



## LAND & LIBERTY

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## THE PROMISE OF THE BUDGET

Unemployment was a principal issue of the Election last year. The schemes then put forward by the new Government were calculated to raise obstacles to development and have ended in abject failure. The latest Parliamentary debate on the problem took place in the Commons, 11th March. It was the usual barren performance. In his defence, the Lord Privy Seal said:—

"The distress was due to a world cause. Rationalization of industry might have a bad effect at first, but in the end would be for the benefit of the nation. In the interval the Government were doing all they could to make the nation more efficient."

We have heard all this before, and it does not carry hope of any change for the better. In further explanation of what had been done, Mr Thomas said his Department had sanctioned efficiency schemes at a cost of some £55,000,000. It is in the very nature of these schemes that, like safeguarding, they should add to the volume of unemployment instead of diminishing it. Lower taxation may induce more employment and better trade; increased taxation is certain to have the opposite effect.

Commenting on the more thoroughgoing Liberal schemes of a similar character, the Leader of the Liberal Party, in a reference to the pressing need for new roads, etc., observed:—

"There is no part of the country where there is not an urgent demand for road widening and straightening, new bridges, by-passes, tunnels under level crossings, and trunk roads. Roads are the first essential in the solution of the housing problem."

No one knows better than Mr Lloyd George that the prospect of public money for new roads never fails to send the land speculator ahead of the road-maker, and before the road is cut the seeker after land for additional employment or for housing is held to ransom. By all means let the new roads be provided, but first let there be made provision

for striking at the monopolist whose fancy price stands athwart the community and its immediate needs.

Mr Thomas now looks across the seas for a world cause of unemployment. Will he not say what connection the economic barriers to work in other lands have with the owners of land here whose unjust claims are the direct cause of the misery he seeks to mitigate? The fact is the Minister for Unemployment is unwittingly identified with the cause of it. As he openly counted out the millions of pounds for his roads, railways, docks, and all the rest, the grip of the land speculator tightened on the acres to be exploited. Here again were riches for the non-producer beyond the dreams of avarice, along with new incentive to withhold desired land from use.

The prospect of higher prices for land makes land dear, and this narrows and restricts the area of employment. It is this that, more than anything else, accounts for the lamentable breakdown of the Lord Privy Seal's adventures. He did not deem it necessary to pay heed to the lion in the way, and the lion has quickly enough devoured his projects. As Campbell-Bannerman said of high-priced land: "These barriers are a greater peril to the standard of living than all the tariffs of Germany and America, and even our own Dominions."

In his confession of failure in the Commons, 3rd February, Mr Thomas said the Government, including himself, based their schemes on a long-term policy of efficiency and in the development of our export trade. The long-term policy was not in the bond at the Election; but let that pass. There is enough efficiency in industry to deal effectively with any new business, and the experience is that the more the efficiency tells, the higher becomes the official figures of unemployment.

Mr Thomas is not to blame for the failure of his schemes to solve the unemployed problem; he has done his best. It is the principle on which they are based that is at fault. The schemes would not work to advantage in the hands of an abler man. Outside the ranks of the safeguarders, the critics of the Minister for Unemployment can only go one better. They have no economic alternative and can think of nothing but a more reckless expenditure of public money. Though some of them pose as land reformers, any emergency seems an excuse to fall back on the more comfortable creed of "money for social reform." Such people fail to see how, day by day, private firms are collecting and spending hundreds of millions on development schemes and that unemployment does not yield a single man to the expenditure. To think, or even to imagine, that the capture of some of this money by the Government for their own schemes would ease the situation to any extent is a pure delusion. Our extravagant road-makers have no regard for the law of rent. In their political economy the incidental is taken for the essential and inferentially capital, the derivative factor in the production of wealth, is made to usurp the place of land and labour. The Government are free to make their own economic arrangements, but, as the Prime Minister once declared, they cannot make their own economic laws.

Except in its reactions, industrial depression is not the cause of unemployment; it is unemployment that is responsible for the depression. There can be no business or trade of any kind until men employ themselves in production and in a land-monopoly-ridden country people with nothing but their labour power and skill cannot make effective demand for the commodities that are to be found in abundance all about them. Their needs are urgent, but they have no goods to offer in exchange for the goods they require. They come to the market with empty hands and must return as they came.

