THE INTERNATIONAL ASPECT OF LAND-VALUE POLICY

ADDRESS BY MR. J. DUNDAS WHITE, Ex-M.P., LL.D.

Mr. Dundas White said:—

Our general position is that in every country the land which Nature has provided should be treated as the property of the people, that its rent should be their common revenue, and that there should be no taxes on improvements, or on production or on exchange, whether internal or international. The further this policy is developed in various countries, the more closely shall we approach the larger ideal of regarding the earth as the heritage of the children of men, and its rent as their common revenue; of giving free scope to industry, production and exchange throughout the world; and of considering political frontiers as national administrative boundaries, to be maintained and re-adjusted by mutual consent as the special circumstances may require. This policy is so simple that a child can understand it; and is so far-reaching that it would lay the economic foundations for human well-being and human brotherhood throughout the world.

In practice, of course, each nation has to legislate for its own territory, and we may therefore consider how the international advantage may be promoted by action on a national basis. In this country, for instance, the immediate objective is to reform the present system of taxing and rating landed properties by taxing and rating those who hold the land according to the true market value of the land that they hold, whether they are using it or not, and by untaxing and unrating houses and all other improvements. To do so would burst land monopoly, would make the land available for use on fair terms, and would give free scope to its development. In all these ways it would promote production, open up new opportunities of livelihood, remove important causes of poverty and unrest, and promote prosperity and contentment here. In any other country, also, the application of the same policy would produce similar results. These, results, moreover, have an important international bearing, because discontented people are dangerous neighbours, and unrest at home is apt to find expression in animosity abroad; while the spread of prosperity and contentment in each country would itself promote international friendship and goodwill.

The policy, moreover, would have further advantages, because, as a further development in any country, the securing of the rights of the people to the land and its rent, would be accompanied and followed not only by the removal of the taxes on production, but also by the repeal of the taxes on both its internal and its external trade. In so far as the various nations proceed along these lines, the citizens of the one nation would be enabled to trade freely with those of the other nation, and free course would be given to those processes which enable the inhabitants of each country to participate in the natural advantages of any other country, and which bind the peoples together for their mutual benefit. This Free Trade goes far beyond mere anti-protectionism. It sees that protective taxes on trade generally produce a certain amount of revenue, and that revenue-taxes on trade generally have a protective effect. It recognises that some of the taxes on trade may be worse than others; but it is opposed to them all, because by checking the course of trade they all tend to impoverishment, and they all operate to hinder the working of those processes that would bind the nations together. The mere anti-protectionist has to acquiesce in the taxation of trade for revenue, because he has no alternative plan; but the real Free Trader has an alternative plan, and knows that in any country the treatment of the land rent as public revenue is the necessary finance of real Free Trade.

No less important in its international bearing is the fact that land-value policy gives us a new outlook, a new orientation of thought. Under present conditions we fail to draw any proper distinction between the free gifts of Nature and the products of industry, we penalize production while allowing the free gifts of Nature to remain under private monopoly, and our legislation is based for the most part on considerations of narrow expediency, swayed in no small degree by the political power of special interests, which are often at variance with the interests of the community as a whole. The land-value policy gives us at once a larger view. It shows that the free gifts of Nature should be treated as public property and their rent as common revenue; that the workers are entitled to the products of their work, and that there should be no fiscal interferences with trade, and no predatory taxation. The more these principles are put in practice, the more clearly will it be seen that they are the economics of Internationalism. Progress may be slow, but every one who lends a hand in the great work of construction will find afterwards that, as Emerson wrote of a master builder,—

> "He builded better than he knew,
> The conscious stone to beauty grew."

Here, too, let us remember that the case for our policy is strengthened when we realize the place that it occupies in economic evolution. Through the ages there have been many endeavours to secure the rights of small communities to the land; but none of them would have been practicable under modern conditions of life. It required a long series of developments, including the change from rents in kind to money-rents, and the collection and comparison of statistics, to show that rents were regulated by prices and not prices by rents, and to prepare the way for the generalization known as the law of rent, which is at the root of our movement. This generalization received little or no attention when it was first formulated less than 150 years ago, and it is hardly more than a century since it was re-discovered and accepted generally. Since then, the project of treating the rent of the land as public revenue made steady progress as a theory, and was brought into practical politics by the magnificent work of Henry George, who gave a new hope and a new inspiration to social reform. It has made wonderful legislative progress in many parts of the world; in the United States, Canada, Australia, New Zealand, South Africa and Equatorial Africa, as well as in some countries of Europe; and important developments have taken place within the last year in places as far apart and as different in character as Denmark and in the Federated Malay States. There are, of course, considerable variations in what has been done in the different countries; but the general trend everywhere has been towards taxing

land values and untaxing improvements. There are many details of great practical importance to the proper working of the system, such as these relating to the definitions of land value and of improvements, the system of valuation, the method of tax-collection, the apportioning of the contribution as between the different interests in a property and the question of what exemptions should be allowed and under what conditions. In these and many other matters the experience of other countries may be of real value, in showing what precedents to follow and what to avoid, even though the conditions may be somewhat different in the different countries.

