

LAND & LIBERTY

FREE LAND

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THE DEBATE ON THE BUDGET

SPEECHES ON THE TAXATION OF LAND VALUES

THE CHANCELLOR OF THE EXCHEQUER ON THE GOVERNMENT'S INTENTIONS

(House of Commons, Finance Bill Second Reading, 27th May)

Mr. E. G. Hemmerde, K.C. (Labour): It is because the Chancellor of the Exchequer has not seen his way in this Budget to go very far, or, indeed, to go any distance, in the direction of what I think is the most important financial reform that can possibly be brought into this country, that I propose to say a few words at this stage of the debate. I recognize the difficulties which the Chancellor of the Exchequer had in proceeding upon the lines of a real taxation of land values in this country. I regard that question as being the most important financial question at present before the country, and I never can understand why it is attacked with such violence from the other side or why the very mention of this question rouses such feelings.

I do not want to see the Chancellor bring in any scheme for an Increment Duty or a Reversion Duty, nor do I want to see him butting his head against the wall of the difficulties of what is undeveloped land and what is developed land, but what I wanted to see him do in this Budget, and what I greatly regret was not done in this Budget, although I recognize the difficulties, was a flat tax on the unimproved value of land, which, in my view, would be far better for industry and is well worthy of the full consideration of those who talk about the evils of Income Tax and Super Tax, and particularly of the intolerable strain of a high Income Tax and a high Super Tax.

I regard the Income Tax and the Super Tax as a tax on industry, and therefore as evils in themselves, although we have to put up with them, but a tax on land values is not a tax on industry. It cannot be a tax on industry. No one is going to raise the price of land because there is a tax on rent. A tax on rent is a tax on a tax, and everybody knows that no tax on land can ever be shifted. Here you have this position in the country—unemployment, causing men and women of good will in all Parties to wonder how we are going to deal with this question, and no one really going to the root of the matter, but everyone trying little tinkering schemes which are going to do precious little good, and first one Government and then another attacked by its critics for not doing anything, and then finding, when it gets in, how very difficult it is to do anything.

We have this position at the present time: The money of the public is spent, let us say, in the extension of a tube railway in North London, and the result of that extension is that all the land to which that tube goes suddenly acquires an enormously enhanced value. Into whose pockets does it go? We are looking for revenue,

yet we allow the whole of that enhanced value to go into the hands of people who have never lifted a finger in its creation, and we talk of ourselves as the financiers of Europe. When anybody says it is public robbery to allow that to go into private hands, they talk about Socialism and Bolshevism.

All round London and our big towns you have this position, that instead of creating a treasure house on the borders of your towns, upon which the municipalities and the State can draw, as the town increases its borders, you create a barrier that you have to buy back at fabulous prices, and, instead of seeing that the wealth of the country goes into the pockets of those who create it, you let this money go on drifting year after year into a few private hands. On the borders of the towns you have great resources that you ought to have for public purposes, but you allow them to go into private hands. The effect is twofold: Not only do you lose the revenue which you ought to get for the further development of your towns, but, if you do not allow the town to develop outwards, it develops inwards, as the Royal Commission on Housing said forty years ago. All the courts and alleys of our big towns, all the slum dwellings of our big towns, are largely caused by an utter lack of any economic purpose in our taxation system.

It is necessary to take drastic remedies to handle these abominable evils. I remember, not long ago—it is not only in our big towns, but on our countrysides—that I represented a Division in Wales, where we had a housing question in one of the most beautiful villages in the country. There I found a position which is typical of many others. I found the same in Norfolk, and many other parts of the country, and hon. Members will know from their own experience similar cases. There we had a housing difficulty, and one of the Scottish Members, who happened to have been born there, offered to finance a housing scheme in the village, and asked me to look into it. The land was rated at 15s. an acre—all that we wanted to buy—but I could not get a yard of it under £800 anywhere, and the bulk of it ran up to £1,000 an acre. A tax such as I am advocating would solve that question.

