

## LORD SNOWDEN

The death of Lord Snowden marks the end of an epoch. He was one of that small band of men who from the earliest days of the Independent Labour Party were the leaders in building up a Labour Party in this country. The story of his early career and of the constant battle against physical infirmity which he waged for the greater part of his life need not be retold here. The qualities of courage and uncompromising straightforwardness combined with industry and intellect to secure for him the respect and admiration of those who differed profoundly from him in political outlook. His apparent bitterness in public controversy was index of the strength of his convictions, and masked a simple and kindly nature which he preserved through all the vicissitudes of public life.

From the surroundings of the weaver's cottage in which he was born he imbibed the strong radical opinions of the time and place. Later he became a Socialist and one of the ablest propagandists of that movement, but he escaped the complete stereotyping of views which is so frequently the fate of the propagandist and he readjusted his philosophy in the light of experience. One outstanding example of this was in relation to the land question. He was for many years a staunch advocate of land nationalization by purchase and regarded land value taxation as mainly a fiscal measure. In *The Socialist's Budget* (1907) for instance, while advocating land value taxation for both state and local purposes he said: "The taxation of land values is not a land reform. The most it could do would be to cut down the monopoly rents which now obtain through land being kept out of the market; and as a means of raising revenue it fulfils every condition of just taxation. But to get the full usefulness and the full value of the land for the community, there is no way but for the State to own the land."

His opinion on this matter underwent a steady and progressive change as the many extracts from his speeches and writings which have appeared in these columns in past years will bear witness. On the Third Reading of the Finance Bill, 1931, which embodied a measure of taxation of land values, he said: "The principle underlying this Bill is to assert the right of the community to the ownership of the land. I have never made any question about that, nor that that right should be expressed in the form of a rent paid by the occupier or rather the owner of land to the community. As I said just now, this is only the first step in the reform of our land system. The effect of that system has been to place a burden on industry of hundreds of millions a year. It has crowded our people into pestilential slums, and it has driven hundreds of thousands of people from the land to the towns to compete with the town workers with the result that wages have been depressed and unemployment has been increased . . . I submit this Bill to the House of Commons with the satisfaction that I believe we have begun a far-reaching reform which some day will liberate the land for the people and abolish once and for all the tyranny under which the people of this country have suffered."

It was in the domain of public finance that Snowden's greatest interest lay. His first speech in the House of Commons after his election in 1906 was a defence of Free Trade and he remained an uncompromising believer in that policy to the end. He was the first Labour member to become Chancellor of the Exchequer, attaining that position in the short-lived Labour Administration of 1924. His Budget of that year

provided for the repeal of the inhabited house duty and of the protectionist McKenna duties on motor cars and other articles, and for the reduction of the entertainment tax and the duties on sugar, tea, cocoa, and coffee. In introducing it he made it clear that he intended to bring in a measure for the taxation of land values although there had not been time to prepare such a measure. He said: "The Government attach the greatest importance to this question. We regard it as important from the point of view of unemployment, housing, and other reforms." The Government did not live long enough to allow him to bring in another budget and the ensuing general election restored the Tory Party to power.

The Labour Party resumed office again in the middle of 1929 and again as a minority government. Snowden was once more Chancellor of the Exchequer. His handling of Reparations questions at The Hague Conference won for him amazing national and international prestige. The Budget of 1930 disappointed expectation by containing no provision for land value taxation, although he intimated that it was the intention of the Government to deal with the question and that it was intended to introduce a valuation Bill which would be used to secure "to the community a share in the constantly growing value of the land." He added: "This is a measure equitable in itself, insistently demanded and long overdue. I have never regarded the taxation or rating of land values only as a fiscal instrument. It will be, to use a phrase of Mr Asquith's, a potent instrument of social reform." Why a year's valuable time was lost in introducing such a measure is a piece of history yet to be written.

In the autumn of 1930 a Land Valuation Bill was introduced. Its provisions need not be detailed as the Bill itself was not proceeded with and the substance of it was reproduced in the Finance Bill of 1931, the view evidently prevailing that the Budget was the only suitable method of dealing with land value taxation as only a finance Bill would under the Constitution be safe from the delaying and destructive powers of the House of Lords.

The Budget of 1931 provided for a tax of one penny in the pound on the capital value of land. The measure as introduced had some blemishes, notably the exclusion of minerals and the provision that agricultural land should be taxed only on any excess of value over its value for cultivation purposes. There is little doubt that these faults were not of Snowden's seeking but were forced upon him by some of his colleagues in the Cabinet and by a judgment of the political obstacles that a minority government would have to face on the floor of the House of Commons. The Parliamentary difficulties were soon made manifest during the passage of the measure and a further and more damaging concession was forced upon the Chancellor by the Liberal Party, largely instigated by Mr Lloyd George who a few days before had warned the Chancellor from his own experience of the dangers of "exemptions, restrictions, reductions, and limitations." As a result the basis of taxation was reduced by the provision that the land value should be diminished by four times the annual value assessed for purposes of Schedule A of the Income Tax. (The details of this matter can be found in our issue of July-August, 1931.)

