



LAND & LIBERTY

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DE-RATING AND A BETTER PLAN

INVESTMENT IN REAL PROPERTY.—Looking back over the last twenty years, including the war period, real estate is almost the only class of security which has consistently held its own. London has continued steadily to appreciate in value in nearly every district, and property judiciously bought is the safest and most remunerative investment for those who require a gradual increase in income and security for their capital.—*Display Advertisement by Messrs. Knight, Frank and Rutley in "The Times," 25th October.*

Look over the world to-day. In countries the most widely differing—under conditions the most diverse as to Government, as to industries, as to tariffs, as to currency—you will find distress among the working-classes; but everywhere that you thus find distress and destitution in the midst of wealth you will find land is monopolized; that instead of being treated as the common property of the whole people, it is treated as the private property of individuals; that, for its use by labour, large revenues are extorted from the earnings of labour. Look over the world to-day, comparing different countries with each other, and you will see that it is not the abundance of capital or the productiveness of labour that makes wages high or low; but the extent to which the monopolizers of land can, in rent, levy tribute upon the earnings of labour.—*Henry George, "Progress and Poverty," Book V., Chapter II.*

Parliament meets again this month and for its final session before another General Election. The chief item in the programme is the scheme the Government has in hand to dole out money to the local authorities so that they can exempt all agricultural land from local taxation and take off three-quarters of the rates from premises used as factories and workshops. In addition, each local authority is to receive increased grants to reduce the general burden of rates by an amount that varies from place to place, and for the first five years will not be less than 1s. per head of population.

It is the policy of the subvention on a large scale, and as we follow the discussion it has provoked, or look at some of the amendments that are to be

moved in the House of Commons, the impression is got that the money so handled by the Government comes out of a magic cave, or falls from heaven and is no charge or burden upon anyone.

It is agreed on every hand that the taking of the rates off agricultural land will result in the endowment of the landowner; the farmer will have to struggle against greater odds than ever. The effect of reducing the rates on factories and workshops will be precisely the same. The gift is to the owner of land on which the factories or workshops stand, and sites suitable for factories will command a higher price because the occupier will have so much less to pay when the building is erected. In fact, the Government scheme of subsidies to help agriculture and give relief to the manufacturers, as a means to stimulate employment, is being revealed and exposed as a blow to industry because it encourages land monopoly to raise higher the barriers against labour and capital. Indeed, already in anticipation of the measure, the price of land soars and labour is turned adrift to increase the volume of unemployment. It is startling to realize that the number of registered unemployed is now 1,344,200, being 270,168 more than a year ago. The figures are comment enough on the failure of the attempts to do anything and everything but cheapen land and set industry free.

The disturbing thought is that both parties in opposition in the House of Commons, persuaded by the talk of the "burden of rates" and looking at rating reform as a matter of easing the burden by shouldering it on the general taxpayer, propose subventions that would act just as quickly and as effectively in putting the relief in the landowner's pocket. Let the whole cost of unemployment be thrown on the Treasury is one cry, and the most despairing cry of all. Let us, the ratepayers, be relieved of the poor rates so that we, the taxpayers, may bear the burden! "Let the nation pay for the work done by the nation and the locality for the work done by the locality," was the way a speaker put it at the recent annual Liberal Conference as he pled for increased grants-in-aid involving £5,000,000 a year to be found by the Treasury. These are the schemes put forward by the self-same politicians who admit that the effect of taking rates off agricultural land is a bonus to landlordism. Are they blind or perverse in refusing to see that their policy of the general subvention is equally a gift to the owners of land? The weakness and inadequacy of these proposals are revealed in the reports of every commission and committee that has looked into the relation between local and national taxation. In so far as it may be necessary to call on the Treasury to pay for services the cost of which is now borne locally, the only just and proper means is by a national tax on the value of all land in town and country alike.

The money for the Government's policy of de-rating, so-called, comes in the main from the new Customs tariff on petrol and for the rest from the surplus revenue of the taxes that in so many ways hit industry, interfere with trade and raise the cost of living. The safeguarding duties bring revenue and for that reason, if for no other, as he

said recently, Mr Churchill would be sorry to lose them. Here is tribute levied on the consumers; the spending of it is worked into a formula fixing the grants to the local authorities, and the whole thing is called a measure of rating reform. It is a sheer waste of time to stop and question whether the tribute could be spent in a better way. Yet that will be the occupation of Parliament for months ahead. The scheme admits of no argument but the demand for the complete and immediate repeal of the petrol tax and of all the restrictive and price-raising tariffs and duties imposed since this Government came into power. One of the most dangerous and corrupt features of the subventions now to be given is that the local authorities have a financial interest in protective tariffs and indirect taxation, and that they are induced to ask for a still bigger share of the plunder the Treasury is taking from the industries of the country. As the de-rating scheme can do nothing to help agriculture or stimulate industry or promote employment, but only the reverse, it should be wholly swept away on the first opportunity.