While we are tinkering with unemployment doles and one thing and another, we have the root of the matter in our own hands if we are prepared really to tackle the question. Rural housing, town housing, the whole question of slum dwellings—it all depends upon it, and that tax will do its work. People will complain and will say that widows and orphans have all put their money into land values. They used to put it into brewery shares in the

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(Finance Bill Debate—contd.)

old days. Whenever you attack a great evil, people always try to advance under cover of a shield of women and children.

What I speak for here to-day is something simple, something drastic, something without exceptions. I hope that the Chancellor of the Exchequer, if he goes on, as I am sure he will, next year to deal with this question, and to find new sources of revenue, will not listen for a moment to those who say, exclude this and exclude that land. If I may give any advice, I say exclude nothing. The principle is absolutely vital that you have to tax all land values, and you have to make this a great solution of all our difficulties in this country. You have got to go into it upon the basis that it is the great vital reform that means almost everything for the future of this country. It is not Socialism, although the Socialist Party support the taxation of land values as a means for dealing with the land question. Looked at in another way, it is the highest form of individualism. You are breaking down all the barriers that obstruct production in this country. I take it that one ideal of the Liberal Party is to break down barriers, and to give everyone a fair chance. We are breaking down barriers when we come to that.

I will say to some of my hon. Friends on those benches that when there is talk about throwing out Governments upon some small matter of unemployment reform, let them remember we have got here on these benches and on those benches a majority that can settle the land question in this country once and for all, and not be led aside by any little dispute or any tinkering Measure to upset the magnificent chances we have got of doing big work upon this question.

Mr. P. Wilson Raffan (Liberal): My hon. and learned Friend the Member for Crewe (Mr. Hemmerde) has drawn special attention to the reference made by the Chancellor of the Exchequer to the question of the taxation of land values. Like him, I regret that it has not been possible to deal with the taxation of land values in this Budget. I regret it, because, while I join in the sense of relief at any portion of the load of taxation being taken off the food of the people, I feel that this Budget does fail in that it does not to any marked degree deal with the great problem of unemployment and the great problem of housing, to the solution of both of which, I am sure, the Chancellor of the Exchequer would like to make a substantial contribution. I do hope that he will utilize the year which lies before him in endeavouring to make every preparation that is possible, not merely to carry through a Measure for the taxation of land values in his Budget next year, but to have so dealt with the preliminary work that that tax may become productive at the earliest possible moment.

We do not care a single bit to whom the credit goes so long as this great measure of reform is carried out. I think it is so extremely desirable that the question should not be approached merely from a Party point of view, that I do not think it is quite wise to indulge in, shall I say, somewhat sarcastic references to the efforts which were made in 1909-10. I think the Chancellor of the Exchequer himself realizes that those efforts were made in circumstances of greater difficulty than any he will have to

face. That compromise, probably, had to be made for the purpose of carrying through the valuation which is the basis of all land values taxation, and, on behalf of the Party with which I am associated, I feel bound to point out that we were never satisfied with those duties, but that, on the contrary, in 1913-14, just before the war broke out, we were engaged in a campaign which had as one of its objects the substitution of a straight tax and rate upon land values.

Having said so much, as I feel I ought to do, I agree with my hon. and learned Friend the Member for Crewe (Mr. Hemmerde) in hoping that the Chancellor of the Exchequer will not be beguiled into any attempt to set up fancy duties of that kind.

Although, no doubt, those duties were subjected to very severe criticism, those who believe in this reform ought never to be content to hear the criticism that enormous sums were spent upon creating a valuation under the 1909-10 Budget for which no return of any kind was received. Members of the Land Union have said again and again that the valuation of 1909-10 cost this country from £4,000,000 to £5,000,000, and that the return in revenue was nothing like that sum, so that there was a net loss upon the transaction.