Nevertheless the measure did provide for a valuation of land and for some degree of taxation. In point of simplicity of purpose and skill in drafting it marked an enormous advance over the Lloyd George legislation of

1909-10, and it was framed in such a way that it could under favourable circumstances have easily been amended so as to bring it still more closely into conformity with strict economic principle. When the time comes for a fresh legislative effort to be made this measure will provide an invaluable precedent which can readily be adapted to provide a more perfect measure. The legal and technical difficulties arising out of our ancient and complicated system of land tenure have been solved. It remains to secure a majority in the House of Commons which will enact such legislation, but the foundation will have been laid by Snowden and will remain his permanent memorial for all time.

The Finance Bill received the Royal assent on 31st July, 1931. On 24th August the Labour Government resigned, being unable to reach agreement as to the measures to be taken to deal with the monetary crisis arising out of the world wide economic depression. A Coalition Government was formed, and a general election followed in which an enormous majority of Conservative members was returned to the House of Commons. Although the Government continued to be called a National Government the influence of the Conservative Party rapidly became the dominating one. All the steps taken to put the Land Value clauses of the Finance Act, 1931, into operation were promptly suspended, and the clauses themselves were eventually repealed with the sole exception of that which compels purchasers or lessees of land to supply particulars of such transactions, including the price or rent stipulated, to the Inland Revenue authorities.

It is not the place here to appraise the political transactions of that period or the reasons which led Snowden to break with his former colleagues and enter a coalition with those who had been his political enemies. In his case at least no one doubts that his motives whether mistaken or otherwise were conscientious. Far more than any other man his support of the National Government gave it the overwhelming majority it received in the election of 1931. Whether he anticipated such a disastrous turnover of votes and the virtual destruction of any effective opposition in the House of Commons may well be doubted.

His continued ill-health—he had undergone a serious operation shortly before the introduction of the 1931 Budget prevented him from standing again and he was raised to the peerage as Viscount Snowden of Ickornshaw, and took the less exacting office of Lord Privy Seal. He was soon at variance with his colleagues because of the steady drift of the Government into Conservative policies. He resigned in 1932 because of the protectionist bias of the Cabinet as exemplified by the Ottawa Agreements, and considered that they had broken faith with the electorate who had been promised that the National Government would refrain from partisan use of their power. A still more bitter attack was made on the Government and on the Prime Minister (Mr Ramsay MacDonald) over the repeal of the Land Value Tax. He also criticized the handling of the Italo-Abyssinian dispute and the rearmament programme which he considered rushing into wartime expenditure in peacetime. He had always been an opponent of national borrowing which he regarded as a means of shifting the burden of taxation from the rich to the poor.

His last appearance on the public platform was when he addressed the Women's National Liberal Federation at a luncheon in the Criterion Restaurant, London, on 14th November, 1934. The speech was wholly devoted to the taxation and rating of land values. "There is no economic or social question," he said, "which is not

at bottom a land question. Land is essentially different from every other material property. It is from the land that all human needs are supplied, and if that original source is monopolized, if there are few individuals who can control that supply, then they hold the destinies of the community in their hands." After giving numerous instances of high-priced and untaxed land, he said "The main purpose (of the 1931 Finance Act) was not at that time to impose a tax upon site values, but to take the first and necessary step, i.e., the valuation of the sites of the country. We cannot have a national tax on land values or give effect to the principle until we know what is the value of the sites of the country. It was my intention to get this valuation and to impose as a beginning a small national tax on land values and behind that object was to deal with the iniquitous rating system." He summed up the advantages of the rating of land values and concluded: "It is a just, reasonable and practicable proposition and it is only waiting for an enlightened public opinion and for a Government which will have the courage to face up to the vested interests and restore to the people their rightful inheritance in the land."

To the Henry George Congress in New York, 1935, in a letter to Mr C. O'C. Hennessy, he sent an impressive message in which he wrote: "There never was a time when the need was greater than it is to-day for the application of the philosophy and principles of Henry George to the economic and political conditions which are scourging the whole world. The root cause of the world's economic distress is surely obvious to every man who has eyes to see and a brain to understand. So long as land is a monopoly and men are denied free access to it to apply their labour to its uses, poverty and unemployment will exist. When the land monopolists do permit the use of land they do so on terms which extort its full economic value. . . . Great Britain's departure from Free Trade has been a disaster not only to herself but to the world at large. We no longer can set an example to the world of the advantage of a free trade policy. Our Protectionist policy is corrupting the political life of the country and creating vested interests at the expense of the community. Permanent peace can only be established when men and nations have realized that natural resources should be a common heritage, and used for the good of all mankind. I hope that the day is not far distant when this fundamental truth will be universally appreciated, and then will be the age of Freedom based on Eternal Justice."

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*The Times* of 17th May, in its leading article on Lord Snowden, in addition to having a page devoted to his life and work, said: "Lord Snowden owed the respect of all and the affection of many chiefly to his indomitable courage in public affairs and to a singular charm in private dealings. He advocated his views, such as free trade and the taxation of land values, with a fervour which spared neither himself nor his opponents. But in the less tempestuous surroundings of private conversation his features, pinched and drawn unhappily as much by pain as by resolution, would break into a most winning smile, and the dust of controversy be dispersed by the fan of courtesy."

Sir Thomas Keens, Chairman of Ideal Building and Land Development, made reference at the annual meeting yesterday to the increase in prices of raw materials and pointed out that in view of increased building costs and higher land values there has been a tendency for the average price of houses of the company to increase.—*Daily Herald*, 7th May.