To very many publicists and politicians the problem seems to be one of over-production. To such commentators over-stocked markets account for idle labour. Others, again, ring the changes and explain that in their opinion there is a surplus of labour and emigration is advocated to square the circle, so to make the supply of labour equal the demand.

In a leading article on this phase of the problem the *Manchester Guardian*, 10th February, comments as follows:—

"We can do nothing with this demon of Over-production until we see him in his other form of Under-distribution. The world is full of people hesitating to produce for want of consumers, and full of persons whose needs are not 'effective,' who do not become consumers because the right to consume is conferred by participation in producing, and this participation is denied them—because business is bad and prices are falling! From this vicious circle many of us turn away."

In pointing to under-distribution as the demon of over-production in his other form, the writer of this article has struck a true enough note, but evidently he could not follow the thought to its logical conclusion. "People hesitating to produce for want of consumers who cannot consume because they are denied participation in production" is exactly our case. But it does not seem to follow that bad business and falling prices account for the plight of would-be consumers bereft of purchasing power.

But if this "vicious circle" does exist, is it not plain that instead of "turning away," the thing to do is to cut a way through, by restoring to the consumer the right to produce and so to consume? The land value policy is the way out into the open, where idle acres as Nature has provided them are calling for idle hands. As Sir William Petty puts it: Labour is the father and Land the mother of all wealth.

The persistence of unemployment with its dismal outlook has given the tariff reformer his opportunity, and in the safeguarding measures now in operation he can register his gains. And these little tariffs, we are now assured, are but the prelude to bigger things of the kind. The thin end of the wedge has been inserted and it is to be driven home without more ado. Mr Baldwin has now made that policy the main plank in the Conservative platform. Speaking at a Party meeting, London, 5th February,

he denounced the policy of free imports and spoke with emphasis against anything in the nature of a tariff truce. "We have tried out our guns," he declared, "in a limited sphere target practice in safeguarding; it is the only remedy that has not yet been tried to any great extent." (*The Times report.*)

Mr Baldwin will have no tariff truce. He has resolved that when he is hit he will hit back. Against his unchristian economics we place Henry George's criticism of this blow for a blow:—

"For any nation to restrict the freedom of its own citizens to trade, because other nations so restrict the freedom of their citizens, is a policy of the 'biting off one's nose to spite one's face' order. Other nations may injure us by the imposition of taxes which tend to impoverish their own citizens, for as denizens of the world it is to our real interest that all other denizens of the world should be prosperous. But no other nation can thus injure us so much as we shall injure ourselves if we impose similar taxes upon our own citizens by way of retaliation. . . . Those who say that a nation should adopt a policy essentially bad because other nations have embraced it are as unwise as those who say, Lie, because others are false; Be idle, because others are lazy; Refuse knowledge, because others are ignorant."

The policy Mr Baldwin has been driven to adopt by his followers was tried here in Great Britain once upon a time, and the chronicles can tell with what disastrous results; and to-day in other lands there are notorious examples of its baneful influence. Yet it is not enough to expose the crude and fallacious arguments of the Protectionist. Free Traders must advance their own positive policy and show how free trade in its fullness would truly enfranchise the man out of work. A policy that would correlate the land question with the burning industrial questions of the day would clear away doubts and give the free trader the key to general prosperity.

In all this belligerent agitation for tariff reform as a cure for unemployment it is no mere coincidence that thought has rapidly turned to the 14th April as the date fixed by the Chancellor of the Exchequer for the introduction of his Budget. Very much importance is attached to this adventure, and very much of consequence to the country hangs upon Mr Snowden's response to the call for liberating measures.

The promise of a Budget tax on land values has given tone to our politics. It is good enough, some faint-hearted supporters loudly whisper, but it is a disintegrating remedy. Perhaps, but as John Stuart Mill has remarked: "When the object is to raise the permanent condition of a people, small means do not merely produce small effects; they produce no effects at all." "Small means" have had a good long innings and in the results the great Political Economist is more than justified.