I am one of the few left in this House who were members of the Select Committee upon these Land Values Duties, which was, I think, created for the sole purpose of pronouncing sentence of death upon them, so that there might be some justification for the Chancellor of the Exchequer in a succeeding year saying that he abolished them after an impartial inquiry had been made. We did have submitted to us certain evidence from a number of competent officials, including, among others, Sir Edgar Harper, who was the chief valuer; and he pointed out in his evidence that, in all these high estimates as to the cost of valuation, what was included was not the cost of valuation only, but the whole cost of the Valuation Office. That included the Estate Duty valuations, work in connection with Liquor Licences and with housing sites, and work for the Admiralty, the War Office, and various other Departments, for all of which work there was a much more than equivalent return, and the Exchequer benefited from it accordingly.

When these deductions were made, the total cost of the valuation was just over £2,000,000. What did we get in return for that? We had, according to Sir Edgar Harper's statement, valued 10,500,000 hereditaments at an average cost of 3s. 9½d., or to put it another way, we had valued over 56,000,000 acres at a cost of 8½d. an acre. The acre was not merely the agricultural acre of the value of £25 or a little more, but it included also the Devonshire House site, which has been valued by those who sold it at over £1,000,000.

While it is quite impossible to say, because we have never been furnished with particulars, what the total amount of the valuation is, if we assume that the total value of the land which was valued came to only £2,000,000,000, which would be a very absurd underestimate, we find that the whole of this work was carried out at a cost of a tenth of 1 per cent. of the value of the land that was valued. Therefore I say in advance it will be quite useless, when these facts are clearly stated, to say that the cost of land valuation outbalances the cost of the revenue which may accrue.

I will not refer to the argument that the beginning of our housing troubles was to be found in the Budget of 1909-10, except to say that, as a matter of fact, the number of unemployed people in the building trade fell steadily from 1909 every year right down to 1913. The number of people unemployed in the building trade in March, 1909, was 13·3 per cent., in 1910 8·9 per cent., in 1911 6·5 per cent., in 1912 6·2 per cent., and in 1913 4·6 per cent. So that, however open those Land Duties may have been to criticism—and I agree they were extremely open to criticism—it is, in the first place, quite untrue to say it cost far more for the valuation than the product

of the taxes, and it is equally untrue to say they were in the slightest degree responsible for bringing about the bad housing conditions which have since followed.

It would be futile without a proper valuation to say what the site value of the land of the country alone is, but if we are to judge by the experience of other countries where there has been a valuation, I cannot imagine the value of the land of London, for instance, can be less than £100 per head of the population. In New York the valuation works out at a higher sum than that. London is a wealthier city and is more likely to have a higher site value. If the value of London is £400,000,000, surely the value of the land of the whole country cannot be much less than something like £4,000,000,000. But even if that is an under-estimate—I should be somewhat surprised if it turns out to be very much of an over-estimate—here is a very large sum which can be called upon to make contribution without any industry suffering or any man being poorer by being deprived of anything which he has honestly earned. Every penny of this value was created by the energy, the expenditure, and the enterprise of the community, and it is a source to which the Chancellor of the Exchequer may legitimately turn.

The Chancellor should consider side by side with this the question of dealing with the whole problem of Imperial and local taxation, for which, so far as I can see, he can find funds in no other way which would not impose a burden upon the community, and I should welcome this new system of taxation still more for the reasons given by the hon. and learned Gentleman the Member for Crewe, because the effect of a tax of this kind falling upon vacant or under-used land would be to force into the market millions of acres which are at present held entirely out of use or are terribly under-used. If you were to free the land in that way so that access could be had to it by those in a position to work upon it, there would be no need for us to consider, as we have had to do, the question of doles for unemployment or of providing work which may or may not be productive, but at any rate is found to make a charge upon the resources of the community.

