

## THE LAND VALUES GROUP AND THE REVENUE BILL.

(The following correspondence has passed through the columns of several of the most prominent newspapers throughout the country.)

### MR. PRICE'S EXPLANATION OF THE GROUP'S ACTION.

As I find so much misconception exists as to the action taken by the Land Values group on the Revenue Bill, I trust you will allow me, as chairman of the group, space in your columns to state the following facts. But may I at the outset state that the Land Values group is not a group of Single Taxers, but comprises a large number of Members of Parliament who believe in the rating and taxing of land values? It would be as erroneous to describe every organisation in existence for the promotion of temperance as prohibitionists as it is to describe the Land Values group as single taxers.

When the executive of the group examined the Revenue Bill they found it contained many clauses to which they took strong objection, but they agreed to allow the Bill to pass as a whole in view of the fact that it contained Clause 11, which gives power to valuers in valuing agricultural land to deduct certain improvements not now being deducted, provided they have been made during the last thirty years. That is, the Executive of the group was prepared to support the Government in giving to the Opposition all they desired. Accordingly, no opposition was offered by any member of the group to any clause in the Bill. Suddenly, after Clauses 1 to 7 had been passed, an intimation was made in the Times that Clause 11 was to be dropped, a clause to which the executive of the group attached the utmost importance. I need hardly say this announcement caused the greatest surprise and regret to all concerned, but so anxious was the executive to get the Bill through that it agreed to increase the time limit specified in Clause 11 from thirty to fifty years.

Unfortunately, Mr. Pretyman, as representing the Opposition, would not consent to any time limit whatsoever. One member of the House of Commons informed me that he or a friend (I forget which) owned a dam which had been made before and appeared in Domesday Book—that is, somewhere about 1087. I wonder when the valuation of agricultural land would be completed if every owner could bring historical evidence to show what improvements had been made on his estate since the Norman Conquest. The valuation on such a scale would have involved years of inquiry, expense and litigation. The whole proposal was absurd. Mr. Pretyman was not prepared to discuss the clause unless this extreme claim was met. It is therefore because he and his friends adhered to the deletion of the time limit in Clause 11 that every landowner, builder or owner of cottages and small house property will be deprived in the meantime of the benefits proposed in the Revenue Bill. Mr. Pretyman appears to be more anxious to involve the Government in inquiries extending back for centuries, which would make valuation impossible, than to secure for the small property holders whom he professes to defend the concessions provided in the Revenue Bill.

It is only through valuation of agricultural as well as urban land that any effective measure of rating reform can be obtained, and until this valuation is made it will be absolutely impossible to give much-needed relief to the local ratepayers of the country. It was on this account that the Land Values group attached the utmost importance to Clause 11 of the Revenue Bill, and saw no reason why it, with an increased time limit, should not have remained part of the Bill. In point of fact the Land Values group is the best possible friend of every ratepayer in the country, and its proposals would give vastly greater relief to the overburdened ratepayer than any concession in the increment duty.

CHARLES E. PRICE.

House of Commons, August 15th.

### MR. CHIOZZA MONEY'S CRITICISM.

SIR,—I see that Mr. Charles E. Price, M.P., has circulated to the Press a letter in which, on behalf of the Land Values Group, he repudiates responsibility for the loss of the Revenue Bill. As one who carefully watched the proceed-

ings, I am sorry to have to join issue with Mr. Price. The Land Values Group was entirely responsible for the loss of this Bill, which, it will be remembered, was in great part a measure of simple justice to working-men who have bought houses and to builders whose profits are menaced by the extraordinary judgment in the Lumsden case. Mr. Price is not justified in representing the Revenue Bill as a measure "giving to the Opposition all they desired." One of the most important parts of the Bill, the exemption of persons with less than £160 a year from all the land value duties, was made upon my representations, and I know that many Liberal members joined in the endeavour to secure common justice for the building trade. Mr. Price is not well advised therefore in treating Clause 11 as a sort of make-weight to Single Taxers for concessions made to Tories. Clause 11 was irrelevant to the rest of the Bill, and there was strong opposition to it on the part of the majority of the Liberal Party. What Clause 11 sought to do was to set up in practice the strange theory that thirty years ago the United Kingdom consisted of Henry George's "prairie," and it could not withstand the criticisms that were directed upon it from all quarters of the House.

Mr. Price states that the Land Values Group "is not a group of Single Taxers." Mr. Price will find on inquiry that the group is managed and inspired by men who are avowedly Single Taxers. It is perfectly true that a man may claim not to be necessarily a Single Taxer because he holds that the possession of land is a clue to a person who conspicuously benefits by local expenditure, and who therefore may be justly called upon to contribute on account of his possession. The Land Values Group, however, are advocating the exemption of capital from local taxation, and that is Single Tax or it is nothing. A Land Values man denying that he is a Single Taxer is exactly the same phenomenon as a Tariff Reformer denying that he is a Protectionist.