The local authorities have been put in a shame-corner and the burden of rates is given as one reason for industrial distress. But what is this burden, and how is it placed? It is so levied as to protect the land monopoly in every district and penalize production at every stage. Valuable land lying idle within and around every town and village is exempt. It is because there is no burden there that industry is held in check and labour is locked out from its natural opportunities. The local authority finds its source of revenue dried up and must be put in leading strings to the central government, because it is denied access to the value of land created by the presence of industry and needs of its own citizens. What is wanted is not this spurious relief of rates but relief from the stranglehold of a basic monopoly on which all other monopolies rest and have their being, and which every day gnaws at the heart of the community. A. W. M.

In a contributed article to the *Evening Standard* (London) of 20th October, Mr A. Wyatt-Tilby writes under the heading *If Liberals and Labour Did Combine*; "For the time being the two Parties could undoubtedly co-operate. There are sufficient points on which they are in agreement to serve as the basis of joint Parliamentary action for two, possibly three, sessions. The first is obviously the Taxation of Land Values. Both Parties are equally pledged to it."

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NOTES AND NEWS

It is understood that much of the time of the Cabinet yesterday was taken up with the consideration of the present position with regard to the new Bill for the reform of rating and of local government. . . . In the discussions on the Bill, the Labour Party will put forward once more their alternative proposals, which are associated with their plan for the enlargement of the resources of the local authorities by the rating of land values.—*The Times* (Political Notes), 30th October.

* * *

The effect of the Rating and Valuation (Apportionment) Act on retail shops was discussed at a Council meeting of the Drapers' Chamber of Commerce of the United Kingdom in London yesterday. It was pointed out that no relief is given on premises primarily used for retail business. One speaker suggested they should approach Lord Birkenhead, who was the greatest living authority on English law, and give him, if necessary, a fee of £20,000 to study this question exhaustively and advise them as to the best course to pursue in order that justice might be done to them.

At a much smaller fee the Drapers' Chamber can get the very best advice by sending along to 11, Tothill Street for pamphlets explaining why rates and taxes should be taken off shop-buildings (and all other improvements) and levied on land values.

* * *

Lord Birkenhead's views on the matter were stated as long ago as 29th April, 1910, when, as Mr F. E. Smith, K.C., he spoke at the Waldorf Hotel on the Social Policy of the Unionists:

"It was useless for them as a party to pretend or argue that there was not in fact a fundamental distinction between land and other subjects of ownership. The essential physical consideration that land was, after all, limited in extent, in a sense which was not true of any other commodity, did make a difference. . . . So far as he knew, no Conservative had ever approved of the land proposals in the Budget (of 1909). . . . But that was a totally different proposition from saying that, for purposes of municipal rating, you might entitle the municipalities to readjust the basis on which their system of oppidan (urban) rating depended."

If the Drapers' Chamber agrees with this view, why not rather spend the £20,000 on a campaign to promote the rating of land values?

* * *

A House of Commons consisting of 660 gentlemen and 10 workmen will order the soldier to take money from the people for the landlords. A House of Commons consisting of 660 workmen and 10 gentlemen will probably, unless the 660 are fools, order the soldier to take money from the landlords for the people. . . . The State . . . will continue to be used against the people by the classes until it is used by the people against the classes with equal ability and equal resolution.—G. BERNARD SHAW in *The Impossibilities of Anarchism* (1891).

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An appalling picture of the state of overcrowding is given in the Report and Survey of Housing Conditions in the Metropolitan Borough of Shoreditch. The Report is written by Irene T. Barclay and Evelyn E. Perry for the Shoreditch Survey Group, and is published (price 3½d. by post) by the Weardale Press, 26, Gordon Street, W.C.1. In a long review, the *Spectator*, 20th October, says: "The veil is lifted from the horrors that exist so close to us, not only in this city, but in all our great centres of population."