Surely hon. Members opposite are not satisfied with the fact that more than half the land of the country is lying under pasture. Surely they will agree that it ought to be possible here, as in Denmark, to produce by a peasant population a far larger quantity of food at home. They agree to that. Do they agree with this? The Scottish Chamber of Agriculture, a body of as hard-headed men engaged in agriculture as any in the British Isles, when they came to consider what could best make the land more productive, took for consideration two farms on each of which something like £3,000 could be expended with advantage. In the one case the money was expended and in the other it was not. In the case where it was not expended there was nothing like the production there was on the other, but what happened was that the assessor left the person who allowed his farm to become more and more derelict not only to pay no increase in rates, but actually reduced his rates as the value of the farm decreased. In the other case, where the £3,000 was spent, the assessor immediately came down and every year imposed a fine upon the farmer because of the expenditure he had laid out. How can we go on under a system of that kind? Our friends in Denmark, the pioneers of smallholdings, partly through the pressure of the smallholders, are carrying through a system for the taxation of land values. We could quite easily absorb at least half a million or more people on the soil if we adopted this system, which would encourage instead of discouraging smallholdings.

Look at the position in our great cities. Think how much under-used land there is in London which is being held off the market merely by extravagance. I referred to the Devonshire House site. It is standing there idle because land speculators one after the other bid up, each against the other, running up the value from £500,000 to £750,000 and then to over £1,000,000. Then the last

speculator bid more for it than the market can stand, and it stands there now totally idle. If you follow the advice of my hon. and learned Friend, if you go to these people and say, "The value of this site is £1,000,000 and you are going to pay your tax on £1,000,000," how long is the Devonshire House site going to stand there idle? Before a single year is over you will have workmen there busy erecting upon it some building which would help the position of trade and industry.

I trust that the Chancellor of the Exchequer will not be satisfied merely with having said that he sympathizes with our movement, although we appreciate what he has said, but that, whatever the pressure of Parliamentary business may be—and we know it is great—he will see that the necessary steps are taken, at the earliest possible moment, for the purpose of setting up again the full powers of the Valuation Department that were taken away last year, and that he will lay the foundation stone of a system of land values taxation which will be carried through in next year's Budget.

(Earlier in the Debate, Mr. Franklin and Mr. Mosley spoke.)

Mr. Leonard B. Franklin (Liberal) : I thank the Chancellor of the Exchequer for the first great step which he is making towards the Liberal policy of taxing the land, and letting the buildings go free. It is of splendid promise for the future. It means, and must mean, more for employment than anything else, because by employment you mean the opportunity to produce, and if the land is free, then, and then only, can we have a full opportunity to produce.

If we once begin to tax site values, and tax them on the valuation made upon what they would produce if they were put to the very best use, it would be found that something like £3,000,000,000 worth of value at a penny would produce £12,500,000, and thus if the House would go along the road that you have already started to travel, we should have that beginning of the taxation of the land values to make up any deficiency that may be required.

Mr. Oswald Mosley (Labour) : If he (the previous speaker, Sir H. Buckingham, a Conservative) is looking for fresh sources of taxation, Income Tax is not the only source. I would recommend to him land values, and I was delighted to see that the Chancellor of the Exchequer foreshadowed some such event in a recent speech.

The Chancellor of the Exchequer (Mr. Snowden) : We have had two very powerful speeches this evening urging the importance of the Taxation of Land Values. I am sure the two hon. Members who spoke, and all hon. Members who sit on this side of the House, know there is no need for them to press me upon this question, and I hope they will not be offended if I say that I thought they were just a little unreasonable in their criticism of me for not having dealt with the question in this year's Budget.

Mr. Raffan : So far as I am concerned, and, I think, my hon. and learned Friend the Member for Crewe (Mr. Hemmerde), we expressed disappointment, it was not; but we expressly said that we realized wholly the difficulties were too great.

Mr. Snowden : I am very glad to hear that, because, much as I would have liked to have dealt with this question in this year's Budget, I do assure hon. Members that everything is being done with regard to this matter that can be done. We are most anxious, in introducing our proposals, that they shall be of such a character that they will be simple, that they will be effective, and I hope that they will not share the fate of those Measures to which reference has been made to-day, and upon which the House spent so many days and nights a few years ago. I hope that we shall be able to introduce before very long a short Bill to enable the Revenue Department to get the particulars of which it was deprived by an Amendment to the Finance Act of last year. I may take the House of Commons so far into my confidence as to say that I did very much hope that I should have been able to do that

in the Budget this year, but I was advised that it would have taken the Finance Bill out of the category of finance Measures, and I therefore did not want to run any risks with regard to land values. But I hope there certainly will not be any unnecessary delay, and I hope the Valuation Department will not suffer very much in consequence of the unavoidable delay that has taken place.

