fall into that destructive mistake, because with land monopolized, all good to man is reflected in increasing land values. The high price of our land, however, comes from the good to humanity, and not the good to humanity from the land values. This is a fundamental distinction.

We shall go on from bad to worse if we can not make land cheap once more. Our good cheap land is gone. Our problem is to get it back again, in city and country. We shall get it back if society is destroyed, but it will do nobody any good in that case.

The land can be made available to all in but two ways: by land nationalization, and by the State thus becoming the universal landlord, or by taxation so levied as to relieve of taxation every form of property except land values.

I do not believe in land nationalization. Yet that is just the scheme which is easiest put across by bungling politicians, and faint-hearted or corrupt ones, struggling with mere poultices on the ulcer they are called upon to treat. . . . Land nationalization, as it would have to be carried out under American institutions, would not work. For the land would have to be paid for in taxation, and the resultant burden of taxation would be as hard to bear as the burden of rent it would replace. The mere proposal to buy all the land and place it in the hands of users of land would excite just ridicule.

On the other hand, the imposition of all taxation on the value of the bare land exclusive of improvements is something which could be done without any basic changes in our institutions.

It would cheapen land and make it a thing which the workers could afford to use; for it would make the value of the improvements the measure of the purchase price. It would make no change in titles. Land would be sold, inherited and passed from hand to hand just as now.

This latter method would relieve from taxation the buildings of the farmer, his machinery, his money in bank, his fences, his crops, his orchards, his income, his improvements through drainage, his fertilization, everything which he has, except the value of his bare land. This value would be absorbed year by year

in a land-value tax. It would make land cheap; for under such conditions nobody would buy farm land—or any other for that matter—for speculation. No increase in population or progress in the arts and sciences would make the land more valuable for sale for the increased value would always be absorbed by taxation. The increased value conferred by society would be taken by society annually in the form of a tax.

It would rest hardest on the least highly-improved desirable lands. Whenever a farmer had so far built up his fertility, his improvements, his equipment, his livestock and his personal property generally, as to make it of more value than his bare land—which is economically his best agricultural policy—his taxes would be lower under this system than under the present scheme. He could not sell his land for any more than the improvements would be worth, if the tax were made equal to the annual rental of the bare land—but the selling price would be as adequate to the purchase of a new home as the higher price he gets under our present policy.

As a matter of fact, the great mass of land values is in and adjacent to cities, and in great mining regions. These lands should be made cheap, too. The tribute levied on industry, commerce and manufacturing by urban land values is vastly greater than that imposed by farm-land values. Land monopoly restricts the building of homes in cities and towns. It takes from the merchant such profits as it does not force into the cost of living. It holds in the dead hand of the speculator the sites of factories. It adds to the price of fuel and of almost everything the manufacturer uses in the way of raw material. It acts to decrease the opportunity of the labourer to exert productive work whether for himself or for the employers who are handicapped all the time by the barriers between them and sites for factories, or their raw material; and it tends in city as in country to absorb everything which the labourer earns above a mere living; and it forces that mere living down to a lower and lower level save as he can protect himself through his unions. And these values do not in ultimate justice belong to the owners. They have not produced them. Society has produced them, and they belong to society.

Compared with what will almost certainly come upon us in a generation or so if this taxation plan is not adopted, it is truly conservative. It conserves what is good and destroys what is bad. It takes from you, Mr. Conservative Citizen, nothing which individual enterprise or labour has created, but only what society as a whole has produced—the unearned increment of land values.

It would make useless and unnecessary most of all of our taxes on improvements, on personal property, on goods in commerce, and on incomes. Perhaps all of them: anyhow most of them. We should have to wait to see whether or not economic rents would amount to all the revenues of all kinds which we require; but it would at once, in the enormous impulse which would be given to improvements, create a new era of prosperity, the benefits of which to most of the conservative citizens would be vastly greater than their profits, present or prospective, from the value of the bare land.—

*From THE REAL TROUBLE WITH THE FARMERS, by Herbert Quick.*

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## MR. ARTHUR HENDERSON, M.P.

### On Labour Policy

(Speaking at Queensbury, Bradford, 18th January)

Labour believed that the whole of the land, together with the minerals beneath its surface, should belong to the people, and, pending the accomplishment of Public Ownership, it was determined to tax Land Values as a means of breaking the monopoly that at present permitted landlords to hold industry and the community at large to ransom.

It stood for the re-establishment of the Land Valuation Department. The proper functioning of this Department would enable a reliable valuation to be taken of all the land and minerals in the country, and on this there should immediately be imposed a levy, both for national and local revenue purposes.

To assist the National Exchequer, and to enable it to reduce taxation in other directions, there should be imposed a flat rate land tax, beginning at 1d. in the £, but subsequently increasing on the full unimproved capital value of all the land.

Local Authorities, on the other hand, should be allowed to levy rates on Land Values, either in addition to, or in partial or complete substitution for, the rates which they imposed under the present system.

Productive industry would thus be relieved, and the ground landlord would be made to bear the burden which he shirked to-day.

By taxing land values in this manner the economic rent would be collected for the community, to whom in reality it belongs.

Further, the fact that the landlord would be taxed in respect of his land, whether he allowed it to be used or not, would encourage him to see it was put to the most profitable use possible, and not left idle, as was the case with hundreds of thousands of acres of good land to-day.

Finally, the acquisition of land by public authorities would be considerably facilitated, for the owner would not be able to rob the taxpayers or ratepayers by holding out for anything in excess of the price as shown by the official valuation.

The value which he showed for tax assessment purposes would be the value which he received when the State or the local Council was ready to transfer his land to public ownership.

And, as the money for these public purchases would be provided out of the revenue raised from the Taxation and Rating of Land Values, the people themselves would ultimately come into their rightful heritage as the owners of all the land in the country, without pensioning the landlords at the expense of the rest of the community—the course which Mr. Lloyd George seemed to prefer.

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It is interesting to note that Mr. Henderson has modified the Labour Party's official "Liverpool" declaration, where he suggests that when land is acquired by public authorities (or as he also states it "is transferred to public ownership," which, of course, happens in the case of every public park or school site) the price paid would be the assessed value and the money for these public purchases would be provided from the revenue raised by land value taxation. That is a very different thing from the policy of the "Liverpool" resolutions, which held that the land ought to be bought wholesale and ultimately nationalized, the funds for the purpose being got by land value taxation, thus simply converting the landlords into bondholders and making impossible the remission of taxes on industry.