It is the maldistribution of wealth that is the root cause of industrial distemper; and land monopoly, the parent of all monopolies, governs the unhappy dispensation. Increasing land values means

the lowering of wages, relatively and absolutely, and there is nothing in any material improvement, private or public, to combat this tendency. The land value policy would reverse this dismal decree and the hope of the change comes like a gleam of light in gathering darkness.

At every general election the Government have professed their belief in the principle we advocate. In their Manifesto six years ago they boldly stated that the Taxation of Land Values would make it possible to reduce the burden of income tax, abolish not only the food duties, but also the entertainments tax and provide the money necessary for social services; and last year they declared that if given the chance they would apply the remedy. This is where to find the money for social services, for it is money that justly belongs to the community. In taking it in taxation, industry will be relieved of the burden and set free as well from the economic tyranny that make so much social service imperative. Land value taxation is a financial instrument but its chief merit is its economic incidence. A Budget tax on land values will tell for a radical solution of the unemployed problem. It would at the same time give to the mass of the people purchasing power, by a rise in the wage level, sufficient to keep the wheels of industry in constant play.

The land value policy is the line of least resistance, in that it will not add burdens to industry; and this excellence, once the issue is joined, will make its own appeal. Now that there is new hope of something being achieved the municipalities are again in the agitation. In their zeal, apart from their own conferences on the question, they do not hesitate to be represented on a non-party platform designed to make opinion for the reform.

Mr Snowden, in his brilliant advocacy, has explained to the country how many millions of pounds a substantial tax on land values would bring to the Exchequer. At the election he called for driving power to take this urgent step forward. The country made adequate response and now looks to him to make the most of his opportunity.

J. P.

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## NOTES AND NEWS

Over a long period of years public money has been squandered in large measure upon the agricultural industry. Land drainage, loans, bread subsidy, Corn Production Acts, rates relief and credit facilities have been given galore, and yet the industry gets no better. Like the sea, it keeps on taking and is never satisfied. At the moment the cause of agricultural depression in the grain market is attributed to the import of what is termed bounty-fed oats from Germany. During the last four months of 1929 German oats formed one per cent of the total imports, whereas imports from the Argentine formed 51 per cent. Perhaps some of those who blame German imports for causing the grain debacle will explain how 1 per cent accomplished what 51 per cent could not do.—"A.M." in the *Scottish Farmer*, 22nd February.

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On 14th December, 1914, David F. Houston, Wilson's Secretary of Agriculture, said that there were in the United States 935 million acres of arable land of which only 400 million were under cultivation. The balance of 535 million acres, he said, were held out of use by their owners for speculative purposes.—The *Chicago Single Taxer*, 14th February.

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Mr Snowden's policy is expected to be a simple direct tax on the unimproved value of land and not like the complicated scheme of Land Value Duties brought in by Mr Lloyd George in 1909, which ultimately proved a failure. The effect of Mr Snowden's tax would be to force land on the market and make it cheaper.—(From a leading article in the "*Peterborough Citizen*," 4th February.)

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Every attempt to improve the social conditions of the people is to some extent checkmated by the landlord. Some part of every social development trickles through to him in the shape of increased rent. The first thing to do is to break his stranglehold on the community, and this can be achieved by the policy of land values taxation.—T. W. Stamford, M.P., in the *Leeds Weekly Citizen*, 21st February.

We gladly note the contributed articles by Mr Stamford in this and other papers, vigorously stating the case for Land Value Taxation.

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A correspondent calls our attention to the following extract from the *Daily News Modern English and Illustrated Dictionary* :—

"Taxation of Land Values, of land val'üz, N., the taxation of land with respect to its value under varying conditions."

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The publishers of *The Digger Movement in the Days of the Commonwealth*, by our well-remembered colleague Lewis H. Berens, who passed on in November, 1913, recently discovered a small stock of this book, long thought to be out of print. In memory of his father, Mr Herbert A. Berens has placed the books for sale (at 2s. 6d. per copy) at the disposal of the United Committee and the English League, and orders may be sent to either office. *The Digger Movement* was originally published (in 1906) at 7s. 6d. It is a book to treasure as a revealing chapter in English history, with Gerrard Winstanley as its hero, the "revolutionary" who strove to establish a real Commonwealth based on economic freedom and the rights of the people to the land.