

THE I.L.P. LAND POLICY

The Taxation of Land Values has a prominent place in the Land Policy which has been endorsed by the National Council of the Independent Labour Party and will be submitted for approval at the Annual Conference of the I.L.P. at York on 20th April. This Land Policy aims at land nationalization and complete public ownership of all land and capital as well, and the Taxation of Land Values is, curiously enough, advocated as a first step in that direction. Be that as it may, the emphasis given to the valuation of Land to the Tax on Land Values and the Rating of Land Values shows the direction in which thought is travelling within the I.L.P. Socialist ranks and how far it is moving away from nationalization by purchase. The statement declares that it is the Socialist desire that "transference from private to public ownership should be effected with as little cost as possible to the community (save to provide for all cases of hardship); none the less it is recognized that it may be necessary to use the method of acquisition by purchase as a temporary expedient to accelerate the transfer pending the development of public opinion in favour of the Socialist ideal."

The document asserts that when funds are required for purchase they should be raised as far as possible from land revenue as follows:—

- (a) The taxation of land values.
- (b) The revenues received from lands already in State ownership, which will increase with the development of the land and the extension of State ownership.
- (c) The further use of the present facilities for paying death duties in land, and the provision of powers to compel landowners' heirs so to pay if the land is required by the community.
- (d) The imposition of an increment value tax and reversion duty.
- (e) The proceeds of Income-tax Schedule "A."

The legislation proposed in the way of "first steps" is—

1. To maintain and extend the powers of the Land Valuation Department, and secure that valuation should be kept up to date. There should be made obligatory the delivery of particulars of all transfers of real property. The valuation should show the site value as distinct from the value of buildings and other improvements on the land.
2. To impose a national flat rate land tax on the full site value of land.
3. For purposes of levying local rates land shall be assessed at the full capital value of all sites in the area on the basis of the national valuation.

Unfortunately there is a "nonsense paragraph" which proposes to exempt from the Land Value Tax land in cultivation which has no building value and land owned by persons whose income does not exceed £500. No reasons are given for such exemptions. They are as wrong in principle as they are impossible to work in practice. No one, having defined "site value" or "land value" can defend the attitude that private individuals should be allowed to appropriate it in some cases and be prevented from doing so in other cases. But the "nonsense" of the paragraph is revealed in what follows immediately, namely, that "for the purpose of levying local rates land shall be assessed at the full capital value of *all sites* in the area on the basis of the national valuation." The italics are ours. The local rates on land value are to be levied on all land, including agricultural land; there is no exemption for those who appropriate land value and have an income not exceeding £500. What are the moral or economic reasons for this distinction between national and local taxation? We hope the Conference will take up the National Council on the point.

A further point in the I.L.P. Land Policy that deserves notice is that "Land Value Taxation should be regarded

as a means of collecting the economic rent for the community." If that is true, the incongruous proposal of collecting economic rent to hand it over to landowners, by way of purchasing land, must be abandoned. If it is true, there can be no exemption of agricultural land from the land value tax and no exemption of persons with incomes not exceeding £500.

The defects in the I.L.P. policy are twofold. There is no recognition of the economic effects of taxing land values in bringing land into use, lowering rents and raising wages, results that would render public ownership and public management of land in private occupation as unnecessary as they are undesirable. Secondly, there is no suggestion that industry is to be relieved of its burdens by repealing existing taxation and by making the value of land apart from improvements the source of public revenues. If that aspect of the reform were understood, there could be no room either for the "nonsense paragraph" in favour of exemptions or for the still more extraordinary idea that the Taxation of Land Values is or can be a step towards the "nationalization of capital," since every increase in the tax on land value is *pro tanto* a reduction of taxation on real capital, making the latter more and more securely the property of the individual and opening the way to such a distribution of wealth that everyone would become a capitalist.

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ABRIDGED EDITION OF "PROGRESS AND POVERTY"

TAX FACTS (420, American Bank Building, Los Angeles, Cal.) for February, makes the following announcement:—

PROGRESS AND POVERTY by Henry George has been abridged from 568 pages to 214. What is more, the work has been so cleverly done by Anna George de Mille, Mr. George's daughter, and Louis F. Post, his closest friend and earnest disciple, that the abridgment lacks none of the charm, and slights none of the principles of the larger work.

This happy result has been accomplished by retaining the original diction, and omitting a part of the wealth of illustration for which Henry George was noted. The inquiry into the laws of wages, interest, and rent is carried to the ultimate; the problem is laid bare, and the remedy made clear.

The book is published by Harcourt, Brace & Co., New York, in neat cloth binding, and with large, clear type, at \$1.00.

The PEOPLE'S JOURNAL, 16th February, is responsible for the statement that "Crofters and landholders in Caithness and Sutherland are massing their forces for the opening of a new land campaign which will eclipse even the historic political war which culminated in the passing of the Smallholders Acts and the setting up of the Land Court.

"The various branches of the Smallholders' Unions in the Northern counties have now formed themselves into one large organization, which in future will be officially known as the Northern Land Union. Any landholder in the North of Scotland will be eligible for membership."

Meetings have been held in Caithness at John o'Groat's, Auckingill, and Freswick, where pledges were given by landholders not to purchase their holdings. The New Union was formed at a Conference held at Wick, representing over 1,600 organized landholders.

The usual lease of pitches on the beach at Brighton for the season brought over £1,000. A pitch for a fruit stall brought £78. Vendors of ice cream paid £50 each for barrow space. A photographer was held up for £50, and a couple of concertina men paid £1 each for their location.—*Daily Papers, 25th March.*