

"A tax on the value of land would have taken some of that increased value of the land back to the community which had expended the money on the works. You cannot justify the removal of the valuation because any system of land value taxation, whatever you may think about the particular tax of 1931, must be based on a valuation such as the one now repealed. It is the repeal of the provisions as to valuation which was absolutely uncalled for and indeed iniquitous."

Colonel WEDGWOOD (Labour): "The most striking case is the question of the taxation and rating of land values. If you take the landlords' part of a value which the community not the landlords have created, you are being guided solely by justice not by expediency; you are recovering for the community part of a value which the community itself has created. The principle behind that is a principle of justice. If the Chancellor of the Exchequer takes something from me in Income Tax and Super-tax, he is not actuated by a principle of justice; he says: 'The money is there and I can get it,' and he goes for it. Income Tax and Super-tax may be justified on the grounds of expediency because you have to get the money from somewhere, but on grounds of justice they cannot be justified, whereas a tax on a value created by the community can be justified and ought to have the first call on the attention of the Chancellor of the Exchequer. You have only to go on a motor tour through the country to see how the value of private land is being piled up by Government expenditure. Millions of pounds have been put into the pockets of landlords, and to take that back is an act of justice, not an act of expediency. It would be worth while to pay more attention to justice and less to the question as to how we can best get the money irrespective of what the effect will be."

"You are destroying a valuation which might have been a basis not merely for taxation but for local rating. Our present system of rating penalizes improvements, checks development, interferes with industry and produces slums and overcrowding. If you de-rate improvements and levy the same rates on land values it not merely makes building cheaper but makes it more difficult to hold land out of the market; it increases the amount of land available for buildings and factories and reduces the charge levied by landlords on industry. The main reason why the valuation of 1931 and the valuation provided for in the Budget of 1909 had been revoked, repealed and expunged is that any method for the taxation of land values must inevitably reduce the value of land—"

Mr MACQUISTEN: "Destroy it!"

Colonel WEDGWOOD: "Yes, destroy it in certain cases. Speculative values certainly would be destroyed. There is a very adequate reason why land taxes have been revoked by the National party—it is criminal to destroy the value of land."

"Every barrier you put between a man and his raw material throws out of work an increasing number of people in all other trades. Everything you can do to break down barriers and make it easier for an unemployed man to get his raw material improves his chance of work, and, therefore, increases work throughout the country. What is the barrier which I want to remove in the interests of trade and employment? It is the price which has still to be paid, whether in rent or capital sum, before an unemployed man can get at his job. That is why I want land cheap, so that land which is not being used now shall be free for anybody to use. The higher the value of land whether for buildings or agriculture, the more unemployment you create, the more difficult you make it for your primary trades to get at their raw material."

"The land question is a question not of getting some money out of land, but of freeing the working-class from the tyranny of the competition of the unemployed."

Mr. CHARLES BROWN (Labour): "In June, 1931, speaking of the Land Value Tax, Mr Baldwin said in effect: 'If you give us your confidence, when we are returned to power we will see to it that this tax, which we do not like and think is unjust and inequitable, is repealed.' He was quite entitled to do that as leader of the Conservative Party. But the circumstances changed. We had no election in which the right hon. Gentleman could appeal to the electorate to return his party to power in order to repeal the land taxes. What we had was a financial crisis, so-called. A National Government was formed, and he became a member of it, and as a member of that Government he said in the House of Commons on 26th May, 1932: 'Had this been a Tory Government we should have repealed the Statute.'"

"I ask Mr Baldwin what has occurred to cause him to change his opinion between May, 1932, and May, 1934? What has happened inside the National Government? In view of the general nature of this Finance Bill, and particularly of what we regard as an iniquitous proposal to repeal the land taxes, all of us on these benches will go without any hesitation whatever into the Lobby to support the Amendment."

Mr NEIL MACLEAN (Labour): "The Government were elected for a specific purpose; they appealed to the electorate to elect them in order to save the country from what they claimed to be a national crisis, telling the country that no party advantage was going to be taken, but that all three parties were going to work for the common weal of the country, and that when once the country was again in safety then the three parties could dissolve and assume their separate existences once more. Here is a particular tax which has been for many years one of the most burning questions in party politics in this country."

"In my membership of the House of Commons I have seen two Coalition Governments, and each of them has brought Budgets before the House in which a land tax has been deleted from the Statute Book. History is repeating itself to-night in another Coalition Government, and the Prime Minister who was mainly responsible for the passage of the Land Tax in the Labour Government, as one of the planks upon which he pledged himself and upon which he placed great reliance, is assisting, as Prime Minister of this Coalition, in stripping it from the Statute Book. The right hon. Gentleman the Member for Carnarvon Boroughs (Mr Lloyd George) was the other Prime Minister. Curiously enough, to complete the coincidence, the Chancellor of the Exchequer who is responsible for the present Finance Bill is the brother of the Chancellor of the Exchequer who was responsible for the Finance Bill which destroyed the first Land Tax."

The FINANCIAL SECRETARY TO THE TREASURY (Mr Hore-Belisha), the only member of the Government who referred to the repeal of the tax, contented himself with a few derisory remarks: "The machinery for the collection of the tax on land values was put into abeyance by the decision of the National Government when the right hon. Gentleman the Member for Caithness and Sutherland (Sir A. Sinclair) was still a member of it."

"In the ordinary course of events, the Land Values Tax would have come into operation this year. As three years must elapse between the necessary preparation and the exaction of the tax, it becomes plain that the tax could not become operative in the lifetime of the present Parliament. Accordingly, the Government have decided, having examined the whole matter, that some future Parliament should not be deprived of its right to examine the whole matter afresh, in the light of the new conditions which will then prevail, and in detail. That, I think, is a practical proposal, and I do not think it can cause any undue regret."

The voting for the Second Reading was 290 for and 55 against.

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