(The Second Reading was carried without a Division. For reports of other Debates in Parliament, see p. 106.)

Mr. Lloyd George on Land Monopoly.—Speaking at a special meeting of the Council of the London Liberal Federation at the National Liberal Club on 12th May, Mr. Lloyd George said: "The soil of this country, which is about the most fertile in Europe, is not producing half of what it ought to yield. . . . We have an unbusinesslike, effete, crippling system which locks up the resources of the soil, and denies to capital and labour their full opportunity, not only to reward themselves, but to supply the needs of the nation. Take again our coal measures, the richest in Europe. Here our land system has again been responsible for such a tangle of restrictions, of limitations and of exactions, that our mineral riches cannot be economically worked.

"Take our development of power, so vital to the industries of this country. . . . Here again you have the same tangle of vested interests. The land monopoly comes in even here, in restricting the full use of water power, as well as of coal power.

"Then come to our towns. No one can pretend that they are developed in the way that best suits the health, the well-being, the comfort, and the happiness of the people. And the chief obstacle here, again, is undoubtedly the land monopoly which walls in and slumifies our cities. Yes, and our villages too."

This denunciation of land monopoly is all very well, but until Mr. Lloyd George advocates the Taxation of Land Values and repudiates the land purchase proposals in the Liberal General Election Manifesto (for which he was responsible along with Mr. Asquith), his speeches on the land question leave us quite cold.

The Position of the Smallholder in Scotland.—There was an informing debate in the House of Commons on 9th April on the evictions of smallholders in Scotland owing to the resumption of their holdings by purchasers. As Major McKenzie Wood and Sir Robert Hamilton explained, a coach-and-four has been driven through the 1911 Small Landholders Act by the operation of Section 19, according to which occupation of a holding by a landlord for the purpose of personally residing thereon is deemed a reasonable purpose for which the holding may be resumed. Many estates are in the market and smallholdings are being offered for sale individually. Where a smallholding adjoins a large farm and the smallholding has been bought by the farmer, nominally for his son, or even for his daughter, and the Land Court has had to give them occupation, the holding has been at once added to the farm, being worked in every way as part of the farm and not as a separate holding at all. There is a fear that the provisions of Section 19 are being used to kill the whole smallholdings movement. The holders never know when they may be forced to bid as purchasers to prevent eviction and they are being squeezed into paying exorbitant prices. The most sinister feature of the business is that security of tenure, the great object of all this legislation, has given way to uncertainty and consternation, and the harsh conditions of land speculation are restored.

Something far more radical than an amendment of the faulty Section 19 of the Act is necessary. The Act failed from its inception to liberate land that might be developed into smallholdings or throw open the millions of acres that are withheld from cultivation. Existing smallholders were given some kind of shelter behind the decrees of a Land Court to fix rents but that has proved unavailing. With

the land monopolist ruling the situation, the Court could do nothing to provide new holdings, and all the clumsy, inefficient and expensive machinery of this smallholdings legislation has completely broken down. What is wanted now as at first is to tax the true market value of the land held to ransom and so make it available to the smallholders and all who would cultivate it. So many opportunities to occupy land would be obtainable and the prices and rents of land would so diminish that the question of security of tenure would at once be solved for the smallholders who are being menaced by spoliation all over Scotland to-day.

A Landlord's Admission.—Giving evidence before the Committee on National Debt and Taxation on behalf of the Landowners' Association, Lord Clinton (daily papers 7th May) pointed to the exceptional severity of the death duties on agricultural land owing to its having a *market value far in excess of its income producing value*. (Italics ours.) It is true that where the landowners come out to urge their case, they can only help our case, which in this instance is, that these landowners are claiming to hold land out of use for a market value which they hope to squeeze out of industry later on. A national tax on land values on this market value will remove this grievance and bring such land out of the clutches of land monopoly. The land value policy will promote industry and progress at the expense of the greed of landlordism. It is the alternative to the existing system which blocks the way to all development.