Let me show your readers in concrete what the thing means. In a certain town there are two or three big factories which carry on the chief industries of the town. The chief incomes in the town are drawn by the capitalists who carry on these industries. The Land Values Group are actually seeking to excuse these capitalists from all contribution towards local rates, except in respect of the tiny bits of land upon which they carry on their industries. That is to say, the richest people in the place, those best able to contribute to local taxation, would be almost entirely excused from taxation!—Yours, &c.,

L. G. CHIOZZA MONEY.

August 21st.

### MR. NEILSON ON "FREE TRADE PRINCIPLES."

SIR,—With regard to Mr. Chiozza Money's reply to Mr. Price, the latter is quite right; the Revenue Bill did give to the Opposition all they desired. That Mr. Money suggested "one of the most important parts of the Bill" does not alter the fact that the Opposition got all they desired. There was no difference at all between the Tory desires and opposition and Mr. Money's desires and opposition. He says Liberal Members and himself "joined in the endeavour to secure common justice to the building trade." Yet he and the Liberal opposition to Clause 11 are in favour of rating improvements. This Free Trader, who objects to taxes on corn and meat and manufactures, because prices will rise, has no objection to taxes on houses and shops and factories, though the chief municipal bodies of the country have asked for powers to rate land values. Mr. Money's Free Trade principles go only so far as free competition of commodities; his principles do not go so deep as to begin competition at the basis of all industry—land. Without Clause 11 or some means of finding the full site value of land used for agricultural purposes it is not possible to carry out Mr. Asquith's desire, so often repeated, to "free our municipalities from the trammels under which they at present act" (East Fife, October 14th, 1898), and legislate "for a proper system and method of valuation" (House of Commons, May 12th, 1908) and effect "a complete reconstruction of our valuation and rating systems" (Birmingham, June 19th, 1908).

For the principle laid down in Clause 11 the Land Values Group has never ceased to ask since I have been a member. Captain Pretyman has often in the House complained of the separate methods of valuing urban and rural land. The wishes of the Land Values Group were set down several

months ago in a memorandum presented to the Chancellor of the Exchequer, and afterwards published broadcast in the press. Indeed it may be said that most of the clauses of the Revenue Bill, save Clause 11, were irrelevant, for the first duty of the Government is to carry out its long-standing pledges with regard to valuation.

It is a great pity Mr. Money did not read Clause 11. If he had taken the trouble to look at it he would have seen at a glance that the one certain thing it set out not to do "was to set up in practice the strange theory that thirty years ago the United Kingdom consisted of Henry George's prairie." The substance of Clause 11 is as follows:—

The Commissioners shall in any valuation to be made under Section 26 of the principal Act which is commenced after the commencement of this Act, in the case of agricultural land, show separately the site value of the land calculated as if the words "other than agriculture" were omitted from paragraph (b) of Subsection (4) of Section 25 of the principal Act (which provides for deductions in respect of works executed or expenditure of a capital nature incurred). Provided that no deductions shall be allowed under this provision in respect of works executed or expenditure of a capital nature incurred more than thirty years before the 30th day of April, 1909.

This seeks to ascertain the assessable site value of land used for agricultural purposes, and to set a time-limit on improvements not wholly exhausted. It practically seeks to separate the values of land and improvements in rural areas as the principal Act does in urban areas. But does Mr. Money know what the Finance Act, 1910, land clauses set out to do? Evidently he does not, else he would not say Clause 11 sought to deal with the land of the United Kingdom. It deals only with a part of the land of the country.

I wonder what Mr. Asquith would think, if he read Mr. Money's letter, of the paragraph which deals with single taxers? Mr. Money says: "a land values man denying he is a single taxer is exactly the same phenomenon as a Tariff Reformer denying that he is a Protectionist." Both Mr. Asquith and Mr. Lloyd George have denied being Single Taxers. Are they land values men? Is Mr. Money in favour of levying any of the rates on the capital value of land? He says the landowner "may be justly called upon to contribute on account of his possession." Then how much of a land values man is Mr. Money? Does he wobble somewhere between a penny and a pound of contribution? Now I know the Land Values Group: I am a member of it, Mr. Money is not. And I feel it will be something quite new to many members of the group who are in favour of what 518 local authorities petitioned Government for in 1906 (powers for rating land values) to find they are, according to Mr. Money, Single Taxers. Mr. Asquith said to the Municipal and Rating Authorities Deputation on the Taxation of Land Values, on February 26th, 1906:—

I have always regarded this movement, properly understood, as in the strictest sense not a derogation from, but an assertion of, the rights of property. What are the two principles upon which, so far as I understand it, it is founded? They are very simple. They seem to me to correspond both with common sense and with natural equity. The first is, that those who benefit by public improvements, should contribute their fair share to the cost. And the next is, I think, that it is right and just that the community should reap the benefit of increased values which are due to its own expenditure and its own growth.

