

"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 LINE OF ADVANCE.

It is now six years since Sir Henry Campbell-Bannerman's Government was returned with an overwhelming majority, pledged to the Taxation of Land Values, as a means of securing to the public the benefit of public values, freeing the building and other trades from the rates which now act "like a hostile tariff" against them, reducing overcrowding and exorbitant rents, and giving would-be cultivators access to the soil on fair terms.

The friends of the movement in Parliament organised themselves into a Land Values Group, several members of which have since received ministerial appointments. Opinion in the House of Commons consolidated and broadened in favour of a scheme of universal Valuation as the basis of transferring the burden of rates both in town and country on to Land Values. A Bill was drafted, and deputations waited on Sir Henry Campbell-Bannerman and Mr. Asquith, who freely admitted the justice and urgency of the proposal and the obligation of the Government to deal with it.

But for several years the reactionary element in the Ministry—especially the Department whose duty it was to prepare and introduce a Bill for the reform of the rating system—blocked progress. The Scottish Bill was allowed to be mangled to death by the House of Lords without serious protest, and England was given in the name of "land reform" only such measures as the Small Holdings Act and the Housing and Town Planning Act, which are now generally admitted to have been "of very great benefit to the landowners," and to no one else, and which, as we predicted, instead of easing the economic pressure and giving better opportunities to land users, have increased the power of the monopolists to rob the community and withhold from the workers their birthright in the land.

By-election after by-election showed the disappointment and disgust of the public. Our friends in Parliament were roused to further effort, and were only induced to withdraw their amendments to the Housing and Town Planning Bill, in favour of a preliminary provision for the valuation of land apart from buildings, by Mr. Asquith's statement in the House of Commons (12th May, 1908), that Mr. Burns would at an early date introduce a Valuation Bill with two objects; first, to make uniform as far as possible the system of valuation; and secondly, to provide for a separate valuation of sites and buildings.

This specific promise again came to nothing, and in response to further protests and questions in the House, general assurances were given by the Government that in spite of the inexcusable failure to introduce a Valuation Bill for England, and of the destruction of the Scottish Bill by the House of Lords, other means would be found before the dissolution of

Parliament to provide for an equally, or more, complete and satisfactory system of Valuation. The meaning was clear, especially when it was remembered that there was a truly democratic and adventurous Chancellor at the Exchequer, who was looking for fresh sources of revenue. Hopes rose high when, in December, 1908, Mr. Lloyd George declared:—"I mean to raise those taxes in a way that will not interfere with any productive industry in this country. . . . We want to do something to bring the land within the grasp of the people." Again, speaking in the House of Commons on 25th February, 1909, Mr. Lloyd George said they could not deal with the question of rates without altering the basis of valuation. He referred to the unfortunate end of the Scottish Valuation Bill, and said: "they were considering whether there were not other methods of dealing with that important question."

History will record how those hints and promises were made good in the great Budget of 1909, which, according to the testimony of friends and foes alike, restored the fortunes of Liberalism. The land clauses of the Budget, and the speeches of Mr. Lloyd George, in which he declared that at last an account was to be taken between the monopolists and the public, took the wind out of Tariff Reform and Socialist sails, rallied thousands of waverers to Liberalism, and started such a wave of enthusiasm as carried away the age-long obstruction of the House of Lords, and made it possible at last for overdue questions, like Home Rule, Welsh Disestablishment, and Electoral Reform to float to settlement, which they could not have done of their own motion.

While those questions for the time occupy the political stage, we have a moment to take stock of the present position of our movement and to shape our policy for the future. Where have we got to? Are we on the right road? What is the next stage towards the goal?

We have a national Valuation Office which is making a valuation of all land as directed by the Budget, which will be more thorough, complete, and uniform than would have been possible under any system of rating reform carried out by the existing local authorities; the Budget taxes are being slowly collected—on the increment of land value in respect of certain classes of land on casual occasions, on the land value of certain arbitrarily defined "undeveloped land," and on mineral rights; and the claims of the local authorities to share the proceeds of such taxes are under consideration.

On all these three points—the valuation, the taxes, and the division of proceeds between the State and the local authorities—the time is ripe for further advance. Public opinion is demanding something simpler and more workable in valuation and taxation, and a speedy solution on just and effective lines of the old question of national aid in relief of rates.

As regards valuation, what we want is a record of all land values for the time being. The delay and expense, of which all now complain, is due largely to the Budget requiring buildings and fixed machinery and timber to be valued, although no tax is to fall on them. If the valuers had to ascertain land value only, the valuation might be completed in a third of the time. Next, the value ascertained should be the whole land value and nothing but land value. It

should be the whole land value in all cases, whatever dealings there may have been with the land, and not subject (as under the Budget system) to deduction for "fixed charges," *i.e.* feu duties, &c., charged on the land, which under the present valuation has produced the absurdity of land values of an apparently *minus* quantity. On the other hand, there should be excluded from the assessment the value of all improvements, including those which increase the value of land for agricultural purposes, which are not excluded under the Budget valuation. Lastly, the valuation should be made not as in 1909, and then again only on the casual occasions of sale or death, but up to date and periodically often enough to make it always an accurate record of the amount of land value for the time being enjoyed or controlled by each of the persons interested in any piece of land.