If Lord Clinton had pointed out that the death duties are levied most heavily where land has been most fully developed and improved, he would have said something to prove his interest in agriculture. The death duties like income tax and local rates show no mercy to the improver; neither do the speculating landowners for whom Lord Clinton is concerned.

Our Surplus Population!—Speaking at a Conference at Wembley, 15th May, on "Empire Migration and Settlement," Mr. J. R. Clynes (Lord Privy Seal) said "he believed that transference of surplus population from this country to Canada, Australia and other lands would advantage the working classes who remained behind here, just as well as it would be an enormous personal advantage to those who went abroad." The idea seemed to be somehow that the transference the Labour Party was out for was an exodus from the slums to the vacant spaces in our own country; yet before anything is attempted on these well defined lines the scene changes, and Labour leaders, members of a labour government, turn to schemes of emigration to advantage the working classes. What about Kropotkin's FIELDS, FACTORIES AND WORKSHOPS, to say nothing of making this a land fit for heroes to dwell in? And why should Mr. Wheatley worry any more about housing? Get Mr. Clynes and Mr. Thomas at work on this overseas plan of population distribution and the problem is half solved. As Mr. Clynes said in his speech, the advocates of Imperial settlement need not despair because as yet their efforts might not have met with the deserved measure of success, so we may say to the Minister of Health: do not give in, and when you are told that you can't produce the goods keep in mind that if you only produce half, the transference of some of the working people across the seas may help you out.

Will-o'-the-Wisp.—The Scottish branch of the Surveyors' Institution held their annual meeting at the Grosvenor Restaurant, Glasgow, 1st May, when the Chairman, Mr. J. Campbell Murray remarked "they were now threatened with a resuscitation of that old 'will-o'-the-wisp,' the taxation of land values," which he proceeded to blackguard in the approved Land Union misrepresentation manner. These gentlemen know very well that the Lloyd George 1909 fiasco was not the Taxation of Land Values, but they do their part in maintaining the discussion, so let it go at that.

There surely never was such another will-o'-the-wisp to be seen on the moist ground cultivated and measured out by the Surveyors' Institution. Its luminous appearance at a meeting of the craft in a Glasgow restaurant is quite in order. Speaking at a Glasgow Housing Conference, 29th April, the Lord Provost (Mr. W. M. Montgomery) said: "They were often told that the building of working-class houses ceased owing to the Finance Act of 1909. He thought it could not be too often contradicted by those who had knowledge of the facts that the Finance Act of 1909, while it might have been a contributory cause towards the decline in the building of houses, was not the only or really the principal cause of that decline."

That "will-o'-the-wisp," Taxation of Land Values, can best relate the principal cause of the decline, as the Lord Provost of Glasgow very well knows.

Population and Public Utilities.—The factors that give rise to the value of land are speaking for themselves just now at the approaches to Waterloo Bridge, the great artery across the Thames which has been suddenly closed for repairs and eventual rebuilding. Other bridges across the river are at a considerable distance.

A representative of the STAR (6th May) has visited the neighbourhood and these are some of his facts:—

Mr. L. Hammond, of 23, Waterloo Road, who has a clothier's shop, said that not a customer had entered his place since the bridge closed. His average takings were £30 a week, and his premises are heavily rated.

Mr. Hatto, of Hatto & Sons, furniture dealers, stated that during the whole of this week he has only taken 12s. On Monday, Tuesday, and Wednesday the firm did not have a customer. Their average takings were over £40 a week.

A florist's shop has been particularly hard hit. The proprietor showed with dismay his withered stock. He had only taken £4 10s. since Monday. "It is just at this period that we do our biggest trade of the year," he said, "and we were anticipating taking at least £8 10s. a day."

In a restaurant the STAR reporter noticed that not a single lunch was being served, and the proprietress said her takings had dropped from £30 a week to 15s. a day.