To this statement every member of the Land Values Group will, I feel sure, heartily subscribe. Are they therefore Single Taxers? Mr. Asquith has said he is not a Single Taxer. Anyway, Mr. Money is absolutely wrong. One who is in favour of exempting improvements is not necessarily a Single Taxer. Mr. Ure is in favour of rating on land values and exempting improvements, but he is no Single Taxer. Mr. Money evidently knows as much about Single Tax as he knows about Clause 11.

As to his last paragraph, in which he says "The Land Values Group are actually seeking to excuse these capitalists from all contribution towards local rates, except in respect of the tiny bits of land upon which they carry on their industries." That is to say, the richest people in the place, those best able to contribute to local taxation, would be almost

entirely excused from taxation!" This is set out in Mr. Money's usual way. It purports to deal with local rates, but the "richest people" and the "best able" "would be almost entirely excused from taxation." The dominant word is "capitalists." No one but "capitalists"—Mr. Money's "capitalists"—is to benefit. This is sheer misrepresentation. It beats anything any statistical Tariff Reformer was ever guilty of in the way of keeping truth in the background.—Yours, &c.

FRANCIS NEILSON.

House of Commons, S.W., August 28th.

#### SIR FREDERICK CAWLEY JOINS IN.\*

SIR,—As I took strong exception in the House of Commons to the course taken by some members of the Land Values Group, I should like a word on the subject. The Revenue Bill was introduced primarily to remedy an injustice to the building and other trades brought about by an unforeseen interpretation of the Finance Act of 1909. Had the Bill been confined to redressing this injustice it would have been non-contentious, and would have passed into law. At the instigation of the Land Values Group, however, there was introduced a valuation clause (Clause 11) to which the vast majority of the members of the House of Commons was opposed. This clause was in no way relevant to the rest of the Bill, and Mr. Lloyd George was quite prepared to drop it. He was plainly told, however, by this small minority that, should he take this action, every Parliamentary means would be adopted in order to wreck the Bill.

As everyone knows, a valuation of all the land of the country, both urban and rural, which will cost millions of money, has been proceeding for several years, and is now near completion. If Clause 11 had become law, a new scheme of valuation would have been set up, costing more millions, necessitating the most minute inquiries, and taking years to complete. The House of Commons was asked to insert this clause into an agreed Bill, without discussion and indeed almost without explanation, at the fag-end of the session, when half the members had gone away. The Prime Minister had already made it plain that if there was any serious opposition the Bill would have to be dropped. Thus, owing to the action of the Land Values Group thousands of people are deprived of the relief from an injustice which the Bill would have afforded.

Whether the Land Values Group are, as I had always supposed, Single Taxers, or not, I cannot say. What I thought they wanted, and what their literature says they want, is a valuation of all land excluding any additional value given to it by private industry and enterprise—that is to say, upon the land regarded as so much earth space. This valuation is thought to be necessary to get a more correct system of rating and so that a national tax can be imposed on the unimproved value of all land. This is quite an intelligible proposition. The valuation now in progress fixes the present value of the land and so gives a datum line from which to mark any increase of value; it also gives the true value of land that may be required for public purposes.

The valuation proposed in Clause 11 would give neither the present value nor the unimproved value, and it is difficult to see what object the Land Values Group had in pressing the clause except that of raising large sums of money from the very improvements they express a desire to untax.—Yours, &c.

FREDK. CAWLEY.

Brooklands, Prestwich.

#### AND Mr. P. WILSON RAFFAN PROVIDES A REJOINDER.

SIR,—Sir Frederick Cawley's story of the loss of the Revenue Bill, as told in your columns on Wednesday last, is a gem of vivid and picturesque narrative. It suffers, however, from one somewhat serious defect as a contribution to current political history. It bears no relation whatever to the facts of the case.

The Revenue Bill was not a simple one-clause measure designed to relieve builders from the fear that their "fortuitous windfalls" would be subject to increment duty.

\*So far as we are aware, Sir Frederick Cawley's letter, and Mr. Raffan's reply thereto, appeared only in the MANCHESTER GUARDIAN; the former on August 27th and the latter on September 2nd.