

## A CRUEL WRONG.

The Iniquitous Land System which holds England in its Grip.

### ROOT OF SOCIAL EVILS.

Crying Need for Solution of Problem of Rural Life.

By T. P. O'CONNOR, M.P.

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I have received the following letter in reference to my article last week on the land question in the towns. I suppress the name and address as the writer may not wish them to be published, and I have not time to communicate with him:—

Dear Sir,—I am a Tory shopkeeper, but I entirely agree with your article, "The Land Question," in to-day's REYNOLDS'S, and I am certain every shopkeeper who is not his own landlord will support it. All we want is to be allowed to continue our business at a fair rent. In this matter you would have the support of all the trade papers, such as the DRAPERS' RECORD, &c.

This is only one of the many signs of the times. I can give another which is much more significant. At the time when the Tory orators and the Tory Press of the Kingdom were thundering against Mr. Lloyd George's speech at Limehouse, the undaunted orator was secretly laughing in his sleeve, for every post brought him at the same time letters of warm commendation from just the same class as my correspondent—that is to say, from Tory shopkeepers. Like my correspondent, they only wanted justice; they did not desire confiscation; they only asked to be saved from confiscation. The scandals, the gigantic injustice, the atrophy of so much trade development in our great cities—and more in London than anywhere else—have at last reached the point of breaking. The whole fabric of spoliation and wrong still, apparently, stands erect and unassailable; but it is tottering all the same to its fall. I have seen so many such fabrics go down in my own time that I am never worried by their apparent strength once public opinion has condemned them. They are just like one of the cliffs outside some of our sea-coast towns that has stood ever since the beginning of the re-shaping of the world from the glaciers, and has braved thousands if not millions of aeons, and then, one fine morning, slips quietly into the sea and is never seen again.

We ought, as Democrats, to go in for this reform of the land question in the towns because it is just; but if I am to discuss the question from the standpoint of électioneering, I cannot see any plank in the Democratic platform which would bring us so much political advantage. I believe we could almost win London on that plank alone. Nobody, I am sure, has any idea of the tremendous reservoir of a sense of cruel wrong which lies beneath the smooth surface of London Toryism on this question. These movements of revolt often take a long time to be realised, or even to realise themselves. They go on working their way underground, unknown and invisible, until some fine day the crust breaks and they burst into the lava-tide of revolution. Does anybody suppose that when the Bastille fell before the people of Paris on July 14th, 1789, that this was the beginning of the revolt? Not a bit of it. From the fields where men and women, with skeleton limbs and pallid and hungry faces, looked out on the cruel world of debauchee kings and oppressive nobles for generations and for centuries, from there came the final impulse, and the taking of the Bastille was no more the beginning and origin of the Revolution than the crowing of the cock is the cause of the sun's rising.

#### Standard-bearer of Party of Progress.

So it is with the land question in London. Do you suppose that these hard-working, enterprising, gifted, business men, who have built up the great shops of London, have not, for generations, resented the cruel exactions to which they had to submit? There is a draper in Oxford Street—a personal friend of many of us—called John Lewis. He went to gaol as a protest against the iniquities

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of the system. If there had been a score of John Lewises among the shopkeepers of London who also were ready to go to gaol, the land system of London would have gone down long ago. But make no mistake about it; this sense of wrong is not confined to Liberals in London; it is felt as strongly by men who are ordinarily Tories—as many shopkeepers, I regret to say, still are. But once let the battle-cry against the iniquitous land system of London be raised, and I have no doubt that it will rally to it such a huge majority of London voters as will make London, what for so many generations it was, the standard-bearer of the party of Progress, instead of the last refuge, with the dying villages of the south, of that feudal system which has held England in its death-grip for so many centuries.

I have said enough in this series about the land question in London (not that I have exhausted the subject), but my present purpose is to give a general outline of the whole land campaign in which the Liberal party is about to engage, and therefore I go on to the land question in the rural districts. I was forcibly reminded of the evils of the present system—as I have been so often before—by that little journey from Dover to London on a September afternoon which we have to take after a vacation on the Continent. My first reflection always is that whatever beauty there be in other lands, there is no beauty that can approach that of the English landscape. Mile after mile you pass through a succession of scenes that might well make you believe that England was all one vast garden. The deep green of the fields, the century-old trees, the lovely hedge-rows; and then, in contrast with all this green, the red tiles of the houses—what a scene of ideal beauty it all is! It produces the same impression on the mind as an English rose in its moment of perfect bloom. But then you think, if you have the true reforming and humanitarian spirit in you, that, like the rose, often there is a worm that acts like a canker into it all. Those long stretches of intoxicating beauty are unbroken for the most part by the human face and by the human habitation. The flocks look lovely in the sunset; but what looks so lovely on any land as the human face?

