

TRADE UNIONS AND THE TAXATION OF LAND VALUES

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That whereas the land question lies at the root of the labour problem; that land monopoly forces labour into involuntary idleness, and thus creates an unemployed class; and whereas land values are created by the presence, industry, and growth of the community, this Congress is of the opinion that the Taxation of Land Values merits the support of all who stand for industrial emancipation. (*Resolution unanimously adopted by the Scottish Trades Union Congress, held at Falkirk, April, 1902.*)

Among Trade Unionists there is a growing conviction that the solution of the land question will settle most, if not all, of the labour troubles they are organised to remove. But there are many who still believe that capital oppresses and exploits labour. They see in the employer the man who provides work, who pays wages, who is in a position to keep labourers busy or throw them into idleness, who, in fact, can take every advantage of them because employment is scarce and the competition for jobs severe. To those who are of this view, I wish to appeal with a few examples to show what an important factor land is and the disastrous effects of iniquitous taxation.

In June, 1905, a large colliery situated on the estate of Bardykes, in Lanarkshire, was shut down and completely dismantled because the coal-masters, Messrs. Merry and Cunningham, who had been working the mine for two or three years at a dead loss, found it impossible to pay the higher royalties the landowner demanded for renewal of the lease. From 600 to 700 miners were thrown out of work, and the village of Bardykes was demolished. Not only were labourers forced into idleness, but capitalists as well, and their capital rotted in the shafts and at the pit head. Through the obstinacy and despotism of one man, a whole community of miners, shopkeepers, their wives and children, and all who were engaged in the industry of the district were expelled from the countryside to seek their livelihood elsewhere. Yet they had an equal right with the landowner to the coal buried in the ground. What, then, could be more just than to demand payment from the landowner for his rights in the land and to tax him on his value? Were this policy applied everywhere, no one could withhold any natural resources from use, and the alleged dependence of labour upon capital would speedily disappear. Men could dictate their own terms to those who wished to employ them.

Many years ago Professor Thorold Rogers wrote, what legislators and would-be reformers so constantly ignore, that "every permanent improvement of the soil, every railway and road, every bettering of the general condition of society, every facility given for production, every stimulus applied to consumption raises rent. The landowner sleeps but thrives. He alone, among all the recipients in the distribution of products, owes everything to the

labour of others, contributes nothing of his own." As if to put this self-evident proposition to the test, men have carried out all kinds of schemes for benefiting one class or another among the working population, and have found the universal effect to be increased land value, the benefit going in a direction it was never intended to go. We provide public parks and open spaces, purchasing them at a price altogether out of proportion to their previous rateable value, we maintain them at public expense, and the net result is a stiff increase in all the surrounding rentals. We agitate for workmen's trains and cheap tramways, but the saving they effect is quickly absorbed by the owners of the land where these facilities can be had. We have tried with Small Holdings legislation to liberate the agricultural labourers, but the Act has failed in all respects but one, viz., to increase the value of the land and enrich landowners. Many municipalities have burnt their fingers in attempts to cure overcrowding by buying up slums, and have found that that policy not only encourages landowners to create slums, but also drives the inhabitants who cannot afford better dwellings elsewhere to find garrets and cellars suited to their wretched circumstances. The other day a Labour Member of Parliament advocated a universal minimum wage

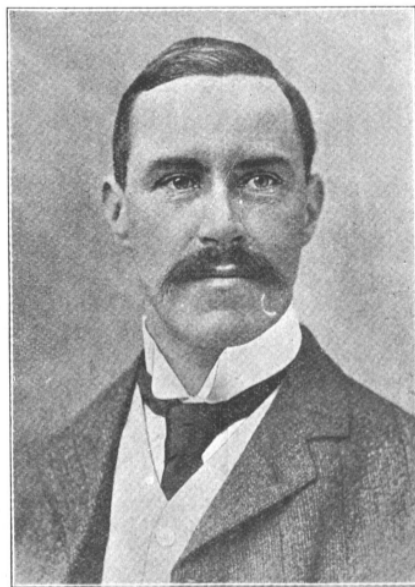
of 30s. a week, but in the light of what has been said it is clear that wage-earners would soon lose the advantage of any such benefit. This aspect of the case was well put by Lord Goschen, who when First Lord of the Treasury was asked to increase the minimum pay of the labourers at the Deptford Victualling Yard. He is reported to have said (*STANDARD*, 15th April, 1899):—

If the position of the labourers at Woolwich and Deptford was as described, it was rather due to sweating landlords than to the rate of wages. The wages had been raised 20 per cent. in the last ten years, and house rent 50 per cent. It was constantly the case in these districts that the increase of wages only led to a larger sum going into the pockets of the landlords, and he was even told that some of the men who were locally the loudest in the cry for justice to the labourers were owners of

cottage property who would benefit if the wages were raised.

All these schemes and others of a similar nature which could be mentioned begin at the wrong end. None of them break down the barriers which shut men out of nature's storehouse; instead of hindering, they only encourage the exactions of land monopoly.

The natural method of raising wages is to open the land everywhere to its best use, and so multiply indefinitely the opportunities to produce wealth. To this end we must have the value of the land separated from the improvements in it or upon it, followed by the direct taxation of this value, irrespective of the use to which the land is put. I appeal to Trade Unionists everywhere to put this question of the rating and taxation of land values right in the forefront of their demands. They have enormous political and educative influence. Let them use it in this direction, and so work for the speedy emancipation of labour from its burdens, and the establishment of freedom and justice in all the relations between man and man.



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