

"OUR POLICY."

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual."—*Henry George.*

THE COMING LAND CAMPAIGN.

The first shots in the land campaign have been fired. The passage at arms between Mr. Lloyd George and Lord Lansdowne was but a little encounter of outposts, a mere incident preliminary to the great war that is to be, yet it is not without significance, for it shows that the Unionist Party is still firmly tied to a policy of aggrandisement of landlords, and that the Chancellor realises that this was the true nature of the Irish Land Acts, the Agricultural Rates Act, and similar attempts to deal with the land question in the past. Still more significant were Mr. Lloyd George's statements during the discussion of the Budget resolutions that the valuation was essential to any reform of local taxation and that the greatest grievance against the present rating system is that it taxes improvements.

We cannot say, of course, what the Liberal Land Policy will be, yet it does not seem unduly optimistic to forecast that it will include proposals for the reform of local taxation by means of rates or taxes on land value. The demand for that has been made for many years with the most complete unanimity by Liberal Conference after Liberal Conference all over the country, and no party which had a shred of honesty left could dare to break such pledges. The principle has even been affirmed in the second reading of a Bill for the rating of land values in a Tory Parliament.

When the campaign commences in earnest, and if it is fought on radical lines, land reformers will have little trouble in carrying it to a successful conclusion. The slow but steady and continuous work of education for thirty years is now bearing fruit, and the idea of land value taxation, then for the first time mooted in this country, is no longer unknown to the electorate. The "great budget," too, has done its work. It made land value taxation the hotly disputed subject of a general election, and it has broken down the old arguments by showing that a valuation can be made, and a not inaccurate one, even at the first attempt. If the fight is not carried to a successful issue it will not be for lack of good ammunition, not merely in the shape of abstract or general argument, but in concrete and detailed illustration also. The latest and in many ways the most important addition to the armoury of concrete fact is the return, moved for by Mr. R. L. Outhwaite,

M.P., in August of last year, and published last month, showing for every urban district in England and Wales the area, the area rated as agricultural land, the rates paid on all land, and the rates paid on land rated as agricultural land.

It is much too mild a term to say that the facts disclosed in this Return are startling; they are startling even to those of us who believed we had the best reason to think we knew, and had drawn the blackest picture of, the evil results of the present land system. It shows that two-thirds of the land in urban districts in England and Wales is rated as agricultural land, that is, put to an insignificant use, while countless men and women are over-crowded, ill-housed, unemployed and starving because they cannot get the use of it. Land monopoly is, to use the phrase of William Pitt, taxing the last rags off the backs of the people and in a manner so insidious that they are only now beginning to realise it. Land monopoly has operated in a manner so deceptive that many good people have sincerely thought, and others less good have pretended, that misery was due to the niggardliness of nature and not to the unjust laws of men. That plea can be upheld no longer. The plain hard figures of this return call out that two and a half million acres of land in urban districts, desperately needed for houses, gardens, parks, factories, shops, and all kinds of purposes, are held out of use and rated at a trifling sum on the pretence that they are agricultural.

There is enough in all this to sanction a revolution; there is more than enough in it to sanction the most drastic amendment conceivable in the law relating to land and taxation. Land reformers, at least, may go forward with confidence. They have only to point to the simple facts that the present land system which shuts men out from the use of their natural heritage is essentially the denial of their right to live and is in fact killing many of them by slow and devious processes every year, and that the value of land is a value due entirely to the growth and activity of the community, and is the natural revenue of the State. The demand for fundamental land reform through the taxation of land values is growing in extent and intensity year after year; the time will come when no government could withstand it—least of all a Liberal Government.

In their treatment of the land question the final test of the Liberalism of the Liberal party will be found, and at this very moment a preliminary test is taking place. We have explained elsewhere the effect of the alteration in the valuation which the Revenue Bill will make, and we pointed out that it would be just as simple to make an amendment through the Revenue Bill which would make the "full site value" of the Finance Act the value of the bare land apart from improvements. A new

section which will do this will be moved to be added to the Revenue Bill in substitution of Section 11 as it stands. If this be accepted, we shall have a valuation giving the real land value and a suitable basis for rating and taxation. If the Chancellor of the Exchequer intends to embody rating reform in his land policy, here is his opportunity to clear the way.

