

LAND & LIBERTY

(Incorporating "LAND VALUES.")

Published by THE UNITED COMMITTEE FOR THE
TAXATION OF LAND VALUES.

Thirtieth Year. Established June, 1894.

3d. Monthly. By Post 4s. per annum.

United States and Canada, 1 Dollar.

Editorial Offices:

11, TOTHILL STREET, LONDON, S.W.1.

All communications to be addressed to the Editor.

Telegrams: "Eulav, Parl., London." Telephone: Victoria 7525.

AGRICULTURE, CO-OPERATION AND LAND TENURE

In these times of agricultural depression a great deal is being said of the advantages British farmers would reap from co-operation, and the Danish system is freely held up as a working model. It is estimated that by neglecting co-operation and by handing over to middlemen the sale of their produce, about £200,000,000 are annually lost to British farmers. Here is a great source of potential gain and one that might easily be realized in practice. Let us explore it a little.

First, it should be noted that Danish farmers find it to their advantage to work under a system of complete Free Trade, every kind of foodstuff being imported duty free. Their policy is to buy their cattle, pig and other foodstuffs in the cheapest market. Instead of engaging in futile competition on the world markets with other countries better fitted by nature to grow grain, they have decided it pays better to import it duty free. Having thus bought their supplies in the cheapest market, they, like good business men, proceed to turn this grain to more profitable use by feeding it to live stock and thus converting it into bacon, butter, cheese and eggs. Thanks to these duty-free imports and aided by their very efficient system of co-operation, they are enabled to sell the products into which they convert them to the great advantage of all concerned. Co-operation plus Free Trade is the policy of Danish agriculture and, judged by results, it is both good sense and good business.

Mr. Mygdal, Danish Minister of Agriculture, has lately shown how Danish farmers met and overcame foreign competition when prices were so low 40 years ago. They did not clamour for Protection, as our farmers are now doing. They only changed their methods. A few export and import figures quickly tell the tale. In 1870, Denmark exported 38 million kilos. of grain; in 1882 she exported none; in 1902 she imported 38 millions. In 1870 she exported only 5,000 tons of butter; now her available surplus for export is 100,000 tons, and she also has an exportable surplus of 120,000 tons of pig products and 6 millions "great hundreds" of eggs annually. In the Danish Minister's words: "Farmers in Denmark are Free Traders because they believe that open competition is the salt of production and trade. Protection makes an ex-

pensive production, but, never an advancing live production."

Turning to another aspect of the question, he then pointed out that: "The Danish farmers are freeholders. If they were not working on their own properties it would be impossible to create an agricultural activity such as is common in Denmark.

Extensive parcelling out of land, another characteristic of Danish agriculture, is of great social importance and has greatly assisted the development of the farming industry." Needless to say, their system of co-operative production and selling is also very highly developed.

Here lies the vital difference between Danish and British farming conditions. The Danish farmer is a freeholder; the British is merely a tenant-at-will, often for a term of but twelve months. We do not stand for private ownership of land, whether large or small, but in so far as reaping the advantages of co-operative production is concerned, it must be realized that the freeholder enjoys a great advantage over the mere tenant-at-will. In fact, where the latter system prevails, co-operation must work under every possible disadvantage, for the real incentive to co-operation, the reaping of its benefits, cannot operate. This is at once apparent when we bear in mind the law of rent, which law ordains that every labour-saving improvement extends the demand for land, and, therefore, raises the rent of land without increasing either interest or wages. Social improvements such as this have raised the rents of farm lands in Britain from one shilling per acre in the Middle Ages to 20 shillings per acre at the present day. Now, there is no improvement and no labour-saving device greater than human co-operation. By co-operation production is multiplied a hundred fold. Its primary effect is to increase labour power, but its ultimate effect is to raise land rent, thus depriving the producer of his due reward.

Applying this law in another way, consider what must happen should co-operation become general among British farmers. Suppose they were to find themselves richer to an estimated amount of £200,000,000 through the elimination of the middleman, who is alleged to be simply battenning on their energies. Could they for long retain this advantage? They could not. For, the quite legitimate profits of farming having so greatly grown a much keener competition for farms would grow up, which, even should landlords not desire to avail themselves of, would soon evidence itself by crowds of would-be tenants besieging estate offices with urgent offers of higher rentals. In face of such a situation nothing could stop the coming of higher rents. Thus would rise the tribute levied on agricultural industry, while the wages of labourers (determined by the ratio of men looking for jobs to the number of jobs available) would remain as they were. In this way, under the British system of landlord and tenant, both farmer and labourer are deprived of the advantages they ought to draw from co-operation.

It is not so in Denmark, where the great majority of farmers are freeholders and work their own farms. For though, thanks to the facilities offered by the Freehold Credit Associations, their farms are mostly heavily mortgaged, and their real ownership thereby proportionately diminished,

it is nevertheless a fact that the financial and moral advantages which flow from co-operation come to and remain with the Danish farmers themselves. The incentive to co-operation is with the Danish farmers but denied to the English, and the sooner they learn why this is so and apply the true remedy the better for them.