#### Rural England.

And I am sure that if one in passing could see the habitations of the people in those rural scenes, one would find how deep the canker has entered into the soul of rural England. In Kent, as in other counties of England, I believe the housing of the agricultural labourer is a disgrace to the civilisation of any land, and especially to a land which stands at the head of the wealth of the world. It is difficult for any Democrat to speak with restraint on this question of the housing of the people in the villages of England. I have heard county members of Radical convictions declare, over and over again, that, bad as are the slums of London or any other great city in the kingdom, they are no worse than the slums of the village in many parts of the country. Of course, the villager has the advantage over the denizen of the town in the fact that the possession of the fresh air of the country has not passed into the hand of the landlords, but even with this advantage of country air the rural labourer cannot be healthy if he lives in cottages where human beings have to live in insufficient accommodation; where there is overcrowding and all its hideous and inevitably attendant evils.

There is another side to this housing problem. Often the labourer finds it difficult to get a job because he cannot get the bit of land which is near enough to his work to enable him to get there in time in the early morning. Sometimes even the possession of a fairly comfortable house is accompanied by conditions that make the labourer a serf. He is, like the old Irish tenant, tied by his very existence to the home of himself and his family, and he is powerless to combine for his own protection and for the betterment of his wage and his other conditions of employment because he is held in pawn by this humble home, which can be taken from him even if he dare to display a spirit of independence.

The fruits of this evil system are now at once so gigantic and so glaring that the facts are admitted by men of nearly all parties. The depopulation of our villages is one of the phenomena of our times which have carried alarm into every political camp. It is, of course, a phenomenon not confined to England. Many causes, doubtless, contribute to produce it; greater education, greater facilities for

travel, the growth of industrial centres, the love of the brighter, more amusing, more gregarious life of the towns; all these things have had their share in producing this depopulation. But these are contributory causes; the supreme cause is the land system.

Go wherever you will in England, you are confronted with this antiquated and iniquitous land system as the root of most of the social evils. Take overcrowding in the village and all its insanitary conditions; can anybody say that these evils come from want of land? Why, the land is lying all around. Not more than a mile from the overcrowded village there are hundreds of acres in the demesne of the local squire, useless to him except as a pleasure, useless even more to the community from whose sustenance it is withheld. In short, the problem of rural life in England is this simple contra-distinction—land hunger on the one side, and hundreds of thousands of acres of unoccupied land on the other. We have to face and to solve that problem. We have to do so in the interest of the ill-paid and ill-housed labourer. We have to face it in the interest of the food and the wealth of the nation, and when the statesman who brings forward a practical scheme for solving that problem comes forward there is no danger of its not receiving the acceptance and approval of the people. I think it much more likely that there will arise a storm of indignation which will sweep away the feudal class from their last citadel, and that there will be an irresistible demand for giving back the people of England their share of the heritage of the land in which they are born.

## RATING LAND VALUES

### V.

## MUNICIPAL INCOME TAX.

By A. H. WELLER.

The agitation for a municipal income tax, like the demand for the rating of land values, is an expression of the almost universal dissatisfaction with the present rating system and an acknowledgment, somewhat tardy perhaps, that something more than municipal economy is required to meet the increasing demands being made upon the already over-burdened ratepayers. The problem is how to lighten the burden of the rates without reducing the supply or the efficiency of the public services that are wholly or partly financed by local taxation. The price of municipal efficiency must be paid and the most rigid economy cannot prevent the need for a steadily growing expenditure, and so we now find a general demand for a new source of local revenue that will distribute the burden more equitably and relieve industry from the penalties and restrictions that are imposed upon it by the present system. The evils of that system are so widely recognised that nothing more than a brief survey of its incidence and effects is necessary for our present purpose.