So lately as April 28th, Mr. Lloyd George, referring to the motives of the Government in introducing the Budget, said: "Undoubtedly we did attach more importance to the valuation than we did to the yield of the taxes." And he said too: "The great criticism against rating is . . . that it is unfair in the class of property you tax and rate. This is the greatest grievance of all—that it taxes improvements. The more a landlord improves his property, the higher he is rated; the more he neglects his property, the less he is rated. . . . If he allows his cottages to fall into decay and become empty, his rates are less; but if he is a good landlord who repairs ruinous cottages and builds new ones, up go his rates. The man who trusts to obsolete machinery in his business can keep his rates low; but the man who puts in new machinery and improves his buildings has to pay a higher contribution to the rates."

If, indeed, the Chancellor desires to untax improvements, and if he does attach more importance to the valuation than to the Budget taxes, here is his opportunity to show his fidelity to these principles and his determination to put them into practice.

F. C. R. D.

COLONIAL AND FOREIGN.

ARGENTINE.

Mr. C. N. Macintosh writes:—If you good people do not buck up over your side do not be surprised if Argentine gives you a run for place of honour in getting Land Taxation in a very drastic form. Here we have been very slow of getting under weigh—but there are unmistakable signs of the "awakening," and when it does come I quite expect it will give some of the Land Bugs over your side the shock of their lives; for the good people have been busy dodging their money over here for investment in Land Monopoly, and many thousands of Argentines are landless to-day—but they have votes and the power of their votes will be felt by the absentee landlord in a very direct form, and that before very long. When one goes to a native public meeting and hears the way that any reference to taxing the landlords—especially those who live in London, Paris, Madrid, Berlin, and Hamburg—is cheered to the echo, one must be indeed very dull if the coming change is not recognised. As soon as that happens, "capital will be hunted out of the country," as is the usual cry; but some who want land to produce from will not mind the sad wail of the pretended capitalist, pretended friend of industry and of the worker, but will welcome the sight of his back and the cheaper land that will happen along as soon as he is well out of this country, and engaged in looking for a new quarter to settle his wonderful bag of tricks in.

The province of Buenos Aires has made a very fine start. Last year land taxes produced \$3,000,000, or about one-seventeenth of the provincial income. This year I note the estimates are out, and that Land Tax is set down to produce \$22,000,000, or one-third of the whole income. That is a fair start—and a fair lift. The effect is that *rents* have fallen very considerably on unimproved lands, and the *bona fide* worker of the soil can get land at a figure that he can at least make something out of—a very big change from the condition of things prevailing about 18 months ago. It looks very much as if the National Government—as distinct from the Provinces—is likely to consider the advisability of reducing the Customs taxation, and raising a fair part of their income by a land tax, which, if done, will still further touch up the landowner; but from what is going on I should say the Federal Government will be content with a 100 per cent. sur-tax on absentee landlords or on companies with the head offices in foreign parts. Such a tax would bring in more in the Argentine than in almost any country in the world, for fully one-third of the country is foreign-owned—that is, owned by men or by companies that do not have or take up residence in the country.

CANADA.

Methodists Favour Assessment Reform.

At the Toronto Methodist Conference on June 16th, the following resolution was moved by Mr. W. A. Douglas, B.A., and unanimously carried:—

"Whereas there is an infinite difference between the use of the land for the multiplication of crops, buildings and other products, and the use of the land by speculators, not to add anything to the welfare of mankind, but to secure a share of the wealth produced by the industry of their neighbours, therefore be it resolved that this Conference strongly recommends that the Assessment Act be so amended as to encourage the use of the land for beneficial production, and remove the temptation to speculation."

UNITED STATES.

Taxation of Water Privileges.

To conserve natural resources, Secretary of the Interior Lane has announced the following conditions on which permits to develop water power on public land will be granted:—

- (1) The greater the development of horse-power the lower the charge per horse-power to be made on the part of the Government. This is intended to secure the full use of the steam.
- (2) The lower the rate to consumers the lower the charge on the part of the Government.
- (3) No charge whatever for a period of five or ten years during which the power company is finding its market.
- (4) Acceptance as a public utility of the State's jurisdiction over intrastate rates and service.
- (5) Absolute prohibition of combination or monopoly, and the right of revocation on the part of the Government in the event it is established that such combination has been made or that prices have been fixed by agreement with competing plants.—The STAR (San Francisco, July 5th).

SPAIN.

The special number of EL IMPUESTO UNICO for June—July has an excellent record of the Ronda Conference.

The Premier, Count Romanones, has been faced with a "cave," all the Whig ex-Ministers, with their personal followers, having objected to the proposals for Single Tax local legislation, and it seems he has a minority in Parliament. Cortes has been closed; it is to be hoped with a view to educating the electors. The leaders of the Moderate Republicans have given public assurances that if called on by the Crown to form a Cabinet they will stand by the financial proposals of the present Cabinet. M. J. S.