This journal in no way presents the small owning farmer as an ideal at which reformers should aim, but the system does at least provide the necessary spur to co-operation, now absent in England. We are convinced that there can be no final solution till land rent comes to be treated as the "common fund" which it really is, that is, till it comes to be used for the common good, thus making it possible to abolish the present taxes on improvements. When this is done the whole community will automatically benefit from the higher rents which arise from co-operative production as well as from every other form of true social progress. This the Danes, as a nation, have already grasped, and reform along these lines has lately been placed on the Statute Book. They have passed into law a measure of Land Values Taxation, which is a first and important step to the realization of this high ideal. This measure appropriates to the National Treasury and devotes to the common good a definite proportion of the land value or rent of Denmark, thus enabling taxes on industry, including that of the farmer, to be lessened. The small farmers and their co-operative societies are at the back of this movement and they have every intention that second and third steps shall be taken along these lines. They have only to keep on moving in order to secure the full appropriation for all the people of this common fund and so attain in practice our ideal State, in which the full advantage of co-operation will go to those who co-operate, and where every man has sown, there shall he reap.

W. R. L.

Addressing the Belfast Chamber of Commerce, Mr. Reginald McKenna, referring to world trade, said:—"We prosper as the world prospers; we decline as the world declines"; and, further, "that when unemployment is greatly in excess of the normal we should abandon unhesitatingly the deflationary policy which is a cause of unemployment." Perhaps, though Sir Arthur Balfour is not so sure. There are other causes, he seems to think, that might be hunted up. What about road-making at the public expense, and consequent higher prices for land? But of course land monopoly is "spot-barred" in all such professional inquiries and reflections on the £ s. d. of unemployment.

BOOKS RECEIVED

- Single Tax**—The Real Social Reform. By R. COLNETT WRIGHT, M.A. Oxon. Price 1s. 6d. Published by The C. W. Daniel Co., Graham House, Tudor Street, E.C.4.
- Land Reform in Czechoslovakia.** By LUCY ELIZABETH TEXTOR, Ph.D., Associate Professor of History, Vassar College, Poughkeepsie, New York. Price 5s. Published by George Allen and Unwin, Ltd.
- The Liberal Handbook.** By HAROLD STOREY. Price 1s. Published by Liberal Publication Department, 42, Parliament Street, London.

SCOTTISH LIBERAL FEDERATION CONFERENCE AT PERTH

Real Free Trade

About 350 delegates were in attendance, 11th and 12th October. There were five resolutions on the agenda on the Taxation of Land Values. On the recommendation of the Executive the following resolution sent forward by the Cathcart (Glasgow) Liberal Council, moved and seconded by Mr. John Gordon, Glasgow, and Mr. John C. Geddes, Perth, was discussed at length and unanimously adopted:—

"That this Council reaffirms its demand for the Taxing and Rating of Land according to Capital Value; expresses satisfaction that the recent emphatic declarations of the Leaders of the Party have given the question its proper prominent place in Liberal Policy, and have recognised its inevitable bearing on the problems of housing, of employment and its reward, and of just local rating; further, this Federation affirms that the action of the Conservative majority in the present Parliament in suspending the work of valuation in the interests of Landlordism can quickly be corrected by the Parliament that will surely succeed it."

A resolution from Perth on Free Trade was immediately followed by one from Springburn (Glasgow) in the following terms:—

"That this Council affirms its belief in the principle of Free Trade, and recognises that Free Trade in Exchange is not enough; that the accruing benefits do not remain with the producers, but are absorbed in higher land prices, and on the higher land values, causing land speculation and consequent unemployment; and declares for the freedom to produce wealth by the direct taxation of land values, as affirmed by Mr. Asquith, the Leader of the Liberal Party, and proclaimed in the Party programme."

In moving this resolution Mr. James Scott, S.S.C., Edinburgh, said: The Springburn proposal did not detract from the resolution—it rather sought to go one step forward. It was, in fact, an attack on Free Trade profiteers, gentlemen who, having made a large profit, say, in Glasgow, in trade under Free Trade, and having bought in the suburbs land suitable for building developments, were rated only on the agricultural value. That resolution proposed to get at them. (Applause.)

Mr. James Deas, Glasgow, seconded. He spoke of science as having developed the resources of nature, and contrasted the flaunting wealth of to-day with the distress of the unemployed. They held that by removing all restricting monopolies they would not only distribute wealth more equitably, but would add to employment. The basis of the whole trouble was the land question; they must break up land monopoly. (Applause.)

Both resolutions were adopted.

By request of the Chairman, Mr. A. W. Madsen, who was present as a visitor, addressed the Conference. In a speech that was very well received he gave abundant proof from official documents of the stability and progress of the Taxation of Land Values in the Dominions and in other countries.

Sir Robert Hamilton, M.P. for Orkney and Shetland, speaking at Fort William, 17th October, said:—

"It was ridiculous to call the recent Act which made a present of large sums of money to landowners a relief of agriculture. In his view insufficient attention had been paid to the great question of the land, which was a vital one in Scotland. Security of tenure to the smallholder had been destroyed under the 1911 Act, and the Government would not move to remedy the defect. What was of great importance to the whole land question of the country was the determination of the Liberal Party to force forward the taxation of land values, which was the key to bringing land into the best possible use, and of placing the burden of taxation where it could best be borne."