Rates are now levied on the basis of the rental value of land and improvements together, or, in other words, on land according to the use to which it is put. On land that is well used in town or country heavy rates have to be paid on the total annual or rental value of land and improvements; on land of equal value put to inferior uses the burden is much lighter, rental value again being the standard for assessment; while on land that is held out of use, however valuable it may be, no rates are charged. Such a system has the effect of discouraging industry and encouraging the withholding of land from use. Builders, miners, and agriculturists know that when they use land for their several industries they will incur the penalty of local taxes on the value of all the improvements they make—houses, shops, factories, farm buildings, fixed machinery, &c.—and that the more labour and capital they expend in these directions the greater will be the amount of the annual fine they will have to pay. If existing property is improved—a new front put in an old shop, a factory enlarged or new machinery installed in place of old—the enterprising people who thereby employ labour and stimulate trade are rewarded by having their assessments increased. It is not surprising to find business men complaining about such unjust exactions, and what is worse, that much less labour and capital are expended on such improvements than would otherwise be the case.

The following typical examples show how our rating system encourages the withholding of land from its most suitable uses and punishes those who put land to good use:—A few years ago the Platt Hall Estate was purchased by the Manchester Corporation for £60,000. If that sum represented the real value of the estate its annual value was £2,400, and deducting one-sixth for rating assessment we get what should have been an actual rateable value of £2,000. But instead of paying rates on that amount the owner had been assessed on only £318 15s., and on a basis of 6s. 8d. in the pound that meant a loss to the community of £560 per annum. The Cambridgeshire Council acquired a farm of 660 acres and leased it to 27 small holders. The assessment for rates was at once increased from £150 to £580. A landowner turned cultivated land that had been let at 30s. an acre into fox coverts, and the assessment was reduced to 5s. an acre.

There are two proposals before the public for a new rating system—the rating of land values and the rating of incomes—which, though opposed in principle appear to be prompted by a common desire to un-rate buildings and other improvements and to broaden the basis of assessment for local taxation. The advocates of both systems agree that the present method of levying rates upon land and improvements presses with undue severity upon those least able to bear the burden while allowing others to escape who ought to share that burden. But there the similarity ends, as we shall see by an examination of both proposals.

The local income tax is based upon what is called the true canon of taxation—payment according to ability. But such a theory of taxation is neither sound in principle nor could its practical application achieve the object of its supporters. Payment according to ability is the highway-man's method of collecting toll, and there can be no more justification for a municipality employing that method upon the community than for Dick Turpin upon his victims. If payment according to ability were a sound canon of taxation, it would be an equally good standard for fixing charges in other departments of municipal activity, and well-to-do citizens be made to pay double fares on municipal trams and higher rates for municipal gas. But this "sound canon" will not bear very close examination, and it is coming to be recognised that the honest business principle of PAYMENT ACCORDING TO GOODS OR SERVICES RECEIVED should be employed in collecting taxes as it is in every department of trade and commerce. But apart from those important considerations ability to pay cannot be measured by income, and neither would it be possible to localise incomes or to prevent many wealthy people evading their responsibilities under a local income tax. The Royal Commission on Local Taxation, 1901, in the final report which was signed by 12 of the 15 Commissioners, said of a local income tax:—

"An income tax imposed and levied by Local Authorities within their own districts, tends more and more to be incompatible with modern social and political arrangements. The very conception is indeed obscure, for to what locality does an income belong? To the place or places from which it is derived? Or to the place or places where it is enjoyed, *i.e.*, where the recipient more or less permanently resides? In the first place it is probably becoming less and less common to find persons in receipt of large incomes who have a single fixed place of residence, and the problem at once arises as to the allocation of the taxable income among the two or more districts in which the recipient from time to time resides. . . . But even if these difficulties were surmounted, they are small compared with those involved in the question whether the income should be taxed at its source or its destination. . . . The technical objections alone would, in fact, be fatal to such a scheme, for it would dislocate our income tax system, and multiply indefinitely the fraud which that system has slowly reduced to a minimum. But apart from this practical difficulty, would a local income tax on such lines really satisfy anyone? Circumstances not unnaturally often lead wealthy people to congregate in districts far from those in which the sources of their wealth lie. In such districts the present system of local taxation is not oppressive and relief is little needed. But many purely agricultural and industrial districts number very few wealthy residents, and a tax on the incomes of the inhabitants would be more burdensome and less productive than the present rates. . . ."