

**MR. LLOYD GEORGE (PRIME MINISTER)
AND A LABOUR PARTY DEPUTATION
ON LAND VALUES TAXATION**

A Deputation (we quote from the Labour Party Official Report) from the Labour Party Conference held at Manchester in January presented the resolutions carried at the Conference to the Prime Minister at his official residence, 10, Downing Street, on March 6th.

The following resolutions, as reported in our February issue, were included:—

That the whole system of land taxation should be revised so that effect should be given to the fact that the land of the nation, which has been defended by the lives and sufferings of its people, shall belong to the nation and be used for the nation's benefit.

That this Conference, recognising that the huge national expenditure, caused by the war, has to be met by increased taxation, declares that those who claim the ownership of the land of the country should be required to make a special contribution towards its defence. It therefore calls upon the Government to impose a direct tax on land values in the next Budget, and to enable this to be done, to use the powers conferred by the Defence of the Realm Act to compel all owners of land to furnish an immediate declaration of the present value, extent, and character of all land in their possession.

That this Conference affirms that such a tax, in addition to providing a large amount of revenue, would open up the land to the people, increase the production of home-grown food, and thus materially reduce the prevailing high cost of living, tend to raise wages, and lessen the evil of unemployment which threatens on the close of the war

Mr. Ramsay Macdonald, M.P., presented these resolutions when Mr. Lloyd George asked him what they meant?

Mr. Macdonald replied: Oh, that is land taxation.

Mr. Lloyd George: No; read it.

Mr. Ramsay Macdonald: "That the whole system of land taxation should be revised so that effect should be given to the fact that the land of the nation, which has been defended by the lives and sufferings of its people, shall belong to the nation and be used for the nation's benefit."

Mr. Lloyd George: That is not land taxation.

Mr. Ramsay Macdonald: Yes, that the whole system of taxation should be revised on that assumption.

Mr. Lloyd George: That really means expropriation. It is a method of acquiring the land of this country without paying for it.

Mr. Ramsay Macdonald: No. You do not acquire land by that method; you acquire rent.

Mr. Lloyd George: You acquire value.

Mr. Ramsay Macdonald: You acquire value—the annual value.

Mr. Lloyd George: I only want to know what it means. Does it mean a tax of twenty shillings in the pound?

Mr. Ramsay Macdonald: On its literal face value, yes. But I think we should be content if it were laid down in principle that we were entitled to twenty shillings in the pound, and that we should be willing to take ten. Paragraph III. is simply the assertion of a principle.

Mr. Lloyd George: In other words, that you should pay railway shareholders the market value, and that you should tax land to its full value. I do not think the Labour party took the precaution of having those two resolutions drafted by the same pen.

Mr. Ramsay Macdonald: I think, as a matter of fact, it was the same pen that drafted both.

Mr. Lloyd George: Was it really?

Mr. Ramsay Macdonald: But you remember in the old days before the war we always differentiated between land and capital—the sinking of tunnels, for instance, mines, and so on.

Mr. Lloyd George: Increment of land, I agree, but this is not taxation of increment of land. The increment which is due to any act of the community is a different thing, but this is a proposal that you should tax land to its full value. So that if a man invests in a railway he is to be paid, while if a man invests in land he is to be taxed out of existence.

Mr. Ramsay Macdonald: That was the old argument against your Budget.

Mr. Lloyd George: That was the equivalent of 1s. 1d. in the £1.

Mr. Ramsay Macdonald: Suppose I invested in rubber shares before they went up, knowing that they were going up?

Mr. Lloyd George: But that is increment.

Mr. Ramsay Macdonald: That was increment, and it was not touched. If I had invested in land, and I suffered increment, the system of taxation punished me. If I invested in rubber shares, and enjoyed increment, I was left alone.

Mr. Lloyd George: I think the State is entitled to pick and choose what it taxes; there is no doubt about that. But this is not a question of taxation. You can tax sugar and not tea, or you can tax tea and let coffee off. The State is entitled to tax anything it chooses to tax. But I can hardly think that that is fully intended.

Mr. Ramsay Macdonald: I do not think there is really so very much disagreement. The paragraph lays down a principle—that if you like on principle you can claim to tax to the full value, but, of course, when you apply a principle you apply it practically, you consider the social effects of the full application of your principle, and you apply your principle accordingly. However, that is the idea, take it for what it is worth.

Mr. Lloyd George: Yes.

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**MR. LLOYD GEORGE AT GLASGOW,
FEBRUARY 4th, 1914**

This new attitude of the Prime Minister on the question recalls some of his pre-war declarations. Speaking at Glasgow, February 4th, 1914 (we quote from the authorised edition of the speech), he said:—

In 1908 you wanted land, I am not sure it was not for waterworks, at any rate it was for some great public purpose in Glasgow, and you had to go to the Duke of Montrose. He asked £26,000 for it. Dukes are in the habit of asking more for their land than it is really worth. It is a bad habit they have fallen into, and I am sorry to say it is a habit we have encouraged. You must discourage that in future for their own sakes. He asked £26,000. He got £19,000. Well, now, what was he paying on that? I think he was rated at about 6d. per acre. I don't suppose he was paying for the whole of it, according to the best of my information, more than 9s. or 10s. a year to the Stirlingshire County Council. ("Shame.") That is, the people of Glasgow had to pay him 2,000 years' purchase on the basis of his contribution to the public funds.

You must make them fit in a little better. There is too wide a gap at the present moment. Here is a case, and it is a case that happens very often. The Cathcart School Board purchased rather less than an acre and a half as the site of a school near Cathcart Bridge.

THE BASIS OF LAND VALUES

The value assigned to it for rating was £3 10s. a year. It was on the basis of £3 10s. a year that the landlord contributed to the public rates. The School Board had to pay £3,270 17s. for that land that was rated at £3 10s.—