Apartment houses are practically deserted, and at one hotel at which 40 people are usually staying each night, not an inquiry for rooms has been made since the bridge closed.

One of the most distressing features is that many people who have lived in apartments and hotels in this district for a number of years have given notice because they cannot cross the bridge to get to work.

The Key to Valuation.—The annual meeting of the Association of Local Lands Valuation Assessors of Scotland, took place at Ayr on 2nd May. On the motion of Mr. Pope, Assessor of Aberdeen, the following resolution was adopted:—

Whereas the keeper of the Register of Sasines furnishes to the Government Lands Valuation Offices extracts of all sales or transfers of heritable property, and whereas the annual values of such property, as made up by local assessors, are adopted for Income Tax purposes by the Government officials, and whereas such extracts would be a great service to local assessors, therefore this association agrees to make an application to the Secretary for Scotland to authorize the Keeper of the Register of Sasines to furnish a copy of such extracts to the local assessors of the district.

This shows the importance that the Scottish Assessors attach to the information provided by transactions in the open market. It is the key to valuation practice. The Valuation Department was deprived last year of the power to register such particulars and it is imperative that the Government should at once restore that power. A Bill has been promised for the purpose. When will it be introduced?

Mr. SNOWDEN'S NEXT BUDGET

The Taxation of Land Values

Addressing a meeting of his Colne Valley constituents at Slaithwaite on 16th May, the Chancellor of the Exchequer, Mr. Philip Snowden, said:—

It had not been possible during the time the Government had been in office to do more than introduce a stop-gap Budget. He hoped to do better next year. His opponents were already telling him about the terrible financial difficulties he would find himself in twelve months hence. Some of those critics had warned him of a deficit of at least one hundred million. "Well, I can face the prospect with equanimity. I have given the country not only a democratic Budget, but I have given them a sound Budget—sound in its finance, there is no jugglery about the Budget—it is open, honest, and frank. I would be the last man in the world to lend myself to anything which was likely to have a damaging effect upon the financial stability of this country. Everything depended upon the maintenance of our national credit. He had made not a proposal, but had given a hint of something that he hoped to be able to do in the next Budget twelve months hence, and that was in regard to the taxation of land values. That was trying to secure for the community some part of the unearned increment on land which, at present, went into the pockets of private owners who had not themselves, either by their efforts or by the expenditure of capital, contributed one penny to the increased value of that land. He was not deterred by Mr. Lloyd George's comparative failure from making an attempt to deal with that very urgent, economic, and social need, and during the present year he hoped to be able to establish a department well equipped for the valuation of the land, a valuation which would be carried out very simply, and at the first opportunity he would submit to Parliament financial proposals for the taxation of what was generally called the unearned increment on land. He thought that the sum obtained thereby would be very substantial. If the Labour Government was going to carry out what would be expensive and far-reaching schemes of social reform, it would certainly need other additional sources of revenue, or he was hopeful that they might be able to meet the cost by drastic reductions of unnecessary national expenditure. The best way in which that could be done was by some international arrangement and understanding for the mutual reduction of armaments.

Mr. Snowden's references to *increased value* and to the *unearned increment* will not escape notice. Some newspapers have emphasized these words, but although the phrasing is misleading, certainly nothing in the nature of an increment tax is intended. What is "generally called the unearned increment on land" is the market value of land apart from improvements, and Mr. Snowden's declaration simply means that he intends to impose next year a uniform tax on the land value of all land. That is his policy, as it is the policy of the Land Values Group in Parliament.

The MANCHESTER GUARDIAN of 23rd May, reporting the proceedings at the Annual Liberal Conference at Brighton, states: "A resolution was carried in favour of taxing land values and reducing rates and taxes on improvements. A delegate from Cambridge who moved it created considerable amusement by advocating the principle of taxing land values in a speech that struck a few people present as fantastic, and then announcing that he was reading an old speech of Mr. Lloyd George's."

The delegate named is our co-worker Mr. A. H. Peake of Cambridge. Many of our readers will remember with pleasure having met Mr. and Mrs. Peake at the International Conference in August last year.