Our movement has also another aspect. "Everywhere, in all times, among all peoples, the possession of land is the base of aristocracy, the foundations of great fortunes, the source of power." So wrote Henry George, and his statement is confirmed by history. Aristotle gave the clue to the early Athenian oligarchy, or government by the few, when he said that all the land was in the hands of the few, and that the cultivators were liable to be sold into slavery if they failed to pay their rents. Appian tells us that the division of lands was one of the great causes of strife between the people and the Senate of early Rome. The elder Pliny did much to explain the decline and fall of the Roman Empire when he wrote that the large estates in private hands had been the ruin of Italy, and were becoming the ruin of the provinces also. The common ownership of the land was the economic basis of the village community. The lordship of the land was the foundation of feudal power. As Carlyle wrote, "Whoever possesses the Land, he, more emphatically than any other, is the Governor, Vice-King, of the people on the Land." Whatever be the form of government, those who exercise ownership of the land are the real rulers. To treat the land as the common property of the people, and its rent as their common revenue, is a necessary step towards making the world "safe for democracy."

The Single Tax proposition is that the land-value policy should be developed till the whole economic rent of the land is taken for public purposes, and all other taxes abolished. It is an ideal to be approximated by extending the land-value policy as far as possible, and by repealing all other taxes in the order of their demerit, as far as circumstances permit. The economic rent of any country would be amply sufficient for all the normal functions of civil government. In any country where the annual taxation, national and local, does not exceed the annual land value, the principle might be completely applied. In any country which is so burdened with debt and with the cost of military preparations that the annual taxation, national and local, exceeds that annual land value, the policy can be applied only partially for the present, its complete application having to be preceded or accompanied by the gradual liquidation of debt and the removal of the burdens of militarism. No one ever suggested that the land value of any country would be sufficient to meet not only the ordinary cost of civil government, but also to pay off colossal debts incurred over past wars, and to provide unlimited funds for war-like preparations in the future. The Single Tax proposition contemplates the development of international sanity and international goodwill, and every advance towards it would do much to promote them.

Let us remember, too, that we are working for far more than an economic proposition. Our policy is the expression of a desire not only to improve the conditions of life, but to make a revolution for the better, coupled with a recognition that we must begin by securing to the people their rights to their Mother-Earth, or, rather, by helping them to secure these rights for themselves. Its immediate aim is material progress, and through that material progress it seeks to give larger opportunities for the development of the higher faculties and possibilities, which under present conditions are stunted and starved. Henry George, who said that "This Land Question is the bottom question," and that "Man is a land-animal," said also "Man is an animal; but he as an animal plus something else. He is the mythic Earth-tree, whose roots are in the ground, but whose topmost branches may blossom in the heavens!" We also seek to give full scope for the expansion of life, in the individual, the family, the local groups, and the nation. Nor do our hopes end there. Besides endeavouring to secure the best conditions for life everywhere, we are working for a time when the nations will be more closely united by a common policy for their common good, and when not only the natural advantages of every country, but also the special characteristics and abilities of every race, will be enabled to play their own appropriate parts in the larger life of the world as a whole.

Discussion

Mr. Bolton Hall (New York) referred to the matter of Reparations, and said that any sums paid must or should come first from land values. On the general question of assessment for land values taxation he pleaded that the tax should be based upon the annual and not the selling value of land.

Mr. Fiske Warren (Tahanto, Harvard) mentioned the question of the sufficiency of land value to bear the whole amount of public revenues, including even the interest on public debts. Could anyone tell him what was the true economic rent of any country? They did not know, and they could not place the highest figure upon it, especially under conditions when all land would be put to its best use and there would be the maximum production.

Mr. Frank Stephens (Arden, Delaware) said that is propaganda one demanded the whole reform and nothing less; in politics one asked for what there was some hope of getting. He urged the crying need for universal Free Trade

and gave striking examples of the effect of the tariff in America.

Mr. ANDREW MACLAREN, M.P., said this should be a most important session. It was quite plain that land monopoly was the fundamental cause of all wars. It was said to think that with the peoples robbed of their rights, millions were being sunk in new naval stations; pilotless aeroplanes and amphibious tanks were being perfected with the sole object of human slaughter.

Miss A. M. HICKS (New York) wished that some definite message from the Conference should be the outcome of their deliberations. She suggested that they should address themselves in a document to the governments of the world, calling on them to adopt as a permanent solution of the economic chaos and social distress the overthrow of land monopoly and turn their attention to the rights of the peoples to the full freedom of trade. They should challenge the Governments to answer. The suggestion was received with great applause and was referred to the United Committee for action.

Mr. FREDK. VERINDER recalled the International Free Trade Congress in Antwerp held in 1910, and made the point that the blessings of Free Trade, with all the increased power that it gave to production, were absorbed by the private appropriation of land values. Real Free Trade could only come about through the policy of devoting the rent of land to common purposes.

The others who took part in the discussion included Mr. Edmund C. Evans (Philadelphia), Councillor Austin Brook, Mr. Abel Brink (Denmark) and Mr. Fred Skirrow, who said he was not going to let any stranger understand or infer that the United Committee and the Leagues for the Taxation of Land Values had qualified the doctrines of Henry George. He had never hesitated to declare at every meeting that all the rent or value of land belonged to all the people. There was only one way of establishing their full claim and that was through politics, with the consent and understanding of the people as far as it would take them at any time. They had all the machinery for the purpose in taxation, and Taxation of Land Values was only too well understood by their opponents in the landlord camp.