These few and simple but important alterations could be made at once and fitted into the existing law and practice. We should then have all that is necessary for a straight, simple, uniform, universal annual tax on all land values, to be levied on each of the persons interested in such land values in proportion to his interest.

Such a tax might at once supersede the present partial, spasmodic, unintelligible, harassing Budget taxes, to the benefit of the revenue, which would get a certain and regular return with much less trouble and expense, and to the relief of the taxpayer, who would no longer be mystified and irritated by uncertainty and the "hard cases" arising from the present illogical and arbitrary system, which vex the righteous souls of Captain Pretyma and the Land Union and the *ESTATES GAZETTE*, as much as the "cruel and relentless" spirits of the United Committee. In response to pressure from Captain Pretyma and Mr. Austen Chamberlain, Mr. Lloyd George, in the House of Commons on December 13th, 1911, announced his readiness to accede to the demand for an Enquiry with a view to simplification, and he suggested that in promoting such an Enquiry the Land Union must have been in secret co-operation with the Single Tax Union. Simplification must inevitably take the lines indicated above, and we trust that our friends in Parliament will join hands with Captain Pretyma in pressing for and serving on such an Enquiry at the earliest possible moment.

On the last remaining point also—national aid in relief of rates—events are moving slowly but surely towards a solution on land values lines. We have quoted above Mr. Asquith's pledge as to valuation, and on more than one occasion he has emphasised the necessity for sweeping away the present wasteful and ineffective system of doles out of national taxation. On February 7th, 1909, Mr. Lloyd George said: "They could not deal with the question of rates without altering the basis of valuation. . . . The Government could not possibly deal with the whole question by promising additional subventions, which led to extravagance and confused the issue. The intentions of the Government were intimately mixed up with the finance of the year" (*i.e.*, the Budget proposals of 1909).

Speaking in the Carnarvon Boroughs on the 9th December, 1910, with reference to the Budget, Mr. Lloyd George said: "When we get the complete valuation we shall have a basis then for re-adjusting the burden of the local

taxation, and I hope before I have the privilege of meeting you again there will be such a re-adjustment of the burdens of the local taxation that you will have gained by the valuation, and not lost."

Again, in the House of Commons on 13th December, 1911, Mr. Lloyd George referred to the Budget valuation, and said: "It will be of enormous value, not merely for the taxation we imposed under the Budget of 1909-10, but for the reconsideration of the problem of local as well as Imperial taxation."

Nominated by the Chancellor of the Exchequer, a Committee is now sitting to consider the relations between local and national taxation. It is most important that no tinkering with the problem should take place before that Committee has concluded its enquiry, and the results have been made public and fully considered. The Land Values Group of Members of Parliament have given evidence before the Committee, which has no doubt followed the lines of the Memorial signed by 173 Members of Parliament and presented to the Prime Minister and the Chancellor of the Exchequer, urging the hastening of valuation and the levy of a national tax on land values, the proceeds to be applied to the relief of rates in paying for part of the cost of such national services as Education, Poor Relief, Main Roads, and Police, and asking that Local Authorities should be empowered to levy rates on land values. The problem, in view of the intolerable burden of local taxation on the present system, requires immediate and drastic solution. The land values solution holds the field alone, so far as any definite and responsible public proposals are concerned, and it would appear to be the only solution consistent with the public pledges of the Government.

The programme of the Memorial (which includes also the substitution of Land Values Taxation for the present taxes on tea, cocoa, sugar, and other food) will be pressed forward vigorously in Parliament and on the platform. With the simplification of the Budget valuation and taxes, it might be put in operation at an early date. The other branch of the agitation—the demand of the local authorities for power to rate land values—is equally important. This agitation will be the foremost feature in the coming municipal elections, especially in London. The revived interest in the question shown by the Glasgow Town Council, the prime mover in the municipal agitation, is of good omen in this connection. A vigorous campaign is in progress in the agricultural districts, where the injustice and obstructive character of the present rates is being more widely and seriously felt, owing to the growth of the movement for small holdings which is arrested and penalised by the present system. Here, too, the national tax will play an important part in re-adjusting the burden and giving to the rural districts and the agricultural industry the real relief, of which the Agricultural Rates Act was a mockery. The taxation of land values is to be found the only just measure of what each individual and each locality should contribute to the public revenue.

The first proposal that the Budget taxes should be divided equally between the State and the local authorities has satisfied no one, and has no finality about it. The Enquiry which the Chancellor has promised into the Budget valuation and taxation should be taken in conjunction with the enquiry of the Committee now sitting on local and national finance, and action with regard to the relief of local taxation should only be taken on the combined result. The only solution which will be just and give permanent relief will be to make land values the basis of assessment for all services locally administered, and to defray part of the cost of such of those services as are predominantly national out of a levy on land values over the whole kingdom.